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international cases in tourism management

Susan Horner and John Swarbrooke

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Preface

This book is the result of the pleas of two groups of people, heard over many years by the authors. Firstly, there are the tutors and faculty members in universities and colleges who complain about the lack of case studies to help them teach their students about key issues in tourism through real world examples. Then there are the students who seem to find it easier to learn principles and ideas through case studies than through lectures and general reading. Students frequently say they have difficulty in finding case studies concerning many of the main issues in tourism today.

The aim of the book is to make life easier and more satisfying for both groups who share a mutual interest in learning about key issues in international tourism management.

In writing this book, we set ourselves simple but very ambitious objectives. We wanted to:

- offer stimulating case studies about some of the most important challenges facing tourism today;
- provide students with up-to-date information on tourism in different parts of the world;
- not just focus on case studies of tourism organizations that one would find in a classic business case book, but also to look at destinations and particular themes and issues;
- offer questions and exercises with each case study that would stimulate debate, between colleagues over coffee or students in seminars;
- focus on the factors that will shape the future of tourism not just talking about the past and present world of tourism;
- tackle some very sensitive and controversial issues in tourism, such as sex tourism;
- provide enough detail in the cases to prevent accusations of superficiality and tokenism;
- to take a truly international perspective on the issues facing tourism.

The book has two major parts, as follows:

- Three chapters, which provide the context for the case studies. Chapter 1 talks about the role of case studies in teaching and how to make the best use of them. Chapter 2 offers some ideas from the authors about what they consider to be the key issues in international tourism management today. Chapter 3 introduces each case study specifically and tells the reader which issues are covered in each case study.
- Thirty-eight case studies, which feature organizations, destinations, sectors of tourism, visitor attractions, and thematic issues.

Each case study has two features designed to help the reader gain the full benefit from reading them, namely:

- a ‘key issues’ section in which the authors highlight what they consider to be the most important lessons arising from the case study;
- discussion points and exercises to stimulate further discussion and follow-up activities.

In writing this book the authors found out why there are very few books of tourism case studies around. Collecting data was difficult and we had to abandon some planned cases because it was impossible to obtain reliable and up-to-date information. Nevertheless, we hope the reader will agree that most current issues in tourism management are covered in this collection of case studies.

The authors would like to thank all their students at Sheffield Hallam University past and present, for their enthusiasm and good company. John would also like to thank his students at IMHI (Essec/Cornell University), Cergy-Pontoise, France and IMI/ITIS Luzern, Switzerland, for keeping him on his toes and teaching him the value of case studies in student learning.

However, we are both sorry that our current students, who are studying tourism, are thinking about entering the tourism industry, at such a sad time in the world. At the time of writing, bombs are falling on Baghdad and the memories of the terrorist attacks in the USA, Bali, and Kenya are still in everyone's mind. Let us hope that the future world in which they will be living and working will be a happier place than it is today.

As ever, we would like to thank Judy Mitchell for her patience and skill in typing the manuscripts for this book.

Finally, we dedicate this book to our son John. When we wrote our first book together he was a toddler; now he is a young man, and a pleasure to be with. If only he would not ask for help with his homework, thus exposing our ignorance on many subjects. Thanks John for all the joy you have brought us, and good luck for your future.

We hope you enjoy reading this book and find it useful. If so, the time spent writing it will have been worthwhile.

Spring 2003

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Fifthly, we would like to thank the airlines and hotels, which have provided us with much of the time and space needed to write this book.

Finally, we must thank all our students over the years, from all over the world, who have helped us appreciate the value of case studies.

To all of these people we say 'thank you'.

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Part 1

Introduction

In this part of the book, we offer three chapters that set the context for the book, as follows:

- Chapter 1 discusses the role of case studies in teaching and learning, and how best to make the most effective use of them. While mainly aimed at tutors, this chapter should also help students make use of the case studies.
- Chapter 2 features a brief discussion on some of the issues facing tourism organizations, destinations, and sectors today, given that the case studies have been selected to raise student awareness of some of these issues.
- Chapter 3 introduces the reader to the actual case studies – nearly 40 of them – which are the core of this book. In this chapter, we also identify which issues are covered in each case study as well as the links between the case studies.

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1

The Role of Case Studies in Learning

We have endeavoured to provide you with a wide range of case studies in this book. By writing this book, we are obviously suggesting that the use of case studies is a valuable experience for students. This view really comes from our experiences of working with students in the classroom.

The purposes of this section of the book are to discuss the advantages of case studies and the methods that can be used in a teaching situation to help use case studies in an effective way. Case study teaching can include a range of different approaches ranging from the use as a simple illustration to complex scenario planning and decision-making by the student. We will be discussing this range of approaches in this section. The use of case studies also requires special teaching skills and preparation which we will also discuss in this section of the book.

What is a case study?

A case study is a description of actual situations in an organization, destination, or sector, that allows the teacher to develop discussions among the students and with the teacher as a facilitator. The case study is usually presented in a written form, and students are usually required to read the case study before the teaching session. The case study is written at a particular point of time and usually introduces particular issues facing an organization.

A second type of case study introduces a series of critical issues facing a particular sector. The underlying reason for using a case study is to allow the teacher to narrow the gap between theory and practice, and to allow the students to experience real-life situations.

The value of using case studies

We have found in our teaching careers that students learn a great deal from the use of case studies within the teaching and learning strategy. Why is this? There are a number of reasons why the uses of case studies are valuable and these can be summarized as follows:

- Case studies allow students to see real-life examples of issues in a classroom situation. In other words, the use of a case study allows the student to see how organizations operate and avoids the need for them to have to visit or work in an organization which is often impossible or time consuming.
- Case studies allow students to gain an appreciation of issues in other countries and regions of the world without the need to travel to these places. This is important in a truly internationalized industry such as tourism.
- Case studies allow the teacher to adopt a variety of methods in teaching and learning. What is clear though, is the fact that the use of a case study allows the teacher to actively involve the students in the learning process. Rather than being a didactic process, teaching becomes a two-way process and students are actively involved in the learning process.

- Case studies allow the students to see that there are a variety of ways of approaching particular organizational problems and issues, and that there are no right or wrong answers. This allows the students to understand the complexities of organizational life and tourism issues, and realize that there are no quick solutions or easy answers.
- Case studies allow the students to appreciate different roles in organizations and different perspectives on issues. In the extreme, the use of role play allows the students to actually feel what it is like to work in a particular job within an organization, or appreciate the different roles which different actors play in tourism issues. They can be asked to act in a much more senior role than they could expect to be given in a work experience or their first job after college or university. This can allow them to appreciate strategic rather than simply tactical issues that they tend to see in the practical work place.
- Case studies allow the teacher to develop high levels of involvement, reasoning, and group participation by the student group. It allows the teacher to ask 'what would you do if you were faced with this particular set of circumstances and why?' Learning becomes an active, rather than a passive experience, and students may also be encouraged to develop their own theories on the basis of the case study work. We will come back to this when we discuss the teaching strategies that can be adopted later in this section.
- Case studies allow the teacher to focus on the student's level of understanding. The more able students who have a deeper understanding and breadth of knowledge are able to stretch themselves further, particularly if they are placed in a group of like-minded individuals. The less able students are able to work at their own pace and come to a series of conclusions which again stretches their understanding of the topic. The whole process if it is well managed allows the student to deal with realities and helps them to develop their own views in a group situation.
- Case studies allow the teacher to develop the emotional and intellectual skills of their students. Students are required to evaluate different scenarios, make decisions about the right direction, and often convince others of their own plans. They also often have to think how they would implement the decisions they have made. This provides the teacher with a powerful way of developing knowledge and personal skills, and qualities within their student group.
- Case studies can be used very effectively in an open book examination situation, where students receive the case study in advance, and then are asked to prepare themselves for an unseen open book examination. This turns an examination into a thinking experience, rather than a memory test. Students are asked to work with the materials and develop ideas during the examination process.
- Case studies can be written by the students themselves during the delivery of a particular course. These case studies can then be put to further use, say to write an article, or to be used for examination purposes. Students obviously have to be given instruction on case study writing if this type of teaching strategy is to be adopted.

Disadvantages of using case studies

Obviously, we do not consider that there are many disadvantages of the case study method given the nature of this book. It is important, however for us to be critical to allow you to think about the possible pitfalls of using case studies in the class situation. Some of the disadvantages of using case studies were outlined by Clawson (1995) as follows:

- Case study teaching is highly teacher dependent and requires a high level of commitment. Some teachers are able to present a case study in an interesting and sometimes provocative way, but others may present it in a boring and superficial way according to their particular skills and abilities. In other words, a case study should not be used unless the teacher has the ability to deliver it.

- Case study method encourages the students to ask questions to the teacher, who is required to engage in the discussion and develop ideas. For some teachers this can be exciting and challenging, but for others perhaps with less experience this can be threatening. Certainly, case study method requires a great deal of preparation by the teacher before the actual teaching session.
- Case study method may be unnerving for the teacher because she or he may feel that the necessary course material has not been covered because of the way in which the discussion and debates have proceeded during the session. Our way around this particular issue is to combine the use of case studies with other forms of instruction – for example a traditional lecture to deliver the theory followed by a case study tutorial session to explore the issues.
- Case study method requires the students to become actively involved in the learning process and generate their own ideas and solutions. Not all students will do the necessary preparation that is required to produce the correct results, and not all students will be willing to engage in discussions, present findings, and challenge the teacher who is considered 'the expert'. We have experienced these difficulties, and it is often necessary to build the activities into the assessment strategy and nurture students who have reservations about the process. In our experience, students who do have reservations leave the course feeling much more confident about their own knowledge and abilities, and pleased that they have experienced the teaching method.
- Case studies are always written as a particular moment in time, and therefore date quickly. It is important for the teacher to always be looking for new cases to use in class so that this problem is avoided. Hopefully this book helps in this respect.

Different uses of case studies

Case studies can be used in a variety of ways according to the knowledge and level of the student group. The way in which we use case studies in our teaching can be summarized as follows:

- The case study is used simply as an illustration of a particular issue. This will usually be a short case study which simply illustrates the points that are being made. This can be either in a traditional lecture or tutorial, where the case study is presented in written or sometimes video or Internet form. This can simply be presented and discussed by the teacher, or there can be a limited level of discussion developed according to the group size. Students can also be asked to complete some form of activity after the presentation of the case.
- The case study is used in a tutorial situation alongside a lecture programme or series of reading of a theoretical nature. The idea here is that theories and concepts are presented in the lecture or readings, and then these issues are developed further in the case study exercises during the tutorial work. This works particularly well at undergraduate level, in our experience, because the students are able to link the theory well with the practical case study experience. It also works well when the students are studying on a distance learning programme, and then they come together at a study school to develop their ideas in a class situation. The use of the case study interaction has the added benefit of them getting to know one another in short space of time which brings excellent long-term benefits. We have seen students getting to know each other very well and leaving the study school after exchanging e-mail addresses as a result of a close encounter using case study materials.
- The case study is used on its own in a small group situation and theories are not presented before the session. Students are required to work through the case study exercise in groups, present their ideas, and generate their own theories on the basis of the exercise. This works particularly well, in our experience, when the students are given particular roles in the case study exercise – for example one acts as the marketing director, one acts as the human resource director, etc. This of course requires a particular type of case study that has roles that are already specified, or requires the teacher to create those roles as an additional piece of information

given at the beginning of the session. This type of approach works particularly well with final year undergraduate students, and postgraduate students who have the intellectual capability to reflect on theories that they have learned before the case study event – perhaps earlier in their undergraduate course, or at undergraduate level in the case of postgraduate students. It is always valuable, in our experience to give the students your views about the relevant theories in relation to the case at the end of the session.

- Case studies are used as a vehicle for an open book examination. In our experience the students can either be required to write their own case study before the examination, or they can all be given a case study before the examination. The advantages of them producing their own case study are the research skills that are necessary to underpin this. The disadvantage is that they may not have either the research skills or the time to do this, according to the length of the course. They are then required to work on the case study for a particular length of time. The examination can either be open or closed book. In our experience, better answers are produced when the examination is open book, and the students are allowed to take in notes and books to the examination. This allows the students to develop ideas in an examination setting, and think creatively about questions posed rather than just memorizing facts.

It is important that the teachers prepare themselves well for the case study method. We would now like to go on and discuss the preparation that is required for each type of approach of the case study method.

Preparation for case study teaching

The case study method requires a series of distinct steps which the teacher must go through to be effective. These have been identified by Boehrer (1995) as:

1. Framing the task
2. Focusing the enquiry
3. Stimulating the interaction
4. Probing direction
5. Setting direction
6. Registering process
7. Bringing closure.

Let us imagine that we are planning to run a case study exercise in a class to support a series of lectures that have covered the theoretical concepts. The case study we have chosen is about a *package holiday company* which is trying *to expand internationally* and includes details of *key personnel* in the organization and *key environmental factors* that are affecting the business. How would you prepare for this type of case study experience and how would you conduct yourself as the exercise progressed? Let us consider this in the steps that we have already identified above.

1. Framing the task

An ideal case study is a narrative or plot that provides a story about a situation requiring the students to think about particular issues and wrestle with possible outcomes (Towl, 1969). It is important for the teacher to provide the students with the case study before the actual session, and get them to read the case study a number of times, highlighting what they think are the key issues. It is also very important for the teacher to have a thorough understanding of the material in the case, and to have a well developed plan of how the session or sessions will be delivered and developed. It is often much better in our experience to have the case study exercise spread across a number of occasions with a time lapse between. This will allow the students to reflect on their experience and even meet up with one another between sessions if this is required.

A very important part of the teaching approach is the first stage when the teacher frames the task. In our experience, it is better to set a specific task or tasks in writing at the beginning of the session to focus the student activity. In our particular example this would be better in a series of stages:

- *Allocation of students to groups*: This could be up to the students or the teacher to decide that it is better for her or him to choose the groups for the exercise on a random basis, or because of prior knowledge about particular abilities in the student group. All of these strategies have particular advantages and disadvantages, and the teacher should think about their particular objectives. If it is important to make the students feel comfortable, then it is perhaps better to let them work with friends for example. If the teacher wants the students to reflect on the experience of working in a team with people they do not know, it would be better for them to allocate students to different groups.
- *Handing out of the task or tasks required of the group to the student group*: In our experience, it is better if a written briefing sheet is handed out at the beginning of the session. This will outline the stages that you want the students to go through and the assessment requirements if appropriate. An example of this in relation to our case study above could be as follows:
  - *Stage 1*: You are allocated roles in your group as follows – Marketing Director Susan, etc.
  - *Stage 2*: Your task is to evaluate the opportunities open to the organization in the future, and to decide on what direction the organization should go. You should frame this in a draft marketing plan which you are required to present in the final week's session. This will form 50 per cent of the assessment marks.
  - *Stage 3*: You should write a personal evaluation of your views and thoughts about the case study experience. This will form 50 per cent of the assessment marks.

The teacher should then ask for any questions about the case study exercise and answer any questions before starting the exercise.

2. Focusing the enquiry

The next stage will be for the teacher to explain what she or he expects from the case study exercise and explore the various stages that the students are expected to reach. In our experience it is then best to have a general open discussion about what the groups will have to do to achieve their objectives. This could be by getting them to discuss the objectives as a group and feeding back their ideas on this and the teacher responding.

Alternatively, it could be handled as an open class discussion where students are required to express their views more generally. At the end of this session the students should have a clear view as to the teacher's expectations, and have formed a plan to meet the teacher's objectives.

3. Stimulating the interaction

The use of roles or the formation of groups that have been discussed above is a useful way to stimulate discussion. The teacher can present the theory first in order to get the students to think about the issues raised in the theory which relate to the case study. In this case the theory will be used to help the students to question the operation of the organization in the case in relation to the theory (Velenchik, 1995). This is particularly appropriate for undergraduate students at the early stages of their course in our experience. The teacher can leave the students to try and relate the case study to the theory themselves, and perhaps come up with their own theories. In our experience, this is more appropriate at postgraduate level.

The key issue at this stage is to get the groups working, and handle any problems that the group encounters. In our experience this can range from simple clarification of the material in the case to serious outbreaks of verbal or physical abuse caused by disagreements or personality clashes! The teacher has to be prepared for every eventuality.

4. Probing direction

It is important for the teacher to probe direction as the case study exercise proceeds. This may be in the form of simply talking to the groups as the exercise proceeds, or it may be in the form of small presentations or written reports at different stages of the exercise to assess progress.

5. Setting direction

The results of these probing may mean that the teacher has to direct the group in a certain way. In our experience, a good way of doing this is for the teacher to act in some role – it could be the chief executive, in our example who has asked the marketing team to come up with their plans. This adoption of a role does mean that the teacher has the legitimacy to be critical and questioning about the groups' ideas. Alternatively the teacher could just set particular milestones and respond to the outcomes of these milestones. It is important, however, that the teacher helps the group to develop by providing formative feedback as the exercise progresses.

6. Registering process

The teacher should register the process that the group is going through and provide the necessary feedback on the exercise. This could be in the form of formative feedback that we have discussed above, or it could be in the form of marks given in a summative feedback situation. It is important that the teacher asks questions at the relevant times, and responds positively to questions that the groups or individuals ask. In our experience, the opportunity for group or individual meetings outside the class session often helps in this respect. Alternatively, electronic notice boards can also be a useful device for individual or group discussions. It is important that throughout the case study exercise that the teacher has a well worked out teaching plan worked out before the session.

7. Bringing closure

It is important that the teacher brings the case study work to an effective and constructive end for the students. Although there is often no right answer to a case, it is useful in our experience for the teacher to summarize the main points of the discussion that has occurred, and to relate the theory to the answers that the students have presented.

It is very useful for all the students to hear alternative views from other groups, and for the teacher to explore the reasons for these different views and the meanings for the tourism sector. Closure can also be provided by providing written feedback to oral or written submissions. It is important, however, that all individuals leave the case study experience in a positive frame of mind, feeling that they have learned a great deal. The completion of a personal diary or account of the case study exercise can be an effective way of developing this type of reflection.

Case studies and tourism

Most case study books are general management texts and, therefore, most of the cases they feature relate to general organizations and management subjects such as marketing, human resources management, and operations management.

However, tourism is not only an industry, it is also a social and economic phenomenon, and a leisure activity. It is, therefore, important that a tourism case study book goes beyond the traditional organization or brand case studies to cover destinations, and the social issues involved in tourism, for example.

This broader scope means that tutors have to amend some of the usual ways of using case studies to take account of the unique nature of tourism.

Conclusion

We have only provided one example above of the use of one particular type of case study. Of course there are many other ways to use case studies – to use them just as illustrative examples, to get individuals to work on case studies, or even to get students to write their own after reading illustrative case studies. There are endless opportunities open to the teacher. What is clear is that the use of a case study is very valuable to allow students to link theory to practice, and to allow the development of novel and interactive teaching situations.

We hope that we have illustrated that the use of a case study needs a particular type of teacher who is well prepared, has a clear teaching plan, and who is prepared to listen to students and respond effectively.

If you are a teacher, we wish you good luck using the case studies in this book, and hope that they enrich your teaching and your students' learning. If you are a student, we hope that the case studies will help you to learn more about the key issues in tourism today and tomorrow.

2

Key Issues in International Tourism Management

The aim of this book is to offer case studies which illustrate key issues in international tourism management, that is issues which are affecting the sector today and which will influence the development of tourism for the foreseeable future. In this chapter we set the context for the case studies themselves through a discussion of some of the major challenges facing tourism.

Clearly the authors' selection of issues is subjective, but we believe it covers many of the main challenges facing tourism as we write. It is important to recognize that these issues do not exist in isolation for they are all interrelated. Furthermore, we also need to note that these are macrolevel issues, and that their impact and scale and nature will vary between countries. At the same time we must recognize that 'tourism' is a complex phenomena, with many different sectors. Again, these issues will impact on each of these sectors in different ways.

In Exhibit 1 the authors try to identify what they consider to be 20 major issues in international tourism management today, which will then be discussed in a little detail. Perhaps the most important word in the last sentence is management in this book, which is about the way in which tourism is managed for both public good and private profit.

The political environment

Tourism tends to flourish only when the political environment is stable, particularly in the tourist destination, but also in the countries which generate the tourist trips.

While there have been numerous bloody wars in recent decades, the global political environment was relatively stable and peaceful for around half a century until the late 1990s. Furthermore, governments had been co-operating more than ever with each other in regional organizations such as the European Union and ASEAN.

However, at the time of writing, this stability has been all but destroyed by the unprecedented rise of co-ordinated international terrorism, which has left no corner of the world feeling safe and secure. This has had a devastating effect on the tourism industry as the willingness of people to travel has declined, particularly in the US markets.

Unlike previous terrorist attacks, the current ones are not isolated incidents and terrorism seems likely to be a global factor of life for the foreseeable future. The 'war on terrorism' declared by the US government after the 11 September 2001 attacks seems to have worsened rather than reduced the threat of terrorist attacks, particularly when it led, indirectly, to the war in Iraq in 2003.

The war led to tensions between countries which had formerly been allies and this contributed towards a decline in global political stability.

The terrorist attacks in the USA in 2001, as terrorist attacks elsewhere, are often now designed, specifically, to undermine also the economies of the 'enemy' state. Certainly they worsened the already fragile state of the American economy. The lack of economic, as well as political, stability

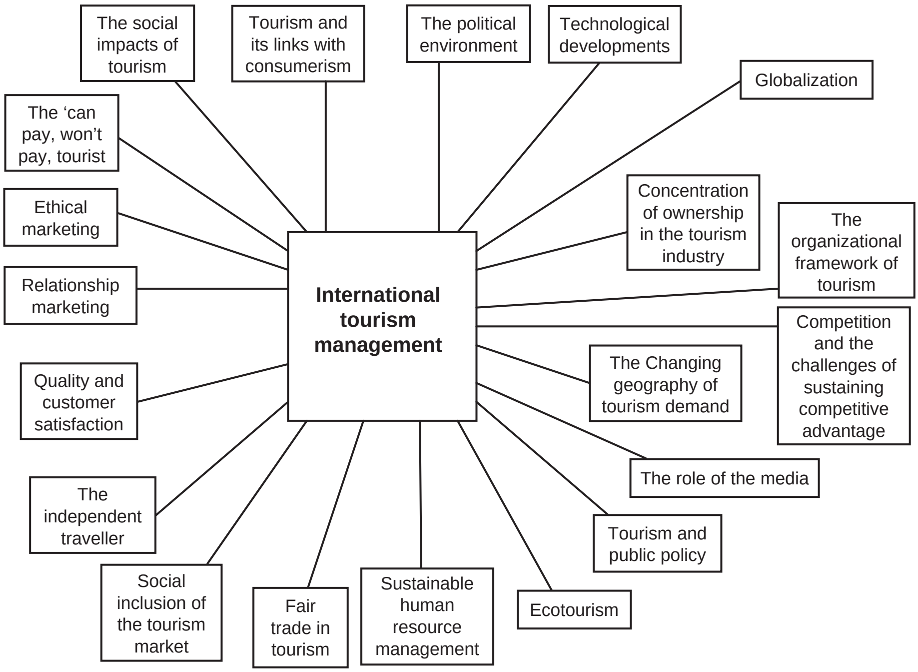

Exhibit 1 Twenty key issues in international tourism management

has been a major factor in the problems faced by the tourism industry worldwide since 2001. This political and economic uncertainty seems set to remain a fact of life for the tourism sector for years to come.

Technological developments

The development of tourism has often been driven by technological innovation, from the invention of the jet engine to the creation of computer reservation systems. Technological developments influence the tourism industry in terms of everything from the products it offers to the way it sells its products to and how it manages its operations. At the moment, however, perhaps the most important technological development for the tourism industry, overall, is the Internet. The rapid growth in Internet usage has had two main impacts on the tourism as follows:

- it allows tourists to buy directly from producers any time of the day or night from anywhere on the planet;
- by allowing companies to sell directly to customers it lets them reduce their marketing costs including the commission they pay to travel agents.

In the past, most technological developments have been an opportunity for tourism as a whole, and tourism organizations, to grow and exploit new markets. However, perhaps for the first time, in the case of the Internet, we have a technological development which is a threat to a major sector of tourism, namely the traditional high street retail travel sector.

At the same time, it has brought new players into the tourism market such as major information technology (IT) corporations which have developed their own online travel agencies.

Theoretically, the Internet has put more power in the hands of consumers, but it has also subtly transferred the burden of 'work' involved in booking a vacation from the producer and wholesaler to the tourist themselves, who sits at the computer for hours planning their trip.

However, we always need to remember that not everyone will have access to the Internet for many years, and other inventions may yet come along which take the place of the Internet.

Finally, we must also acknowledge that other technologies will influence the future of tourism in specific sectors of the industry such as virtual reality in theme parks and museums in in-flight entertainment systems and the next generation of 'jumbo jets' in the airline business.

Globalization

The controversial and frequently discussed issue of globalization is a major issue for tourism because it affects all aspects of tourism including the following:

- the supply side of tourism as we see the rise of globalized operators, particularly in the airline and hotel sectors;
- the demand side, as more and more countries become major generators of international tourist trips;
- the influence of an increasingly globalized media in tourism demand and tourist behaviour.

Globalization represents a great opportunity for both tourism organizations and destinations but it also brings risks for tourism. The process of globalization often implies a standardization of products which seems to be extending even to cities which begin to all look the same. In an industry where people, in theory at least, travel to see something different, this homogenization could pose a real threat to the tourism industry.

Globalization may also increase the polarization between the rich and poor countries because it is driven by the developed economies, largely it seems, for their own benefit.

Concentration of ownership in the tourism industry

In recent years the tourism industry, worldwide, has seen a process of concentration of ownership, both horizontal and vertical integration. This has been seen, particularly, in the tour operation sector, where Touristik Union International (TUI), for example, is now the biggest tour operator, not only in Germany, its home country, but also in the UK and the Netherlands, for instance. Likewise tour operators have led the vertical integration of the tourism industry through their acquisition of travel agents and charter airlines.

In other sectors, concentration has also taken place but in different ways, because acquisitions and mergers are either too expensive or not possible for legal reasons. In these cases, while ownership has not become concentrated, power and influence certainly have. For example:

- hospitality organizations have used franchising and management contracts to expand their influence and coverage;
- airlines have used strategic alliances to extend their market power, at the expense of their competitors.

Concentration of ownership and globalization have often alongside each other. Globalization has allowed, and even encouraged, organizations to expand into other countries. Thus they have been able to dominate, not only their national market, but also the markets in other countries.

The process of concentration of ownership has put great pressure on smaller organizations who do not have the economies of scale and market power of the big organizations. However, this process has, ironically, created opportunities for small organizations to succeed by exploiting niche markets with high-quality products and personalized service. It is the medium-sized organizations, with neither the ability to fit into niches nor the economies of scale which have, perhaps, suffered most from the concentration of ownership in tourism in recent years.

The organizational framework of tourism

Tourism is a complex, fragmented activity and the organizational framework for the sector reflects this fact. On the positive side, however, there is a global, governmental organization concerned with tourism; namely the World Tourism Organization (WTO). This has played a significant role in global tourism policy in a number of ways, from trying to harmonize the collection of tourism statistics to encouraging the development of more sustainable forms of tourism.

Some areas of the world also have effective regional bodies trying to co-ordinate tourism development. A good example of such a body is the Pacific-Asia Travel Association (PATA), which is over 50 years old, and brings together the public and private sectors. However, some regions such as South America have no such organization spearheading their tourism development.

With national governments, tourism also receives very different levels of recognition and support. Some countries have Ministries solely devoted to tourism while others put tourism into Ministries with other responsibilities, ranging from youth, culture, or sport to industry and commerce, or even telecommunications. Likewise some countries have powerful, efficient national tourism organizations while others have under-funded organizations which seem to achieve little or nothing.

In the private sector, in particular, tourism is often less effective than it should be at lobbying or gaining government recognition, because of the fragmented nature of its professional bodies. In most countries, each sector (hotels, airlines, tour operators) will have one or more single sector only bodies, but rarely there will be any covering several sectors or of the whole industry. At the same time, there is often inadequate co-operation between professional bodies in different countries.

At the level of individual destinations, there are now often 'visitor and convention bureaux' which bring together public and private sector players in a mutually beneficial partnership. However, still in many places destination marketing is in the hands of small numbers of inadequately trained public officials.

Partnership – usually between public and private sectors – is certainly a very fashionable concept in tourism today, but it is not always a true partnership. Often the public sector will be expected to contribute the vast majority of the funding for the 'partnership' while the resident population as a whole may well be excluded from the decision-making process by the 'partnership' organization.

Finally, in tourism, we have the pressure groups, trying to influence the behaviour of the tourism industry, tourists, and governments, such as Tourism Concern in the UK. These are particularly interested in various aspects of what we may term 'sustainable tourism'. They are usually voluntary, poorly funded and may even face persecution in some countries.

Competition and the challenge of sustaining competitive advantage

There is no doubt that in general, in spite of the concentration of ownership which we have just considered, tourism is, today, a much more competitive industry than it ever was before.

There are some interesting points to make about competition in tourism as follows:

1. There is not only competition between companies selling products in tourism but we also have the competition between tourist destinations. New countries, regions, and resorts are entering the tourism market all the time, each with their own attributes, hopes, and objectives.
2. Much competition is still price-based, even in relation to destinations where many tourists tend to go to the cheapest provider of sun, sand, and sea vacations. Where price-based competition dominates, it is difficult to generate enough revenue to invest in upgrading the product and companies and destinations can find themselves trapped with low-spend, low-quality markets.

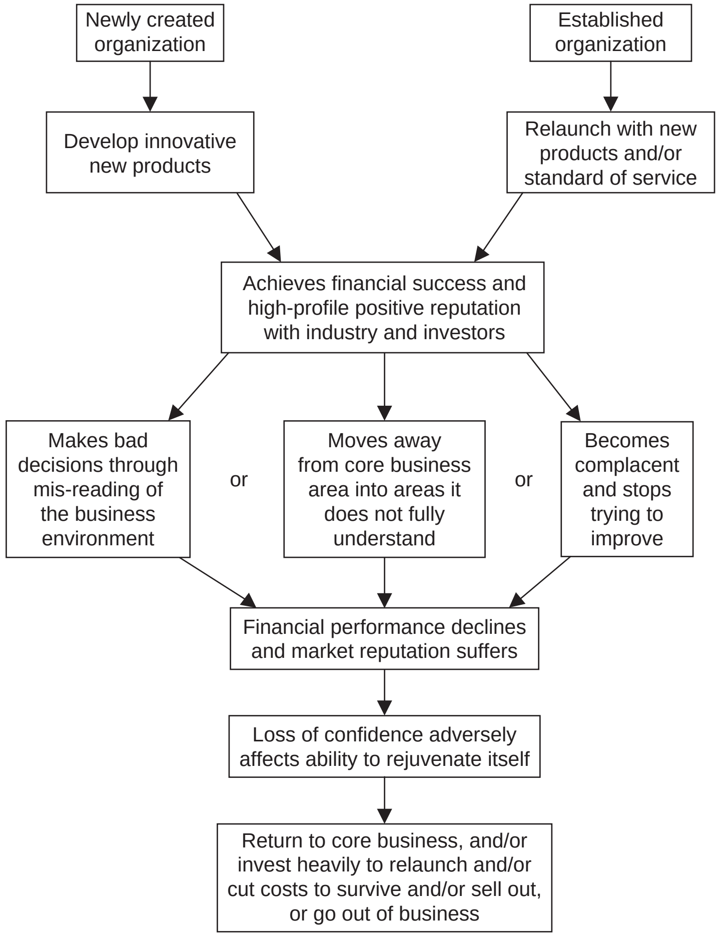

Exhibit 2 The cycle of competitive advantage

3. More and more organizations and destinations are looking to other competitive advantage strategies, of which product differentiation and market focus are perhaps the two most popular.
4. Tourism often faces competition which is wholly external to tourism such as other users of leisure time or disposable income such as in-house entertainment, garden centres, home improvements, or ‘substitution’, in other words, buying a new car, or house instead of taking a vacation.
5. Some tourism organizations invest a lot in product development initiatives that gain them only a short-term competitive advantage, such as airlines spending money on new seats or new dishes for the in-flight cuisine service. These can easily be copied and improved upon by competitors in a matter of weeks.
6. We must never forget that full and free competition is still not a reality in tourism, particularly in terms of the airline sector, in particular, due to government regulations, although this is generally decreasing.

Another major, common phenomenon in tourism as in other industries, is the problems which successful companies have in sustaining competitive advantage once they have achieved it. This book contains several examples of such companies, who seem to go through the cycle shown in Exhibit 2.

The changing geography of tourism demand

Until recently the geography of tourism demand had a relatively simple pattern as follows:

- Outbound tourism was dominated by a small number of so-called developed countries, most of whom were in Northern Europe.
- Inbound tourism was also, largely, dominated by developed countries in Europe and the USA.
- Domestic tourism was found in most countries of the world but reached its highest level in the developed countries.

However, since then, economic, political, and social changes have substantially modified this picture in the following ways:

1. Outbound tourism markets have now developed in more countries, ranging from China and Russia to India and Spain, and to Taiwan and Italy. However, outbound tourism, on a significant scale, is still not available to the majority of the population in many countries of the world.
2. Inbound tourism has spread virtually to every country of the world, through the rise of 'long haul' travel, again from the developed countries. The spread of tourism around the world has been fuelled by the growth of ecotourism and adventure tourism. Due to these changes a wide range of countries have emerged as tourist destinations in recent years, ranging from Indonesia to the Dominican Republic and Dubai to Australia.
3. Domestic tourism has continued to be given less attention than its volume deserves. In most countries, domestic tourism has grown in recent years and in many destinations, it is still the core of the tourism market. However, in some countries the rise of inbound tourism has diminished the importance of domestic tourism for the national tourism industry.

The increasingly international, perhaps global, nature of the tourism industry is putting an ever greater emphasis on the importance of understanding cross-cultural differences in tourism behaviour, for the tourism industry, as the market becomes ever more culturally diverse. This will be a major challenge for the tourism industry in the years to come.

The role of the media

The media is playing an ever greater role in the world today, and nowhere is this truer than tourism. Tourism is a visually appealing activity, filled with human interest stories, so that its appeal to the media is obvious. This appeal is increased by the fact that in most developed countries, tourism is now a mass market in which most citizens participate, or at least, wish to participate.

As a result the specialist travel media has grown rapidly in many countries in recent years, encompassing:

- travel features in newspapers and magazines and on radio and television (satellite and terrestrial);
- web sites devoted to tourism;
- travel writing, from the mainstream to the bizarre;
- a plethora of guidebooks some of which now have almost global coverage such as 'Lonely Planet' and 'Rough Guides'.

Generally, these have a positive impact on tourism by stimulating demand. However, there is a negative side of the travel media as follows:

- many travel features in the print media and on television rely on 'freebies' from the tourism industry and, thus, lack objectivity;
- the travel media can reinforce, rather than challenge stereotypical destination images, particularly for developing countries.

However, tourism is not only affected by the travel media, but it is also greatly influenced by the non-travel media, particularly news and documentary programmes and articles. These often present the potential tourist with negative, sensationalized images of destinations they may have considered visiting. Such stories can literally destroy a destination's market, virtually overnight. Traditionally, coverage of riots, civil unrest, terrorism, and crime have been the main subjects of such negative publicity. However, at the time of writing, air travel and Asian destinations, in particular, are being affected by the publicity being given to the severe acute respiratory syndrome (SARS) virus, notably in mainland China and Hong Kong.

The non-travel media also plays an increasingly important role in exposing unethical practices in the tourism industry and in consumer protection.

The media (both travel and non-travel) is, therefore, recognized as a powerful force in shaping tourism demand. That is why many tourism organizations invest great time and money in trying to influence the media. Some organizations, Virgin Atlantic Airways in the UK, for example, probably owe some of their success, specifically, to their skill at managing the media.

Tourism and public policy

In recent years, for governments worldwide, tourism has become a major element in public policy, used to attempt to achieve broad social and economic objectives, in a number of situations, including the following:

1. Attempts by the governments of developing countries to use tourism to help achieve national economic development. This has been seen in countries as diverse as the Dominican Republic and Belize to Vietnam and Gambia.
2. The use of tourism, even in developed countries, try to stimulate the development of disadvantaged or declining regions. Examples of this include the Mezzogiorno in Italy, for instance.
3. Schemes to use tourism and leisure for urban regeneration in declining industrial cities and ports, ranging from Liverpool and Marseille to Sheffield and Bilbao.
4. Attempts to use tourism to stimulate economic growth and developing the economy of rural areas. There are numerous examples of the use of tourism for this purpose in both developed and developing countries.

However, this apparently laudable use of tourism by governments to achieve social and economic development has often been criticized on a number of grounds, including the following:

- Governments are often accused of using public money for investment in infrastructure that benefits the private sector in tourism, at the expense of the general population.
- Sometimes, in their haste to develop tourism, governments may ignore the voices of those who raise objections to the use of tourism as a development tool.
- While claiming to be a development tool for all, tourism can simply reinforce the divisions between rich and poor by creating wealth for entrepreneurs and paying poor wages to employees.
- With public-spending by governments on tourism, there is also the issue of 'opportunity costs' in other words, the other things (education, health, etc.) that the money could have been spent on otherwise.
- Tourism development, with government financial and political assistance, can lead to corruption, both financial and in terms of undue influence on the decision-making process through the granting of 'favours' by the tourism industry to decision-makers.
- Governments are often over-optimistic or naive about the potential benefits of tourism.
- In many countries, with undemocratic systems of government, ordinary citizens have no real say in whether their home area becomes a tourism destination or not.

Nevertheless, every year more and more central and local governments look to tourism as a way of achieving social and economic development. Sadly, often there is inadequate integration of tourism policy with other relevant policies such as transport, education, and agriculture, which reduces the potential role of tourism in creating truly sustainable development.

Ecotourism

Ecotourism is perhaps one of the most controversial aspects of tourism today. Those who see it is as a positive, beneficial form of tourism point to the fact that it is usually quite small scale and is usually undertaken by people who are environmentally sensitive and are eager to learn more about the culture and environment of their destination.

However, critics of ecotourism argue that it is neither particularly positive. Instead they argue, it is potentially a destructive form of tourism because it:

- encourages tourists to travel 'off the beaten track' in search of new 'unspoilt' destinations – which these ecotourists then proceed to spoil by their very presence, albeit accidentally;
- is, as Wheeller has noted, 'a particularly egotistical, status-driven form of tourism, where a sense of superiority is gained by participants over other tourists';
- grows over time from small to larger-scale tourism, with all the problems this brings;
- is quite elitist, given the generally high cost of 'ecotourism' vacations;
- is a term which can be hi-jacked, inappropriately, by the tourism industry, for marketing purposes.

Nevertheless, 'ecotourism' is now the heart of the strategy for many emerging destinations, such as Belize, as well as being the hope for many existing destinations which would like to relaunch and re-position themselves. But are there enough ecotourists to go round and are they ready to address the issue of sustainable tourism?

Sustainable human resource management

As a service industry, it is clear that human resources are vital to the success of the tourism industry. Yet, in spite of the apparent glamour and appeal of working in tourism, in many countries, the tourism industry struggles to recruit and retain good staff.

The industry faces a number of challenges in respect of its human resource management policies, particularly, in relation to the following issues:

- low salary levels and long hours;
- the reliance on gratuities to supplement low salaries;
- widespread sex and race discrimination in terms of both recruitment and promotion;
- a generally poor record on training.

In addition, given globalization, there are often issues that in developing countries, where the hotel sector, for instance, is dominated by foreign chains, local people can find work at the lowest levels but will rarely be recruited, or even promoted, to management positions. This is often the result of a vicious circle where because of poor education and lack of experience, local people will not be recruited to supervisory positions, but companies often do little to change this situation by providing management training for local staff.

Apparent discrimination also takes place in employment in sectors such as cruise ships. Cruise companies tend to employ people from developed countries as officers, people of the tourists' own nationality as entertainers, but people from developing countries as waiters and cabin attendants. This is partly about costs but it also reflects a view in both the cruise and hotel business that clients from developed countries prefer to see people like themselves 'in charge'.

The problem with human resources in tourism has some real, tangible impacts on the tourism industry as follows:

- it leads to high turnover and thus increases the recruitment and training costs of organizations;
- it results in service levels which are often poor, due to a lack of both training and commitment;
- the reliance on gratuities can lead to obsequious service or rudeness if guests do not give the expected 'tip';
- loss in revenue when de-motivated, disinterested staff fail to encourage the customer to spend more.

The problems with service in the tourism industry may be one reason why travellers in some countries, such as the UK, have taken so readily to the idea of low service, 'no frills' airlines and hotels. Sometimes it is better for travellers to 'serve themselves', carrying their own bags, for instance, in hotels, than rely on inefficient staff to deliver the service for them.

Fair trade in tourism

The concept of fair trade has finally arrived in tourism, some years after its emergence in relation to the sale of commodities such as tea and coffee, for instance. The underlying idea is that the 'primary producers' of, in this case, the vacation experience, namely the destination and the host community, should receive a fair share of the benefits of tourism, principally the economic ones. It is based on a view that, to date, the main beneficiaries of tourism have been the industry and the tourists themselves.

Fair trade is based on the idea that the price paid for the product should be fair and cover the 'true' cost of the vacation, while ensuring that the benefits of tourism are spread as widely as possible within the destination. There is also an implicit belief that tourism should be used to reduce social and economic divisions within the destination.

The concept of 'fair trade' in tourism has been promoted particularly by pressure groups such as Tourism Concern in the UK. It can be seen as a natural development as the debate over sustainable tourism broadens out to look at the social, economic, and political impacts of tourism, as well as just its environmental effects.

The concept of fair trade, implicitly or explicitly often finds itself in conflict with several trends in tourism, notably:

- the rise of self-contained 'all inclusive resorts' from which local entrepreneurs gain very little, and which often cut local residents off from their own local beaches;
- globalization and concentration of ownerships which increases the power of externally based corporations at the expense, perhaps, of local communities and enterprises.

However, fair trade in tourism will probably require consumer pressure and government action and both are not yet really visible to any significant degree.

Social inclusion and the tourism market

Much attention has been devoted in recent years to the growth in international tourism. The scale of this growth has been truly impressive but it would be wrong to forget that many people are still excluded from this market, including the following:

- The majority of people living in the poorer countries of the world who are prevented from travelling by their poverty, as well as those suffering deprivation even in the most affluent countries.

- People in many countries who are unable to enjoy the freedom to travel because of the lack of facilities for travellers with disabilities.
- Those who work so hard that they either do not have, or do not perceive they have, any leisure time to take vacations. Not only they but their families suffer from this situation.
- People from ethnic minorities who may well be ignored by the mainstream tourism industry in their country of residence.
- Those who suffer from discrimination when they travel because of their sexual orientation, race, or even their physical size.

A major challenge for the tourism industry remains how to bring these people into the tourism market, and gives them the same choices and opportunities that most other citizens enjoy. This is important socially and is a market opportunity for the tourism industry.

The independent traveller

More and more people seem to be deciding to become independent travellers, making their own travel arrangements and creating tailor-made vacations that match their desires.

This is clearly a real threat for tour operators which make a living by packaging elements of the tourism product together for the tourist. The growth of the phenomenon of the independent traveller has been fuelled by several factors, notably:

- dissatisfaction with the offerings and/or prices of the tour operator sector;
- a desire on the part of some people to get away from other tourists;
- a wish to create a more unique vacation experience that fully reflects their tastes and preferences;
- the growth of guidebooks such as '*Rough Guides*' and '*Lonely Planet*' which are designed to specifically meet the needs of independent travellers;
- the rise of the Internet which makes it much easier, and cost effective, for the independent traveller to plan their own trip.

We often think of the independent traveller, typically, as a 'backpacker'. However, the term covers a much wider range of types of tourist trips from 'do-it-yourself' city breaks to visits to second homes owned by the tourist, and so on.

At the same time, it would be untrue to argue that the growth of independent travel is a characteristic of all tourist markets today. In many of the newly emerging outbound markets, and in certain countries, Taiwan and India for instance, organized group travel is still the preferred mode of vacationing. However, this will probably change as the tourists from these countries become more experienced. They may then, also, embrace independent travel.

Finally, even in the mature outbound markets of the developed countries, it would be wrong to suggest that independent travel is taking over from packaged travel because:

- many people, even experienced travellers, still seem to prefer having someone else organize their vacation for them;
- the tourism industry is designing new, less 'homogenized' all-encompassing packages to attract those tourists who do not like the rigidly organized vacation experiences, characteristic of the traditional 'package' vacation.

Quality and customer satisfaction

'Quality' and 'customer satisfaction' are both 'buzz' words for the modern business world. They often seem to encompass both common sense and hype in equal measure, cloaked in a veil of jargon and semi-religious mysticism. However, both concepts are clearly important to any business and these two terms are also obviously interrelated. Quality tends to be the product-led view of the service production process while customer satisfaction focuses on the demand side and how the service is perceived by the customer.

In the years to come, the industry will need to take on board several important points relating to quality and satisfaction, notably:

1. The need for much better research in customer satisfaction, and the factors that actually influence the satisfaction, or otherwise, of tourists.
2. The relationship between price and quality and what customers can expect to receive for the price they pay.
3. The concepts of 'fitness for purpose', 'critical incidents', and 'bench-marking', and what they mean in terms of quality management, in tourism.
4. The application of the concept of segmentation to the ideas of quality and satisfaction in other words, how do various market segments (defined by age, sex, personality, nationality) react to a specific product.
5. The recognition that actual personal service plays a relatively small part in many elements of the product in tourism, such as everything from hotel receptions to museums. Often the personal service can be replaced by self-service – automatic check-in and self-guided museum tours with a brochure or personal headset – with no reduction in satisfaction. Indeed the self-service option could be better than the service offered by personnel! This is a key issue to remember when listening to the constant exhortations about the importance of service. Increasingly service may mean giving the customer the tools to serve themselves efficiently.
6. The fact that in business tourism, customer and consumer satisfaction are two different things, as the employer is usually the former, while the employee is normally the latter. This is important when deciding who should benefit from brand loyalty schemes, for instance, customers or consumers.

In the increasingly competitive tourism world, though, quality and customer satisfaction will continue to be a 'hot' issue for the foreseeable future.

Relationship marketing

It appears that relationship marketing is another of today's management 'buzz' words. Organizations like loyal customers because it is easier and cheaper than trying to find new customers. Therefore, a lot of effort has been spent on developing brand loyalty schemes, particularly in the airline and hotel sectors. Perhaps the highest profile examples of such schemes are the numerous frequent flyer programmes. However, given that many travellers belong to more than one, their value in achieving brand loyalty should perhaps be questioned.

The search for brand loyalty with the rise of direct marketing using computer databases has driven the growth in the concept of relationship marketing. Companies appear to want to develop an ongoing relationship with their customers in the belief that this will be beneficial for the organization.

However, there seems to be some doubt about the extent to which customers want an ongoing relationship with companies, unless accompanied by 'bribes' or 'rewards' such as free nights accommodation for loyal customers and extra air miles for those booking seats on less popular flights.

At the same time, more and more companies are seeking to use e-mail to carry on a relationship with their customers.

However, some people seem to resent what they see as this intrusion into their lives, wanting to keep organizations at arms length and wanting to remain free to shop around. If this continues, the future of relationship marketing could be quite short.

Ethical marketing

There has been a growing interest in the ethical dimension of the tourism industry, like other industries, perhaps largely due to the numerous scandals that have rocked the business world in recent years. At the same time, tourism specifically has had its share of ethical problems ranging from the tactics used to sell timeshare developments and brochures that are not always scrupulously honest right through to sex tourism.

Businesses have generally seen ethical issues as a potential threat. However, increasingly, some companies are beginning to see that they could be an opportunity instead. There is a view that a growing number of customers want to 'feel good' about the product they use, particularly at the higher end of the socio-economic scale. It is believed such people would be attracted to companies that acted more ethically than their competitors. This means more ethical marketing, including the product; or price, promotional techniques, and place; or distribution. It would clearly be a risk for any company that attempted such an approach to marketing, for if customers discovered the company had misled them in anyway, it could be disastrous for their business. However, it could be a good strategy that would stop companies having to be dependent on selling at a low price or investing heavily in product development.

Such an approach could fit easily into the growing idea of corporate social responsibility (CSR) which is much broader in scope than simply marketing.

If the scandals continue and competition carries on growing in tourism we may hear a lot more about ethical marketing in tourism in the future.

The 'can pay, won't pay' tourist

In many developed countries in recent years there has been a growth in the 'no frills' budget sector in the hotel and airline sectors. Interestingly, often these 'no frills' products tend to be those needed to get to or from a vacation, such as transit hotels on major roads or airlines.

At the beginning of this phenomenon, many believed these products would be aimed at less affluent tourists. However, this seems to be wrong. Instead the customers often seem to be quite affluent people who want to spend the minimum money on their journey to or from their destination so they can either:

- spend more when they are in the destination; or
- take more trips.

The early predictions that the budget airline customers would be just leisure travellers has also proved false. Many business travellers also make use of these services.

The 'no frills' budget products also tend to be geared to those who are confident in reserving online because this is how the companies keep down their costs.

However, we must not exaggerate the scale of this phenomenon, because:

- in many developed countries, many customers still prefer the status that comes with buying full service products;
- government regulation has prevented the growth of budget airlines.

Nevertheless, the budget concept has now begun to be extended in the UK, for example, to tour operators and car hire.

This trend has reflected, and stimulated, the growth in independent travel and looks set to continue and spread to ever more countries in the world.

The social impacts of tourism

Modern large-scale tourism has now been around for many years and its social impacts are becoming better and better understood. However, in the past most attention has rightly been paid to the social impacts of tourism on the host community, in the destination, both positive and negative, and on the relationship between tourists and residents.

There has been much less attention paid specifically to the social effects of tourism on the employees who work in the industry.

Finally, there has been even less research, perhaps, conducted on the social and cultural impacts of tourism on the tourists themselves and the societies of the countries they come from. Yet, tourism has changed the lives of many tourists enormously, not only by improving their quality of life, but also through the changes it has led to in their lifestyles. In the most extreme cases, people who may not have travelled abroad until they were in their 30s or 40s are increasing buying properties in other countries and living out their retirement years in a foreign land. On a more modest level, people's vacations have changed their eating habits, encouraged them to learn a foreign language or led them to marry someone from their holiday destination. On the negative side, of course, are the health problems caused by sex tourism and 'hedonistic' tourism, for example. When we are managing tourism we cannot ignore the socio-cultural impact of tourism on the tourists themselves in their home countries.

Tourism and its links with consumerism

Still, too often, we think of tourism as something unique, an island; separated from other aspects of life. The truth is that tourism is just another part of our consumer society, a service product bought to satisfy a desire or need. It is affected by all the social trends which affect all consumer markets, albeit in different ways, and like other industries, it influences general consumer behaviour to some degree.

The tourist is not only a vacationer; for 50 weeks a year they are a consumer, at home, buying food and furniture, clothes and computers. They also indulge in all kinds of leisure activities in their spare time from watching television to practising sports.

We almost certainly do too little research on how the other aspects of people's consumer behaviour affects their purchase decision as tourists and vice versa. Yet we know that people who are health conscious at home are more likely to buy spa vacations than those who are not, while those who are anglers at home may well take fishing vacations. And the young tourists, getting drunk in Mediterranean resorts are just doing what they do at home, albeit in a warmer climate.

Some tourism and non-tourism organizations have recognized this link between tourist behaviour and general consumer behaviour. As a result, we see co-operative joint promotions between airlines and supermarkets, or hotels and newspapers that are targeting the same markets.

Conclusions

In this chapter, the authors have endeavoured to identify and briefly discuss 20 issues they believe are, and will be in the next few years, very important in international tourism management. However, it is important to recognize that:

- There are links between these issues as they do not exist in isolation. For example, technological developments such as the Internet have facilitated the growth of both independent travel and budget airlines. When managing tourism we have to recognize and take account of all these links.

- While attempting to be truly international in content, the authors are conscious of the fact that this chapter could be seen as a rather Euro-centric view. The key issues might look different if the authors were from a different country and culture, such as China or Chile, Greece or Guatemala, and Austria or Australia.
- This section is based on the state of the tourism world as it appeared to the authors in spring 2003. By the time you read this, probably unforeseen events will already have made some of the issues identified here look much less relevant. Likewise, new issues may have arisen which the authors were not even aware of when writing this chapter.

The authors are also conscious that they have been forced to leave out many important issues, because of a lack of space. They also understand that identifying issues is just the first step towards tackling them effectively. However, unless we identify the issues we stand no chance of managing international tourism more successfully in the future.

The 38 case studies that follow hopefully show that the issues raised in this chapter have been correctly identified and also that most destinations, organizations, and sectors are affected by a number of these issues simultaneously.

In Chapter 3 we will briefly introduce the case studies for the reader and describe the issues which are dealt with in each case study.

3

Introduction to the Case Studies

These case studies have been chosen, as far as possible, to illustrate many of the issues highlighted in Chapter 2. However, selecting and developing the case studies for this book has been an extremely difficult task for three main reasons.

Firstly, there are so many important issues in international tourism today, that it was almost impossible to decide which issues to focus upon in the case studies. Secondly, given the international theme of this book we were keen to try to ensure that the geographical spread of the case studies was as broad as possible. Thirdly, some case studies could not be developed because the subjects they covered were too sensitive for organizations to be willing to provide the necessary data. Furthermore, much of the best data in tourism is confidential and thus unavailable for those writing case studies for textbooks. However, while the authors feel they have offered case studies which talk about tourism all over the world, it has inevitably been easier for them to research European, and particularly UK-based case studies.

Nevertheless, the authors hope that they have managed to compile a set of case studies which illustrate some of the most important issues in international tourism management today, particularly those identified in Chapter 2.

Most of the data has come from secondary written sources, web sites, and organizations themselves. The case studies were written between Summer 2002 and Spring 2003. The authors have tried to ensure that all of the case studies were up to date, as of April 2003, but, of course, by the time you read them, they may already appear to be dated. Nevertheless, we believe that the issues they raise and the lessons that can be learned from them will continue to be relevant, even after the data ceases to be up to date.

All the cases are written in a standard format in which the authors include some key issues arising from the case study.

At this stage, we wish to say a few words about each case study to introduce the reader to the case study and why it is in the book.

To make this section easier to follow, we will divide the cases into five sub-groups, as follows:

1. Tourism organizations
2. Tourism destinations
3. Sectors of tourism
4. Issues in tourism
5. The future of tourism

1. Tourism organizations

1. British Airways

This is one of the world's largest airlines which has gone from being a loss-making, state-owned airline to a successful privatized carrier and then to an airline trying hard to flourish in a very difficult business environment. This case study shows the importance of changing organizational culture as well as the impacts of making decisions which turn out to be rather ill-advised. Finally, British Airways is an interesting example of a truly global organization in the tourism industry, and is also a good illustration of the role of branding in the tourism industry.

2. Lonely Planet

This case study looks at what is now, perhaps, the largest specialist travel media company in the world. We look at the role which Lonely Planet has played in the growth of independent travel, most notably backpacking. The case study also focuses on the fact that this major company originated 30 years ago through a couple who themselves were backpackers. Finally the case study shows how Lonely Planet has grown from being simply a guidebook publisher to being a multi-dimensional media business.

3. MyTravel Group

This case study considers this UK-based tour operator, formerly known as Airtours, which rose in just a few years from a small operation to, perhaps, the leading UK tour operator, with its own airline and retail travel chain. However, towards the end of the case study we see that the strong position it had built based on acquisitions, pricing, and development had been partly lost and the company was in financial difficulties. This is yet another example of a successful company which then experiences problems because of poor decisions or changes in the business environment.

4. Pacific Asia Travel Association

Pacific Asia Travel Association (PATA) is perhaps the most influential regional tourism organization in the world, and has been in existence for over 50 years. It brings together government and private sector enterprises to market tourism in the region and develop the product. This case study looks at all the activities of the organization including its role in the development of sustainable tourism.

5. Tourism Concern

This is a UK-based voluntary sector pressure group and lobbying body that campaigns on social and environmental issues around the world. The case study looks at some of its specific campaigns notably on fair trade in tourism and corporate social responsibility. However, it also notes the lack of funding for such organizations and the problems this causes for their work. Finally, it also raises the question of relationships between such pressure groups and the tourism industry.

6. Touristik Union International

Europe's leading tour operator, German-based Touristik Union International (TUI), has also been a major player in the application of environmental good practice in tourism. This case study looks at what TUI has done in this field, including with its Greece-based sister company, hotel operator, and Grecotel.

2. Tourism destinations

7. Asia-Pacific region

This case study looks at the Asia-Pacific region which has seen the greatest growth in tourism – both outbound and inbound – in recent years. We look at the picture across the region including national differences in tourism within the region. It is a region where future rapid growth in tourism is forecast but this will depend on political and economic stability which may not always be easy to maintain.

8. Dubai

Dubai has become a major tourism destination in just a few years through huge investment in leisure facilities and luxurious hotels. It meets the needs of markets as diverse as expatriate Westerners and Muslims from neighbouring countries. This case study examines the current state of tourism in Dubai and suggests that because of the emphasis on consumerism, and the 'good life' it may become a terrorist target in the future.

9. Dublin – the role of visitor attractions

Dublin has become one of the most successful city break destinations in Europe in recent years. Much of its success has been based on its diverse range of all types of attractions, from pubs and bars to museums. The case study looks at the role of the attractions in the Dublin tourism product.

10. Iceland and adventure tourism

Adventure tourism is one of the fastest growing sectors of tourism and Iceland is a leading destination for such travel. This case study looks at the range of adventure tourism products in Iceland, a destination which has developed a reputation for high value, niche market, adventure tourism.

11. Las Vegas – portrait of a market leader

This case study seeks to explain why Las Vegas has become, and continues to hold its position as, a major global tourism destination. It also looks in detail at how the tragic events of 11 September 2001 affected tourism in Las Vegas and how the destination used public relations to attempt to minimize the impact of the terrorist attacks.

12. Russia

This case study shows clearly how political and economic factors affect tourism demand, through an examination of inbound, outbound, and domestic tourism in Russia over the past 15 years or so. It charts the rise of the 'New Russian' outbound travellers, the decline in domestic tourism, and the changing nature of the inbound market. The case study considers the impact of everything from fear of crime to currency exchange rates and their impact on tourism.

3. Sectors of tourism

13. Boutique hotels

This case study looks at the modern phenomenon of boutique hotels, which are sometimes called 'designer hotels!' It looks at specialist operators of such hotels, such as Ian Schrager Hotels, as well as seeing how major hotel corporations have sought to exploit this growing market. The case study also notes that this phenomenon is still largely an American and European phenomenon.

14. Budget airlines

This case study examines the growing phenomenon of budget, or so-called 'no frills' airlines, particularly in Europe. It looks at how this market has grown and looks at the key players in the market in the UK, the leading European country for budget airlines. The case study also looks at the changes which are taking place in the market due to mergers and acquisitions.

15. Cruise market in the UK

This case study shows how the UK cruise market is now buoyant having declined dramatically until the 1980s. It looks at the developments in cruise products and marketing that have spurred the growth in the market. The case study also offers a range of typologies of the cruise sector, illustrating its complexity and diversity.

16. Online retail travel and Expedia

This case study discusses the rapid growth in online retail travel. The authors look at the impact of the Internet on how tourists now buy travel services but notes that the use of online travel services is not equally developed in all countries. A detailed appraisal of Expedia and its services is also featured in the case study.

17. Tour operators brochures

Brochures continue to be the main way in which tour operators promote their products to potential customers. This case study examines the content of these brochures and how they represent destinations and hotels, given how important both are to the enjoyment of a vacation, noting how short and lacking in detail the descriptions often are.

18. Wildlife tourism in Southern Africa

This case study explores the growth of wildlife tourism in Southern Africa over time, and its nature and scope today, noting differences between countries. It discusses a wide range of ethical issues which are involved, more generally, in the field of wildlife tourism.

19. Hong Kong Disneyland

This case study looks forward to the opening of the new Disneyland theme park in Hong Kong. It looks at why Hong Kong has been chosen for the fifth Disney park and what the Chinese government is doing to help secure the project's success. Finally, we look at what Hong Kong Disneyland may do for the Hong Kong tourism industry in the widest sense.

20. Guggenheim Museum, Bilbao, Spain

This museum has put Bilbao on the tourism map, as this case study notes. It is also an excellent example of an attraction whose design is and is meant to make a big statement about the attraction. The authors show how this museum is a partnership between local government in a distinctive region and a major charitable foundation. For Bilbao, the Guggenheim is a key element in creating a new high-profile identity for this industrial city, the capital of the Basque region.

4. Issues of tourism

21. Airline frequent flyer programmes

Brand loyalty and relationship marketing are two of the most fashionable concepts in marketing today. This case study looks at how these concepts have been applied in the airline sector through frequent flyer programmes. It compares the programmes offered by many airlines, worldwide, before critically evaluating their actual value in developing brand loyalty.

22. All-inclusive resorts

In recent years, there has been a considerable growth in the popularity of all-inclusive resorts. It emphasizes the reasons for this growth and tries to explain why these resorts have grown in particular regions of the world such as the Caribbean. It also looks at the criticism that such resorts are not complimentary to the concept of sustainable tourism.

23. Clubbing and party tourism

Among young people in Northern Europe, clubbing or party tourism is now a massive phenomenon. This case study looks at this form of tourism and its impact, as well as looking at the main destinations for such tourism, such as Ibiza. The authors look at the ethical issues raised by this kind of tourism.

24. Corporate social responsibility

The spate of political and business scandals that have swept most countries in recent years has led to growing pressure for corporations to behave more responsibly. This case study looks at the application of the concept of corporate social responsibility in tourism, noting that it is perhaps only consumer pressure that will force companies to behave more responsibly.

25. Ecotourism – Belize

Ecotourism is still one of the most rapid growing forms of tourism although no one seems quite sure what it actually means. It can either mean more environmentally friendly tourism or it can be a label used by marketers trying to sell more holidays at higher prices. This case study actually evaluates the concept of ecotourism and looks at Belize, which is often seen as an example of good practice in ecotourism.

26. Education and training

Everyone seems agreed that, as a service industry, staff training and management education are crucial issue for the tourism industry. Yet the provision of such education and training is fragmented and often quite ineffective. This case study looks at a range of issues relating to education and training in tourism, and makes a number of suggestions.

27. Employment

Tourism is one of the largest employers worldwide but employment in the industry is fraught with issues such as sex and race discrimination, poor salaries, and the emphasis on tips and gratuities to supplement salaries. This case study looks at employment in the various sectors of tourism, noting that there are cultural issues, and national differences in the nature of employment in tourism.

28. International Hotels Environmental Initiative

International Hotels Environmental Initiative (IHEI) is an excellent example of an ‘industry-wide’ scheme to improve environmental practices across the hotel industry. It is also a global initiative and an example of industry self-regulation, perhaps in the hope that this will mean that governments do not feel the need to introduce regulation. This case study evaluates the IHEI in terms of its success and the bigger issues it raises.

29. Researching tourist satisfaction

Quality and customer satisfaction are one of the most prominent themes in management in the tourism industry. This case study critically evaluates the key concepts in this field in tourism. It also highlights the weaknesses of many customer satisfaction questionnaires used in the tourism industry, and discusses other techniques for measuring customer satisfaction.

30. Sex tourism

This is one of the most controversial aspects of tourism. In this case study the authors explore the diversity of sex tourism, including gay sex tourism and female sex tourists. It also looks at child sex tourism and the campaigns which are mounted against such tourism. The case study suggests that the boundaries of ‘sex tourism’ are blurred and can include ‘hedonistic’ vacations for young people.

31. Timeshare development

The concept of timeshare developed originally in Switzerland and Japan but is now dominated by the American market, and two American-based corporations. The case study examines this sector and its growth and explores some of the ethical issues which have plagued this sector over the years. In addition, the authors discuss the rise of the leading corporation, Resort Condominiums International (RCI), in some detail.

32. Tourism and travellers with disabilities

More and more attention has focused in recent years on the rights of people with disabilities. This case study looks at the plight of disabled travellers, having highlighted the fact that there are many types of disability, in addition to mobility problems, which are often the only form of disability the industry considers. The authors show that provision for disabled travellers has developed further in the USA but they highlight the lack of action taken to support such tourists in many parts of the world and by the tourism industry in general.

33. Tourism and the purchase of property in foreign countries

In Europe, many people who did not travel to foreign countries until they were well into adulthood are buying property in foreign countries and moving to live there. This is one of the greatest social changes of our time and, as this case study shows, it has been stimulated by tourism. The authors look at the different reasons people have for buying property in other countries as well as the different types of property they buy in different countries.

34. Tourism and rural development

Rural areas around the world are facing crises as a result of everything from depopulation to changes to government policy on agriculture. In many of these places tourism is seen as a solution, a way of rejuvenating rural economies and providing a new future for rural communities. In this case study the authors use examples from around the world to evaluate this idea.

35. Tourism and terrorism

The terrorist attacks in New York, Washington, Bali, and Kenya, have had a massive impact on the tourism industry globally. This case study explores these impacts while noting that terrorism has affected the tourism industry since long before the attacks of 11 September 2001. The authors look at the effects of terrorism on tourism and how the tourism industry and governments deal with these effects.

36. Vacation costs, different destinations, and independent travellers

As independent, non-packaged travel has grown, the costs of services such as air travel, accommodation, food, and attractions have become a factor when travellers choose a destination. This case study looks at the differences in costs between different destinations and the impact of these on tourist demand.

5. The future of tourism

37. Hotel Bourazani, Greece

The authors offer a case study which offers hope for the future of sustainable tourism from the activities of an entrepreneur in the remote north-west of Greece, that is an interesting example of what one person, or rather one family, can achieve, with enthusiasm and hard work.

38. Kate

The last case study focuses strongly on the future and the tourist of the future, specifically. This case study contains the impressions and hopes of a young woman in the UK who is in her teens and will be a customer of the future for the industry. This case study reminds us that we need to understand tomorrow's tourists if we are to ever manage tourism effectively.

Having told the reader a little about each case study, the authors will now explain which major issues in tourism management are incorporated in each case study. This is illustrated in Exhibit 1, where # indicates the issue is a major aspect of the case study, while √ shows it is a minor aspect of the case study. The symbol × indicates the issue is not covered in any significant way in the case study. The final column of Exhibit 1 also tells the reader which other case studies are linked to the case study in terms of subject matter, in some way.

We hope this feature of this chapter will help the reader to select which case study or studies will be of most use to them in whichever way they require.

Exhibit 1 The key issues covered in the case studies

Case study	*Issue*										
	Market trends	*Tourist behaviour*	*Ethical issues*	*Sustainable tourism*	*Corporate strategy*	*Marketing*	*Human resource management*	*Entrepreneurship*	*Political and economic factors*	*National and cultural differences*	*Other relevant case studies*
1. British Airways	√	√	√	×	#	#	√	√	#	√	14, 16, 21, 36
2. Lonely Planet	√	√	√	√	√	#	×	√	×	√	16, 36
3. MyTravel Group	√	√	×	×	#	#	×	√	√	√	14, 16, 17, 22, 23
4. Pacific Asia Travel Assocation	√	√	√	√	√	#	√	×	√	√	7, 19, 35
5. Tourism Concern	×	√	#	#	√	√	√	×	√	√	4, 6, 18, 22, 25, 30
6. Touristik Union International	×	√	√	#	#	#	×	×	×	√	24, 28
7. Asia-Pacific region	#	√	×	×	×	√	×	×	#	#	4, 19
8. Dubai	√	√	×	√	√	√	×	√	√	√	35, 36
9. Dublin – the role of visitor attractions	√	√	×	×	√	√	×	√	√	√	14, 23, 36
10. Iceland and adventure tourism	√	√	×	√	×	√	×	√	√	×	18, 23
11. Las Vegas – portrait of a market leader	√	√	×	×	√	#	×	√	#	√	35
12. Russia	#	√	√	×	×	√	×	√	#	#	35

13. Boutique hotels	#	√	×	×	√	√	√	√	×	√	–
14. Budget airlines	#	√	√	×	#	√	×	#	√	√	6, 9, 36
15. Cruise market in the UK	#	√	√	×	√	√	√	×	×	√	25
16. Online retail travel and Expedia	√	√	√	×	#	√	×	√	×	√	1, 36
17. Tour operators brochures	×	√	#	√	#	#	×	×	×	×	3, 9, 24
18. Wildlife tourism in Southern Africa	√	√	#	#	×	√	×	×	√	√	5, 10, 25
19. Hong Kong Disneyland	√	×	√	×	#	√	√	√	#	√	7, 26, 27
20. Guggenheim Museum, Bilbao, Spain	√	×	√	√	√	√	×	√	√	√	9
21. Airline frequent flyer programmes	√	×	√	×	#	√	×	×	×	√	1
22. All-inclusive resorts	√	√	#	#	√	√	×	√	√	√	5, 24
23. Clubbing and party tourism	√	#	#	√	√	√	×	√	×	√	9, 17, 30
24. Corporate social responsibility	√	×	#	√	#	√	√	×	√	√	5, 6, 28, 30, 32
25. Ecotourism – Belize	√	√	√	#	√	√	×	×	√	√	5, 6, 10, 18, 24, 28

(*Continued*)

Exhibit 1 (*Continued*)

Case study	*Issue*										
	Market trends	*Tourist behaviour*	*Ethical issues*	*Sustainable tourism*	*Corporate strategy*	*Marketing*	*Human resource management*	*Entrepreneurship*	*Political and economic factors*	*National and cultural differences*	*Other relevant case studies*
26. Education and training	×	×	√	√	√	×	#	√	√	√	27, 29
27. Employment	×	×	√	√	√	×	#	×	√	√	5, 26
28. International hotels environmental initiative	√	√	√	#	#	√	√	×	√	√	6, 24
29. Researching tourist satisfaction	×	#	√	×	#	√	√	×	×	√	1, 14
30. Sex tourism	×	#	#	#	√	√	√	√	√	√	5, 7
31. Timeshare development	√	×	#	×	√	√	×	√	√	√	24, 33
32. Tourism and travellers with disabilities	√	×	#	√	√	√	×	√	√	√	24
33. Tourism and the purchase of property in foreign countries	√	√	√	√	×	√	×	√	√	√	31
34. Tourism and rural development	√	×	√	#	×	√	×	√	√	√	5
35. Tourism and terrorism	×	#	√	√	√	√	√	×	#	√	1, 4, 11, 12, 22, 23

36. Vacation costs, different destinations, and independent travellers	√	#	√	×	×	√	×	×	√	#	1, 9, 14, 16
37. Hotel Bourazani, Greece	√	×	√	#	#	√	×	#	×	√	5, 18, 24, 25, 34
38. Kate	×	#	×	×	×	√	×	×	√	×	17, 23

\# – Major aspect of the case study.
√ – Minor aspect of the case study.
× – Not covered in the case study in any significant way.

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Part 2

The Case Studies

The case studies which follow are of several types as follows:

1. cases of organizations, from commercial companies to pressure groups to supra-governmental organizations;
2. cases of tourist destinations, from individual resorts to countries to regions;
3. cases which focus on sectors or sub-sectors within tourism such as budget airlines, time-share, and boutique hotels;
4. cases of management issues in tourism, notably researching customer satisfaction and airline frequent flyer programmes;
5. trends in tourism such as the rise of online retail travel and the growth of property purchase in other countries;
6. cases of social and ethical issues in tourism like tourists with disabilities and sex tourism.

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Section 1

Tourism Organizations

CASE STUDY 1

British Airways

Introduction

British Airways is one of the world's leading airlines. Since its privatization in 1987 the airline has been on an apparent 'roller-coaster' with highs and lows. Perhaps we can gain some interesting insights into how companies succeed and fail by looking at the British Airways experience.

Privatization

In the 1970s the airline was state owned, losing money heavily, and poorly thought of by its customers.

In 1979, the new Conservative Government of Mrs Thatcher announced that the airline was to be privatized. There was a major development in the European airline market where most airlines at that time were state owned.

A process was, therefore, put in place to prepare the airline for privatization – which took 8 years to actually happen – and to get it ready to stand on its own two feet and succeed as a commercial entity. This included a painful process of cost cutting and culture change.

Restructuring of the airline commenced with a reduction in the number of routes served, divesting property interests, closing the College of Air Training, and transferring catering operations to outside contractors.

The airline was shown by Campbell-Smith to offer a 'peasant class' of travel and to show general subservience to trade union pressure. Internal studies showed that the manager's jobs were highly specialized, interdepartmental communications were poor, and British Airways was technically bankrupt.

This was the basis for the appointment of Lord King as Chairman and Colin Marshall as Chief Executive in 1980. These were seen by the British Government as the saviours of the business. Colin Marshall joined from the successful service company Avis Rent-a-Car, which was significant for the airline, since the post was not filled by a person from the airline industry.

In 1983, a steering group was established to investigate ways of improving customer service in the British Airways market. Customer service was identified as being the key cornerstone to the British Airway's offering in the marketplace.

The steering group recommended two courses of action which shaped the subsequent decisions made by the company. A Marketing Policy Group was established which worked on the re-organization of the company. Secondly, a programme of courses was implemented – 'Putting People First' – throughout the whole company.

These moves resulted in a complete revue of the management structure with 60 of the top 100 managers leaving the company. The overall age profile of the management team was reduced and these managers were chosen for their entrepreneurial abilities.

The cultural revolution of the company was underway with the aim ultimately, of putting the customer first.

This changing philosophy of the company was underpinned by an extensive programme of marketing research which started the process towards a campaign aimed at improving standards of service. This programme of marketing research looked at customer attitudes and experiences.

The research focused on the following elements:

- customer service standards monitor;
- regular business traveller survey;
- advertising and image monitor;
- requirements for services, change, and enhancement by a well-defined product development programme.

The results of the research were communicated to all staff, even though much of the data demanded a strategic rather than a tactical response.

The post-privatization policy of British Airways has been well documented by laws. The policy involved the creation of a clear mission statement, clear corporate objectives, and corporate goals. These are shown in Exhibit 1.1.

The mission, objectives, and goals quoted in Exhibit 1.1 demonstrate the change from a product orientation to a market orientation, including concentration on customers, markets, and competitors. The success of the company, at that time, can be attributed to a series of factors which are shown in Exhibit 1.2.

A major aspect of the airline's success was its promotional strategy, some highlights of which are shown in Exhibit 1.3. These, together with the airline's slogan 'the world's favourite airline' created a high profile, positive image for the airline.

By the early 1990s, British Airways was in such a strong position that it could survive the effects of the Gulf War and remain profitable.

De-regulation

British Airways was an early advocate of de-regulation in the European civil aviation market, following which had happened in the 1980s in the USA. Confident of its own strengths, British Airways felt it would flourish in a de-regulated business environment in competition with inefficient state-owned airlines.

When de-regulation began to be introduced in the European Union in the early 1990s, British Airways was quick to take advantage of the situation. It invested in airlines in other European countries, notably the creation of Deutsche BA in Germany and its purchase of TAT (Touraine Air Transport) in France.

The airline appeared to be flourishing in this increasingly de-regulated European airspace.

However, the new, so-called budget 'no frills' airlines emerged in the de-regulated environment such as easyJet and Ryanair offering low fares. These airlines began to attack British Airways on some of its European routes.

The airline retaliated in 1997 by launching its own budget airline, 'Go' to exploit the new market. However, critics suggested its real motive was to try to attack, and eventually squeeze out, the independent budget airlines.

Exhibit 1.1 Post-privatization policy

1. The BA mission – to 1990 and beyond
   - BA will have a corporate charisma such that everyone working for it will take pride in the company and see themselves as representing a highly successful worldwide organization.
   - BA will be a creative enterprise, caring about its people and its customers.
   - BA will develop the kind of business capability which will make BA the envy of its competitors, to the enhancement of its stakeholders.
   - BA will be a formidable contender in all the fields it enters, as well as demonstrating a resourceful and flexible ability to earn high profits wherever it chooses to focus.
   - Whether in transport or in any of the travel or tourism activity areas, the term 'BA' will be the ultimate symbol of creativity, value, service, and quality.

2. BA's corporate objectives
   The paramount objective is profitability, underpinned by subsidiary objectives:
   - To match at least the annual average growth of the total world airline market.
   - To achieve standards of performance at least as high as the best of our competitors.
   - To serve existing routes and markets, to identify new opportunities for branded services and products, and to ensure BA's freedom to compete in world markets; all being undertaken in such a manner as to meet the paramount and subsidiary objectives.
   - To attract, develop and retain sufficient well-trained staff with the skills to meet customer expectations.
   - To be more efficient than relevant competitors in the market places we choose to operate.
   - To provide a continuity of service from the initial point of customer contact through to the completion of the service.

3. BA's corporate goal
   The corporate goal in British Airways is to be the best airline in the world. To achieve this goal, the corporate objectives are:
   - To provide the highest levels of service to all customers, passengers, shippers, travel agents, and freight agents.
   - To preserve high professional and technical standards in order to achieve the highest levels of safety.
   - To provide a uniform image worldwide and to maintain a specific set of standards for each clearly defined market segment.
   - To respond quickly and sensitively to the changing needs of present and potential customers.
   - To maintain and, where opportunity occurs, expand the present route structure.
   - To manage, operate, and market the airline in the most efficient manner.
   - To create a service and people-oriented work environment, assuring all employees of fair pay and working conditions, and continuing concern for their careers.

Source: British Airways

Globalization

British Airways has always been a strong supporter of the process of globalization and has done all it can to exploit this trend to become a truly global airline.

Exhibit 1.2 Factors which led to the success of the company

- Change in management personnel and recruitment of strong leaders into the business.
- Emphasis on marketing philosophy, customer service, and performance related pay.
- Creation of a clearly defined marketing department.
- Reductions in costs in the business achieved by savage labour cuts, slimming down of the business, and concentration on key strategic business areas.
- Clearly defined segmentation policies and targeting of these in well developed branding programmes.

Exhibit 1.3 A review of promotional strategy – The Saatchi years

1982	Advertising Agency Foote, cone Belding sacked after 36 years work for British Airways. They produced the 'Fly the Flag' and 'We take more care of you' promotion.
1982	Maurice and Charles Saatchi gained the British Airways account under the leadership of Lord King.
1983	The 'Manhattan' advertisement introduced the idea of the World's favourite airline.
1983	The 'Joan Collins' disappointment advertisement generated much media coverage.
1985	The superwoman BA stewardess advertisement brought the concept of BA staff as super-heroes. This introduced the idea of BA being a customer service oriented airline.
1988	'Red Eye' advertisement introduced which recognized improvements for business travellers in the BA service.
1990	'Global' breaks all the rules of airline advertisements and introduces the Delibes music soundtrack. Reflected BA's confidence.
1991	Interactive cinema advertisement where actress planted in the audience recognizes her boyfriend Malcolm on the screen.
1991	Campaign's 'Advertiser of the Year'.

Source: Campaign 1993–2002

In addition it:

- bought shares in foreign airlines such as Qantas in Australia;
- encouraged the development of the first major global strategic airline alliance, the 'One World Alliance' in 1998;
- became involved in franchising to extend its coverage through deals with airlines such as Maersk Air UK and GB Airways.

Other schemes were proposed which eventually did not come to anything such as the planned Air Russia with partners in Russia.

British Airways also tried to spread its influence through the purchase of the Air Miles Travel Promotion Company.

In 1996 an alliance was formed with American Airlines which it was hoped would eventually lead to a merger between the two companies.

The height of the airline's drive for global status came in 1997 when it unveiled its new brand identity. In keeping with its ambitions to be seen as a global airline the airline removed the 'Union Jack' flag from its aircraft tails and replaced them with artwork from the countries which British Airways served. It wanted to be seen as a world airline not associated with any particular country. This re-branding cost hundreds of millions of pounds.

By the late 1990s, it appeared that British Airways had truly become 'the world's favourite airline'. It had:

- achieved a situation where it was very profitable by airline industry standards. For example, in 1996–1997, it achieved a profit of UK £640 million, namely 8 per cent of turnover;
- a stable structure and management team;
- developed a global coverage through its acquisitions, franchises, and strategic alliances;
- been recognized as a leading share in the UK stock market;
- achieved good levels of service and customer satisfaction.

However, since then things have not gone well for British Airways, in general. By 1999–2000 its profit had fallen to just UK £5 million, just 0.06 per cent of turnover. In the early years of the new millennium it had even experienced financial losses.

Let us now look at how this transformation in the fortunes of this company took place, dividing the reasons into external and internal factors.

External factors

Since the late 1990s, British Airways has had to contend with a number of problems in its external business environment, notably:

1. economic downturns which have depressed demand, from the economic crisis in south-east Asia in the late 1990s to the current (2002–2003 economic slowdown affecting the USA;
2. the huge decline in Trans-Atlantic traffic – a previously very profitable sector – due to the effects of the terrorist attacks in the USA on 11 September 2001;
3. the continuing fear of terrorist attacks which have reduced demand for air travel all over the world, following the attacks in 2002 in Bali and Kenya;
4. the war with Iraq, which is going on at the time of writing which has also made people fearful of travelling;
5. in Spring 2003, the 'severe acute respiratory syndrome (SARS)' virus has created fear of travel to parts of south-east Asia and has affected traffic levels in these important routes for British Airways;
6. the problems given by deep vein thrombosis (DVT) had discouraged some people from taking long-haul flights, a major source of revenue for British Airways;
7. the continued growth of the budget airlines in Europe has affected both leisure and business travel demand on the airline's short-haul routes;
8. the economic downturn in the airline sector has led to price-cutting which has not helped the profitability of British Airways;
9. the political instability has increased airline costs through the rising price of fuel;
10. greater airport security in the light of the terrorist attacks has made passenger management more complex and has forced fares up due to the introduction of airport security taxes.

It is clear to see that the environment in which British Airways operates has been quite disastrous in recent years. A weaker airline may not have survived it; indeed many European and US airlines are operating close to bankruptcy or are technically bankrupt. However, it has to be said that British Airways has also made mistakes that have cost it dearly. These mistakes of judgement have assumed greater significance due to the appalling state of the business environment. Let us now look at some of these issues.

Internal factors

1. The original management team retired or otherwise left the company, creating some uncertainty and loss of continuity.
2. Commentators have criticized the company for losing its sense of direction and purpose. It has been suggested that it became too obsessed with wooing low-profit, low-price leisure travellers while neglecting its higher yield business travellers.
3. Its flirtation with budget airline 'Go' was quite successful but the airline sold it in a management buy-out, to concentrate on its core business. This change of mind adversely affected its reputation in the financial markets, being seen as another example of a lack of direction in the business. Indirectly, it also strengthened its low-cost budget airline rival, easyJet, which acquired 'Go' in 2002.
4. The 'global' re-branding was a failure in many ways. The airline had under-estimated the value of its British identity, with both UK and international customers. It made the airline look, potentially, unpatriotic to its home market while failing to appeal to non-British customers.
5. The constant rationalization of staff has, undoubtedly, caused certain loss of commitment to their jobs on the part of some staff who have seen colleagues made redundant.
6. The company's high service quality reputation appears to have slipped a little in recent years.

Overall, market confidence in the airline has declined in recent years, mirroring the fall in its profitability. Concerns over perceived management weaknesses, too, led in 2002, to the British Airways stock being taken off the list of the top 100 shares on the London Stock Exchange, a blow to the airline's prestige.

These are clearly difficult times for British Airways. Each time it seems to be getting back on track, it is adversely affected by another negative development in its business environment.

Key issues

- British Airways is still one of the world's largest and most powerful airlines.
- It was the first major European state-owned airline to be privatized and its privatization rejuvenated the ailing airline.
- Immediately after privatization its new management team transformed its organizational culture and brought about real improvements in customer service.
- Throughout the late 1980s and early 1990s the airline was a beacon of good practice and profitable operation – probably the world's most successful airline at the time. Their success was based on new product development (new business class seats), rationalization, skilful promotion, acquisitions, franchising, and strategic alliances.
- Two business decisions which were perceived to be mistakes, namely the launch of 'Go' and the 'global' re-branding adversely affected the airline's reputation with investors.
- Business travellers perceived that the airline, at times, was less interested in them than in spending, less frequently flying leisure travellers. This led to some of this important group becoming rather dissatisfied with British Airways.
- Since the late 1990s, the external business environment has continued to deteriorate with threats for airlines like British Airways from economic crises, terrorist attacks and health concerns. There can rarely in history have been a worse business environment for airlines.
- British Airways has developed a negative reputation in some circles for its business practices dating back, perhaps, to its alleged 'Dirty Tricks Campaign' against rival airline Virgin Atlantic in the early 1990s. However, British Airways has also been involved in some excellent examples of good practice for which it has always not received credit, perhaps most notably its environmental policies and its help for conservation projects.

Conclusion

British Airways is still a major global airline but its reputation has declined significantly since the heyday of its success in the mid-1990s. Some of this decline is due to some inappropriate management decisions, but much of it reflects the very difficult business environment for all airlines in recent years. It is ironic that as British Airways has declined, easyJet, always a critic of British Airways, has thrived.

Discussion points and exercises

1. Discuss the reasons why British Airways had become a very successful airline by the mid-1990s.
2. Critically evaluate the statement that the decline in British Airways fortunes in recent years is solely as a result of adverse changes in the business environment of airlines, worldwide.
3. Discuss the future strategic options which British Airways could choose to take and decide which you think would be the best, explaining why you think so.
4. Critically evaluate the major global airline alliances, noting their strengths and weaknesses.

CASE STUDY 2

The 'Lonely Planet' Phenomenon

In the past 30 years or so, the travel media has grown dramatically, worldwide, both mirroring and stimulating, the huge increase in international travel we have seen since the 1970s. The field of travel media now encompasses guidebooks, web sites, magazines, specialist shows on terrestrial and satellite television, radio programmes, and travel writing.

In recent decades, there has been, specifically, a huge growth in the number of guidebooks. At the same time, there has been a change in the nature of guidebooks, with the development of new types of guidebooks.

The 'traditional' type of guidebooks, such as *Baedecker*, *Michelin Green Guides*, and *Hachette Guides Bleues*, were aimed at the serious cultural and sightseeing tourist. They were targeted primarily at the mid- to upper-market relatively well-educated tourist, probably touring an area by car. They focused on historic sites and were largely factual with little or no subjective comment about aspects of the destination such as ambiance, nightlife, and so on. Other, often associated, guidebooks also gave hotel and restaurant recommendations, such as the *Michelin Red Guides*. Again, these tended to focus on mid- to upper-market travellers.

Then, to add to these largely European guidebooks, came new brands designed largely for the US market, such as *Fodors* and *Frommers*. These were largely geared to the needs of middle-market travellers on a limited, but not shoestring budget.

However, the 1960s saw the rise of a new phenomenon of international tourist, the independent long-haul traveller on a low budget – the 'backpacker'. Unlike traditional tourists, this person tended to be younger and took trips with a relatively long duration but with low daily expenditure. A particularly popular trip with these tourists is the overland route from Europe to/from Australia via Asia. While these tourists revelled in their image as free spirits, travellers not tourists, on personal adventures, they needed information to help them visit places with which they were unfamiliar. From the 1960s onwards, a new generation of guidebooks began to develop to meet the needs of these new tourists. *Lonely Planet* was one of the first in the field, a pioneer, which has since become a 'cornerstone' of the modern travel media. It was certainly the first European-based guidebook series aimed at this new market.

The *Lonely Planet* organization

Lonely Planet began in the early 1970s when two adventurous travellers, Tony and Maureen Wheeler, made an epic overland journey from London through Asia to Australia. In 1973 they published a guide to their journey called '*Across Asia on the Cheap*', and so 'Lonely Planet' was formed, an organization which the company, on its web site, describes as 'the world's leading independent travel publisher'.

The Wheelers are still the owners of *Lonely Planet* and they are still travelling. They are well-educated, highly articulate people. Tony Wheeler, for instance, has an MBA and dropped out after university to take the trip with Maureen to Australia. In this, they were typical of the early back-packers of the 1970s.

The company web site sets out clearly the mission and principles of *Lonely Planet*, as follows:

> *Lonely Planet* is passionate about bringing people together, about understanding our world, and about people sharing experiences that enrich everyone's lives. We aim to inspire people to explore, have fun, and travel often. And we strive to provide travellers everywhere with reliable, comprehensive, and independent travel information.
>
> Our principles
>
> Travel can be a powerful force for tolerance and understanding. As part of a worldwide community of travellers, we want to enable everyone to travel with awareness, respect, and care.
>
> The integrity of our information is our strength. We accept no endorsements, advertising, or kickbacks – our authors do not accept payment or favours in return for positive reviews.
>
> *Source:* www.lonelyplanet.com. January 2003

Today, *Lonely Planet* has over 400 staff, many with backgrounds similar to that of the Wheelers, at their offices in the USA, UK, France and Australia.

The range of products and services offered by *Lonely Planet* today is as far away from the single guidebook of the early 1970s, and includes the following:

1. Guidebooks to regions, individual countries, and cities. The company now claims to publish some 600 guidebooks in 14 languages (February 2003).
2. Thematic guidebooks such as guides to travelling with children, healthy travel, and food and drink in different countries.
3. A series of phrase books to different countries; there is even a 300-page guide to the languages of the USA.
4. A range of books of travel writing from around the world.
5. Travel atlases to several regions of the world.
6. A complex, detailed web site that provides a huge volume of advice for tourists on every aspect of travel to virtually every country in the world, including:
   - travel to, and around, the destination;
   - the best times of the year to visit;
   - attractions;
   - events;
   - culture;
   - practicalities such as currency, visas, and accommodation;
   - the environment;
   - further reading and sources of information.
7. The 'Thorn Tree' an online bulletin board where travellers can place their experiences. In early 2003 the company claimed that around 5000 new messages were being inserted on this board every day.
8. Special events, meant to promote the *Lonely Planet* brand. For example, on 11 December 2002 *Lonely Planet* was promoting an evening in San Francisco where a well-known author would read from his latest book.
9. An online shop selling guides, maps, and travel writers' books via the Internet. The shops online catalogue has headings for sections which have a distinct travel theme to them including 'departure lounge' and 'the lobby'.

10. 'Travel Ticker' a regularly updated news service about what is happening in destinations around the world. On 31 January 2003 this site featured stories on civil unrest in Venezuela, elections in Israel, anti-American demonstrations in Pakistan, cyclones, and floods in Malawi, winter storms in Europe, and public holidays in Eritrea and India.
11. 'Postcards' a site where individual travellers' experiences are made available to everyone visiting the site.
12. Subway – a site highlighting links to other sites about virtually every destination in the world.

However, of all the services offered by *Lonely Planet*, it is still most famous for its guidebooks.

Lonely Planet guidebooks

Lonely Planet guidebooks have particular characteristics, as follows:

1. They are written by experienced travellers, usually in teams. They employ more than 200 such authors who write the guides based on their own travel experiences.
2. They combine 'quirky' titbits with factual information.
3. They accept no advertising and hotels, restaurants, and attractions cannot pay for inclusion in the editorial sections of the guides. The authors, also, do not accept 'freebies' when researching the books.
4. They contain negative as well as positive comments on places and individual businesses.
5. Most of the guides are updated every 2 years.

The books tend to have a common structure whether they are talking about a country, a region of the world, or a city, namely:

- facts about the destination, including history, geography, climate, environment, flora and fauna, government, economy, population, arts, religion, and language;
- facts for the visitor, including everything from visas to tourist offices, currency to health, accommodation to food, dangers and organizations to legal matters. They also include advice to specific groups of travellers, notably gay and lesbian travellers, travellers with disabilities, women travellers, and travellers with children;
- travel to the destination;
- travelling around the destination;
- detailed guides to different areas of the destination;
- maps;
- a short section on the language spoken in the destination.

Each guide tells the reader about the culture, warns them about how things can change after the book is published, such as prices, and asks people to help them update the guides.

The guidebooks tend to be between 200 and 900 pages.

Over the years, *Lonely Planet* guides have changed in a number of ways, as follows:

- the style has become rather more formalized and the humorous cartoons, which were often not very politically correct have generally disappeared;
- the emphasis on off-the-beaten-track destinations has been replaced by virtually global coverage of *Lonely Planet* guides, so that they now include mainstream destinations;
- production values have improved dramatically and *Lonely Planet* guides are now as professionally produced as any other travel guide;
- given the rise of the Internet, today's guides now contain cross-references to the *Lonely Planet* web site and the many services which it offers.

However, *Lonely Planet* authors still seem to often be from very similar backgrounds to those in the 1970s. They are usually people who have left good jobs, to go travelling and never went home, and become 'professional' travellers. Or they went travelling after university and never got a 'proper' job. Like the Wheelers, some of them are husband and wife, or at least partners. They also still tend not to be nationals of the country they are writing about. For example, the first edition Norway guide was written by an American, the first Syria guide by English, Egyptian and Australian authors, and an American wrote the first Croatia guide. This continues a *Lonely Planet* tradition, started by the Wheelers. However, the authors usually use local collaborators when writing the books.

Many authors have contributed to a number of guides in different parts of the world.

Lonely Planet and other guidebooks aimed at similar markets

Since its launch, *Lonely Planet* has inspired the creation of competitors, or forced existing guides to rethink and upgrade including the following:

1. *'Rough Guides'*, started in 1982 by Mark Ellington, a Briton who travelled to Greece after finishing at university. His first guide was an independent travellers guide to Greece. Like *Lonely Planet* they now have a detailed web site and produce ancillary products such as phrase books. Now they have nearly 200 titles produced by their team of over 100 authors. The story of *Rough Guides* is, interestingly, placed at the beginning of each *Rough Guide*. No longer independent, *Rough Guides* is now part of Penguin Books.
2. *'Let's Go'*, part of the MacMillan publishing empire today, began in 1960 in the USA, when Harvard University students produced a 20-page guide on budget travel to Europe from the USA. *'Let's Go'* has always been aimed at the true budget traveller with a bias towards the vacations of young students. Each guide is updated annually by a team of several hundred researchers. They still have a strong American flavour and an unusual style, with an almost 'hippie' feel to them, in places.
3. *'Trailblazers'*, UK-based guides, which tend to focus on trekking trips and adventurous rail journeys. In 2002, their catalogue listed 31 titles, one of which, their guide to the Trans-Siberia Railway, was in its fifth edition. As well as covering attractions they offer very detailed guidance on transport and tend to focus on places which are well off the beaten track.
4. *Routard*, a French-based guidebook series which is part of the Hachette publishing empire. These guides are frequently updated and are particularly reliable in terms of hotel and restaurant recommendations. They now publish guides to most places in the world and their guides are increasingly being translated into English. They tend to make recommendations for all levels of the market. Guides are updated annually and are supported by a regular newsletter, web site, and Minitel site.

In Exhibit 2.1 we compare *Lonely Planet* with *Rough Guides*, in relation to their first edition guides to Norway.

It appears from this that *Lonely Planet* guides devote more attention to remote areas such as Svalbard and Roros than Rough Guides but are less concerned with the capital city, Oslo, than their rival (8 per cent of the book versus 14 per cent).

Ethical issues and *Lonely Planet*

Guides like *Lonely Planet* have great influence today on where tourists go and what they do, but with this power have come questions about the ethical dimension of these guidebooks and their influence, as follows:

1. By encouraging tourists to travel 'off the beaten track', these guides bring tourism, with its positive economic impacts, but its negative social and environmental effects, to remote areas which are often unprepared for these impacts.

Exhibit 2.1 *Lonely Planet* and *Rough Guide* – first edition guides to Norway

	Lonely Planet *guide to Norway*	Rough Guide *to Norway*
Date of publication of first edition	1999	1997
Length of Guide, in pages, excluding index	438	303
Number of authors	1 American female	2 British males
Number of colour photographs	36	0
Number of maps	55	33
Number of pages devoted to the following subjects (approximate percentage of book):		
History of Norway	9 (2)	14½ (5)
Politics and government	½ (<1)	½ (<1)
Environment	6 (1.5)	1 (>1)
Arts including Norwegian literature	6½ (1.5)	1 (<1)
Flora and Fauna	6 (1.5)	2 (<1)
Norwegian language	6½ (1.5)	2 (<1)
Health	3½(<1)	1 (>1)
Oslo	33 (8)	45 (14)
Svalbard	18½ (4)	2½ (<1)
Travelling within Norway	10 (2)	6 (2)
Number of accommodation recommendations in:		
Oslo	24	24
Trondheim	10	9
Number of restaurants and cafe recommendations in:		
Bergen	29	10
Roros	8	3
Number of attraction recommendations in:		
Oslo	38	37
Trondheim	16	11

2. Given they are followed closely by tourists they can create 'honey-pot' destinations or attractions, which become overcrowded or dominated by foreign tourists.
3. While they can bring great benefits to business as they mention, they can deny business to any enterprise they do not mention or comment on negatively.
4. They are open to accusations of 'imperialism' because they tend to be written by writers who are from developed countries often writing about developing countries where they were not born. Clearly these authors know the markets from which the tourists come well, which is an advantage, but they can never have the local knowledge and understanding of an indigenous person.
5. Companies like *Lonely Planet* are often criticized for providing guides that encourage people to visit countries with totalitarian governments. *Lonely Planet* takes such criticism seriously so that its web site, for example, makes tourists aware of the arguments against visiting Myanmar – for which it publishes a guide – as well as those in favour.
6. *Lonely Planet* is often accused of having too many male authors and too few female authors. It defends itself against such charges by saying it is recruiting more female writers and by saying that each of its guides devotes a page to the specific needs of women travellers.
7. Some claim companies like *Lonely Planet* have just become part of the mainstream publishing world, producing guides to all destinations, not just those favoured by independent long-haul travellers or backpackers. They are sometimes accused of forgetting their original principles

and just exploiting their reputation for commercial gain. This shows the tension which can exist when a small informal operation with a strong sense of mission grows and matures and has to adapt to the business world in order to survive.

Key issues

- The appearance of a new generation of guidebooks, including *Lonely Planet*, between the 1960s and 1980s, was a result of the rise of independent travel in general, and backpacking, specifically.
- Most guidebooks such as *Lonely Planet* were started by individuals, who were often themselves, independent travellers, searching for an alternative to normal employment and the everyday lifestyle of their own countries.
- Almost all the guidebooks – and there are other examples in Europe, and Japan – originate from the so-called developed countries.
- Most companies like *Lonely Planet* have grown and expanded their business to include web sites.
- Most companies now produce a wide variety of guides to mainstream, as well as 'off-the-beaten-track' destinations.
- The guidebooks, like *Lonely Planet*, have very loyal readers who follow them, almost religiously, when on their travels.
- The different brands of guidebooks have things in common but also have distinctive characteristics.
- The guidebooks raise a number of ethical issues and are often thought to be making it more difficult to achieve sustainable tourism by encouraging tourists to visit remote places where they will cause drastic socio-cultural change, and by promoting particular places so that overcrowding occurs. On the other hand, they do try to educate tourists about the culture and environmental issues in the destination.
- Guides like *Lonely Planet*, through their web sites, have created opportunities for travellers to interact with them and with each other.

Conclusion

Lonely Planet is, perhaps, the most successful of the modern generation of travel publications. It has expanded its operations over the years to the point at which it is a complex, multi-faceted organization, with a plethora of products and services. Their activities can attract criticism, but in general, they appear to be well thought of by travellers and have been major factor in the growth of independent travel.

Discussion points and exercises

1. Critically evaluate the reasons behind the success of *Lonely Planet*.
2. Compare and contrast *Lonely Planet* guides with traditional guidebooks such as *Blue Guides*, *Michelin* and *Frommer*.
3. Discuss the ways in which guides such as *Lonely Planet* aid or hamper the development of more sustainable forms of tourism.
4. Select a destination with which you are familiar, or which you can visit. You should then research the destination and/or draw on your personal experiences of it as a tourist, to produce a short guide to it, for the benefit of one of the following markets:
   - backpackers,
   - families,
   - adventure tourists.

CASE STUDY 3

MyTravel Group plc*

Introduction

MyTravel Group plc has been a major player in the UK travel industry for more than a decade. The company is a large multi-national company and has grown by vertical integration into one of the most important organizations in the global leisure travel industry.

> This Group has always been managed to deliver the maximum return to our shareholders, from the vertical integration of our operations, while retaining significant flexibility over our flying and accommodation commitments.
>
> *Source:* David Crossland, Chairman, 2001

However, in the past 2 years, the company has faced unprecedented challenges to its position in the market place.

Historical development

The development of the Airtours business has been spectacular. In 1972, Airtours founder, David Crossland bought Pendle Travel, two travel agency outlets in Lancashire, UK. Another local agent was acquired and the name Airtours was created. In 1980, Crossland's Airtours began to organize package holidays. Between 1982 and 1986 the number of inclusive tours sold by Airtours rose from 26,000 to 290,000. The company came to the stock market in 1987, and since this time has pursued a strategy of horizontal and vertical integration. The company has acquired many businesses to enable this strategy to be pursued. The key activities which the company has been involved in since 1987 are shown in Exhibit 3.1.

It can be seen that in a short space of time, Airtours has developed its own airline, has developed a fully branded nationwide retail outlet system, and has started to develop markets in other countries.

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* Previously Airtours plc.

Exhibit 3.1 Airtours plc, key dates

1987	Airtours comes to the stock market
1989	Commencement of the Euro sites business
1990	The creation of an in-house airline
1990/91	Commencement of 1 day city trips to major European cities
1992	Acquisition of Pickfords Travel Service Ltd
1993	Company seeks capitalization issues Purchase of Hogg Robinson Leisure Travel Limited 210 retail outlets Purchase of Aspro Travel Group Opening of Airtours departure hall – Manchester Airport Launch of the 'Going Places' brand for combined retail shops Acquisition of the Tradewinds brand
1993/94	Introduction of the Ski programme
1994	Acquisition of the Scandinavian Leisure Group (SLG) for £80 million Announcement of the purchase of the MS Seawing cruising ship to develop fly/cruise programme Announcement of the purchase of the MS Carousel cruising ship to develop fly/cruise programme further Acquisition of Late Escapes telephone sales business Acquisition of Winston Rees (World) Travel
1995	Acquisition of Sunquest Vacations – one of Canada's largest tour operating business Winner of the Best Travel Company Award
1996	Acquisition of Spies and Tjaereborg – leading Scandinavian tour operating business Acquisition of Stella Polaris Hotel Group of Spain Carnival Corporation acquired a 29.6% in plc
1997	Winner of the prestigious Mercury Award for in-flight catering Acquisition of Suntrips, a US (Northern California and, later, Colorado)-based tour operations Acquired a stake in Costa Crociere, the world's fourth largest cruise business special Mediterranean cruising Announced SLG to commence tour operations in Pola direct-sell brand name, Ving Acquisition of Bahia Feliz, a vacation ownership resort in Gran Canaria, renamed Airtours Gran Canaria
1998	Acquisition of Sun International SA, Belgium's largest tour operating business. The acquisition of tour operators Cresta Holidays Limited and Bridge Travel Services Limited, both weekend break specialists Announced intention to lease Sunbird from Royal Caribbean to commence operation May 1999 Acquired a stake (29% with an option to acquire the remaining shares) in Fros GmbH (FTi), one of Germany's major tour operating businesses Acquisition of Direct Holidays Limited, a tour operating business specializing in the direct sell market Acquisition of Panorama Holiday Group, one of Ireland's leading tour operating businesses specialist to Tunisia Announced intention for German tour operating business, FTi, to launch its own airline Acquisition of Vacation Express, a US (Atlanta, Georgia)-based tour operating business Winner of the Manchester Evening News' prestigious North West Business of the Year Award Winner of the Best Charter Airline (Airtours International Airways) Award at the prestigious Ireland Travel and Tourism Awards Acquisition of the Travelworld Group Limited (Travelworld), a travel agency business with outlets based in the north of England

(*Continued*)

Exhibit 3.1 (*Continued*)

1999	Acquisition of Traveltrend Holding BV, a Dutch-based tour operating business specializing travel to America, Canada, Asia, Australia, New Zealand, Africa, and South America
	Acquired a 40% interest in EVS Beteiligungs GmbH. The acquisition included Bergeu – a German-based tour operating business specializing in the direct sell holiday market
	Acquisition of Marysol, a well established Dutch-based tour operating business offering Mediterranean holidays
	Acquisition of Trivselresor Holding AB, a Scandinavian-based scheduled tour operating business
	Acquisition of the Allkauf network comprising 155 retail stores from the Real Group – a German based travel agency business
	Winner of a Tour Operator Award in the prestigious TTG Awards (UK)
	Acquired remaining stake in the Oasis Lakes vacation ownership complex in Florida
	Winner of the Best Charter Airline (Airtours International Airways) Award at the prestigious Ireland Travel and Tourism Awards (UK)
	Acquired Jetset Europe plc, a UK-based tour operator specialising in tailormade long haul and flights
2000	Acquisition of shares in Scandinavian Leisure Group, Dutch Leisure Group and FTi
	Acquisition of Gate Eleven – a Danish tour operator
	Acquisition of Italia – a Polish tour operator
	Sale and leaseback of seven Spanish hotels
	Strategic alliance formed with Aqua Sol – an Eastern Mediterranean hotel group
2001	Purchase of World Choice Travel.com.Inc – travel service business for £23.7 million
	Purchase of DriveAway Holidays Pty Limited, Australia – a car renting and leasing company for £1.0 million
	Purchase of the Kemwel car renting and leasing company in North America for £4.9 million
2002	Rebranding of the company name Airtours plc to *MyTravel plc*
	Development of a multi-channel distribution capability with MyTravel.com in the UK, Scandinavia and America
	Launch of the MyTravel Lite budget airline, the first UK budget airline used by a UK tour operator
	Rebranding of the Airtours International and Premiair fleets to MyTravel Airways

Source: Airtours plc, 2002.

Exhibit 3.2 Largest air holiday groups by total ATOL capacity, 1999–2001

'Big Four' Holiday Groups	*1999 '000s*	*2000 '000s*	*2001 '000s*	*% share 2001*
MyTravel Group (formerly Airtours)	3890	4915	5319	17
Thomson Travel Group	5333	4888	4725	15
Thomas Cook Group	3640	3616	3504	11
First Choice	3069	3229	3270	10
Total	15,932	16,648	16,818	53

Source: Mintel, 2002.

Market share

MyTravel has grown rapidly in the years since flotation on the stock exchange. In 2002, it was estimated that it controlled 17 per cent of the market share of the UK package holiday market, as can be seen from Exhibit 3.2.

Exhibit 3.3 Profiles of the big four holiday groups, 2001

	MyTravel	*Thomson*	*Thomas Cook*	*First Choice*
Status	UK plc	Subsidiary (preussag)	Subsidiary (C&N)	UK plc
ATOL capacity*	5.3 metres	4.7 metres	3.5 metres	3.3 metres
Largest tour brands	Airtours Direct Holidays Panorama Cresta Bridge	Thomson Skytours Portland Crystal Magic	JMC Style Neilson Club 18–30	First Choice Unijet Meon Hayes & Jarvis
Travel agents	Going Places Travelworld MyTravel	Lunn Poly	Thomas Cook	Travel Choice
Airline	MyTravel	Britannia	JMC Thomas Cook** BAH**	Air 2000

* Consolidated group capacity, Summer 2001.
** Under joint venture with British Airways.
Source: Mintel, 2002.

Product range

The company offers a comprehensive range of summer and winter sun holidays. It has developed holidays to the Caribbean and tropical destinations. The latest addition to the product portfolio has been the addition of a fly/cruise business which offers customers the opportunity to cruise in the Mediterranean for reasonable prices. Competition in the UK comes from three other major package holiday operators. A summary of their business capacity and brand portfolios is shown in Exhibit 3.3.

A summary of the 5 years performance of the group over the period 1997–2001 is shown in Exhibit 3.4. It can be seen that the turnover and profitability of the group grew steadily over this period.

Acquisition strategy and market development

The company has pursued an aggressive acquisition and development strategy to develop their market position. This strategy has given the company considerable market strength in the travel retail and tour operations business supported by their ownership of airlines and hotels. Exhibit 3.5 shows the areas in which the company has developed.

A major period of acquisition has led to the group having a wide portfolio of brands in major markets. A summary of these subsidiaries, joint ventures, and associated undertakings is shown in Exhibit 3.6.

Key personnel

Development of the Airtours company was carried out by David Crossland, who was Chairman, until recently, and principal shareholder of the company. David Crossland started in the travel industry over 30 years ago, and it was his skill, expertise, and imagination which guided the successful development of the company. However, he was supported by a strong management team.

The board of directors of the company in 2001 is shown in Exhibit 3.7.

Exhibit 3.4 Five years review – Airtours plc

	2001 (£ million)	*2000 (£ million)*	*1999 (£ million)*	*1998 (£ million)*	*1997 (£ million)*
Profit and loss account					
Group turnover	5061.4	3949.0	3309.3	2753.4	2235.6
Operating profit pre-goodwill and exceptional items	132.2	83.5	131.5	124.5	107.7
Profit on ordinary activities before tax, goodwill, and exceptional items	129.8	76.8	131.5	125.7	117.2
Profit on ordinary activities before tax	81.3	211.4	125.9	125.7	117.2
Tax on profit on ordinary activities	30.3	25.0	32.3	31.6	29.2
Profit for the financial year	30.8	171.3	93.8	93.8	87.8
Dividends	46.6	43.9	39.4	36.2	31.1
Transfer (from)/to reserves	(15.8)	127.4	54.4	57.6	56.7
Balance sheet					
Goodwill	540.2	534.8	36.9	–	–
Tangible fixed assets	431.1	513.5	417.8	310.7	261.4
Investments	83.7	55.3	116.9	82.7	63.0
Cash and deposits	378.6	793.3	554.2	364.2	406.6
Stocks	13.3	17.2	11.4	17.0	6.4
Debtors	838.5	712.2	550.5	403.5	331.7
Creditors	1663.9	1969.3	1379.5	937.7	747.2
Provisions for liabilities and charges	99.6	113.4	100.1	92.9	81.2
Net assets	521.9	543.6	208.1	147.5	240.7
Statistics (p)					
Basic earnings per share	6.28	35.98	19.74	21.14	20.62
Diluted earnings per share	6.26	34.10	19.53	20.21	19.12
Basic earnings per share pre-goodwill and exceptional items	16.18	9.12	20.90	21.14	20.62
Diluted earnings per share pre-goodwill and exceptional items	16.11	10.69	20.68	20.21	19.12
Dividend per share	9.50	9.00	8.25	7.50	6.67
Net assets per share	105.93	110.69	43.54	31.07	56.24
Ratios					
Dividend cover	0.66	4.00	2.39	2.82	3.09
Dividend cover pre-goodwill and exceptional items	1.70	1.01	2.53	2.82	3.09
Share data (m)					
Number of shares in issue					
Period end	492.7	491.2	477.9	474.7	428.0
Average	490.2	476.4	475.4	439.3	413.5
Diluted number of shares	492.3	546.6	480.5	464.4	458.9
Share price (p)					
High	335.50	430.00	544.50	541.00	413.33
Low	110.00	202.00	287.50	282.50	197.83
Average	255.41	308.63	435.67	429.38	315.49

The figures for the years 1997–1999 have been restated to take account of a prior year adjustment as a result of the implementation of FRS 15 and UITF 24.

The figures for earnings, dividend and net assets per share, share data and share price information for 1997 have been restated to take account of the Capitalization issue to existing shareholders in 1998.

Diluted earnings per share for 1997 and 1998 has also been restated to take account of Financial Reporting Standard 14.

Source: Airtours plc Accounts, 2001.

Exhibit 3.5 The product portfolio

Retail MyTravel is the UK's largest travel agency with a network of 900 shops across the UK. This provides invaluable support for the distribution of the group's own products together with those of other major tour operators.

Tour operations Building upon support provided by Going Places, MyTravel has further increased its market share and consolidated its position as the largest tour operator and this has resulted in a significant increase in total customers carried, and in cost saving opportunities.

Fly-cruise This venture derives substantial added value from the Group's existing cost structure. The fly-cruise produce is marketed by MyTravel in the UK and by SLG in Scandinavia. Passengers fly to their embarkation points on existing flights.

Airline With profitable utilization of aircraft guaranteed by Airtours Holidays, Airtours International, and Premiair have maintained their position as an effective leisure airline with impressive utilization of its fleet and load factors on its aircraft.

Hotels The Group now control a range of hotels and holiday complexes located in the principal resorts served by the Group's tour operators. This includes Sweden, Spain, Greece, Cyprus, and Mexico. This keeps within the Group a higher percentage of the money spent in resorts by its customers as they utilize on-site facilities and services.

Source: Airtours.

Exhibit 3.6 Principal subsidiary, joint venture, and associated undertakings – Airtours plc, 2001

In 30 september 2001 the Group's principal subsidiary, joint venture, and associated undertakings were as follows:

		Country of incorporation and operation	*Proportion held by parent company (%)*	*Proportion held by the Group (%)*
Tour operators	Airtours Holidays Limited	England		100
	Bridge Travel Service Limited	England		100
	Cresta Holidays Limited	England		100
	Direct Holidays PLC	England		100
	Eurosites Limited	England		100
	Gate Eleven A/S	Denmark		100
	Globetrotters Sverige AB	Sweden		100
	Globetrotter Tour Production A/S	Denmark		100
	Panorama Holiday Group Limited	England		100
	Sunway Travel (Coaching) Limited	England		100
	Leger Holidays Limited	England		100
	Jetset Europe Limited	England		100
	Manos (UK) Limited	England		100
	Nowa Itaka Sp Z.o.o.	Poland		100
	North America Leisure Group Inc.	Canada		100
	Oy Tjareborg AB	Finland		100

(*Continued*)

Exhibit 3.6 (*Continued*)

		Country of incorporation and operation	*Proportion held by parent company (%)*	*Proportion held by the Group (%)*
	Sunquest Holidays Inc.	USA		100
	Sun Trips Inc.	USA		100
	Tradewinds Worldwide Holidays Ltd	England	100	
	Trivselresor AB	Sweden		100
	V E Holdings Inc.	USA		100
	Vingresor AB	Sweden		100
	Always AB	Sweden		100
	Vin Norge AS	Norway		100
	Saga Solreiser AS	Norway		100
	Oy Spies Matkat AB	Finland		100
	Vin A/S	Denmark		100
	Spies A/S	Denmark		100
	Tjaereborg Reiser A/S	Denmark		100
	Dutch Leisure Group Reisondernemingen BV	Holland		100
	BV Reisbureau Marysol	Holland		100
	Travel Trend BV	Holland		100
	Ving Sp. Z.o.o.	Poland		200
	Frosch Touristik GmbH	Germany	46	54
Hotel operators	Sunwing AB	Sweden		100
	Hoteles Sunwing S.A.	Spain		100
	Tenerife Sol S.A.	Spain		50
	Sunwing Hotels Hellas S.A.	Greece		100
	Sunwing Hotels (Cyprus) Limited	Cyprus		100
	Servicios de Administracion y Operacion de Hoteles S.A. de CV	Mexico		90
	Hotetur Club St	Spain	50	
	Hoteles Don Pedro S.A.	Spain		100
	Airtours Resort Mallorca St.	Spain		100
	Aqua Sol Hotels Limited	Cyprus		19.99
Cruise operators	Sun Cruises Limited	England	100	
Airlines	Airtours International Airways Ltd	England		100
	Premiair A/S	Denmark		100
Travel retailers	Going Places Leisure Travel Limited	England		100
	The Travelworld Group Limited	England		100
	Late Escapes Limited	England		100
	Travel Services International, Inc.	USA		100

(*Continued*)

Exhibit 3.6 (*Continued*)

		Country of incorporation and operation	*Proportion held by parent company (%)*	*Proportion held by the Group (%)*
	WorldChoice Travel.com, Inc.	USA		100
	Allkauf Touristik GmbH	Germany		100
Agency companies	Eurosites A/S	Denmark		100
	Eurosites GmbH	Germany		100
	Eurosites BV	Holland		100
	Eurosites Vacances S.A.	France		100
	Viagens Astral S.A.	Portugal		100
	Viajes Astral S.A.	Spain		100
	Viajes Astral Canarias S.A.	Spain		70
Insurance company	White Horse Insurance Ireland Ltd	Ireland		100
Investment and/or holding companies	Airtours Finance Limited	Guernsey	100	
	Airtours Resort Ownership España SL	Spain		100
	Blue Sea Investments Limited	England	100	
	Blue Sea Overseas Investments Ltd	England		100
	The BTN Finance Company	England		50
	Carousel Holidays Limited	England	100	
	Grandes Maisons Limited	England	100	
	CLG Holdings Inc.	Canada		100
	Parkway Holdings BV	Holland		100
	White Horse Holdings BV	Holland	100	
	Scandinavian Leisure Group Holdings AB	Sweden		100
	Scandinavian Leisure Group Leasing A/S	Norway		100
	Sun International (UK) Limited	England		100
	UKLG Limited	England	100	
	NALG Holdings	Ireland		100
	AB9807 Beteilgungsverwaltungs GmbH	Germany		100
	Parkway SA	Luxembourg		100
	Scandinavian Leisure Group AB	Sweden		100
	OY SLG Holdings AB	Finland		100
	Scandinavian Leisure Group Holdings AS	Norway		100
	Scandinavian Group Holdings AS	Denmark		100
	MyTravel Luxembourg Sarl	Luxembourg		100
	Parkway IPR Limited	England	100	
	MyTravel IPR Ireland Limited	Ireland		100
	Dutch Leisure Group Holding BV	Holland		100

Exhibit 3.7 Board of Directors – Airtours plc, 2001

1 David Crossland, 54
Chairman
David has nearly 40 years' experience in the travel industry. He founded the Group in 1972 and has led it through its development, from the establishment of its first tour operator, Airtours Holidays, through flotation on the London Stock Exchange in 1987, the launch of its first in-house airline, Airtours International and expansion into Europe and North America in the 1990s.

2 Tim Byrne, 42
Chief Executive
Tim joined the Group in 1993 as Group Financial Controller and joined the Board in 1997 as Group Finance Director. In March 2000 he was appointed Managing Director before becoming Chief Executive in November 2000. He has previously held senior management positions in the Granada Group in hotel, theme park, and television businesses.

3 David Jardine, 39
Group Finance Director
David joined the Group in March 2000. He was previously a partner in Arthur Andersen and had worked closely with the Group for a number of years on transactions such as the acquisition of the Scandinavian and North American Leisure Groups. He trained as a Chartered Accountant with Arthur Andersen and became a partner in 1995. David is a member of the CBI North West Regional Council.

4 Eric Sanderson, 50
Non-Executive Deputy Chairman
Eric joined the Board in 1987 and became Deputy Chairman in May 2001. He is currently Managing Director of Kwik-Fit Insurance Services Limited and will become Executive Chairman in January 2002. He is Chairman of the Quality Panel of the Docklands Light Railway and was previously Chief Executive of the British Linen Bank and Chief Executive of Scotland Treasury Services.

5 Mike Lee, 54
Chairman of the Aviation Division
Mike joined the Group in 1990 with responsibility for forming Airtours airline. He was appointed to the Board in 1993 and given responsibility for all the Group's aviation interests in 1997. He has over 30 years' experience in the airline industry since starting his career with BOAC, and has held a number of senior positions in civil aviation. Mike is a Non-Executive Director of NATS Holdings Limited.

6 Christer Sandahl, 57
Chairman of the Scandinavian Leisure Group
Christer joined the Group in 1994 on the acquisition of the Scandinavian Leisure Group and was appointed to the Board in 1996. He has over 30 years' experience in the travel industry, is the Vice President of the International Federation of Tour Operators and a Non-Executive Director of Proffice AB, the Cybercom Consulting Group AB and CBC Sweden AB.

7 Richard Carrick, 47
Chief Executive Officer of the UK Leisure Group
Richard joined the Group in 1993 as Marketing Director for Airtours Holidays and became their Managing Director in 1999. He was appointed to the Board in November 2000 and and has over 20 years' experience in the travel industry, including senior positions at International Leisure Group, Saga Holidays, and Forte.

8 Peter McHugh, 54
Chief Executive Officer of Airtours North America
Peter joined the Group in April 2000 as President and Chief Executive Officer of Travel Services International. He was appointed to the Board in November 2000 and has over 20 years' experience in the North American cruise and aviation industries. Previously Peter was President and Chief Operating Officer of the Holland America Line – Westours Inc. and held senior management positions with TWA and Pan Am.

(*Continued*)

Exhibit 3.7 (*Continued*)

9 Sir Tom Farmer CBE KCSG, 61 Non-Executive Director Sir Tom joined the Board in 1994. He is Chairman and Chief Executive of Kwik-Fit Holdings plc, which he founded in 1971 and which was the subject of an agreed offer of £1.2 billion from the Ford Motor Company in 1999. He is also on the Board of the Ford Customer Service Division, USA, and is Chairman of the Scotland Against Drugs campaign, a Trustee of the Duke of Edinburgh Award and a patron of numerous charities.	10 Paul Walker, 44 Non-Executive Director Paul joined the Board in December 2000. He is Chief Executive of the Saga Group plc, which he joined in 1984, becoming Finance Director in 1987. He took on his present role in 1994 and has led The Saga Group through a period of sustained expansion including admission to the FTSE 100 in 1999. He is also Non-Executive chairman of gift retailer The Gadget Shop.

Summary

By mid-2002 the newly branded MyTravel Group had established a highly successful organization that was seen as a leading figure in the European travel industry. Its success was based on a range of factors, including the following:

- innovative product development such as budget cruises;
- the integration of its tour operation, airline, and retail travel operations;
- an ambitious, well thought out programme of acquisitions;
- an experienced management team;
- meeting the needs of different people, effectively, notably those looking for low-priced beach holidays;
- diversifying its market and reducing dependence on the UK market by expanding its operations to other European markets and Canada.

The company faces difficult times, 2002–2003

However, by late 2002, things started to look much less positive for the re-branded MyTravel Group.

The first sign of the problems facing the company was that when it postponed the release of its 2002 financial results in November 2002 and instead entered into talks about re-financing with its banks.

Questions were posed about the accuracy of previous financial reports from the company, with suggestions that many past results that had been reported had been ‘over-optimistic’.

All these led to negative media coverage for the organization and began to make tourists wary of booking holidays with the company because they feared it might collapse. This of course, in turn, did nothing to help the business.

MyTravel fought back with a series of measures designed to re-establish its image and reputation as follows:

1. The Chair, David Crossland, retired and major changes were made in the Directors of the company. By 2003 only half of the 2001 Board were still Directors.
2. The company decided to re-focus on its core business and sold a number of its subsidiaries such as Leger Holidays, Eurosites, and its foreign exchange wholesale business.

3. A major cost-cutting exercise including redundancies.
4. Reducing capacity in the tour operation business in response to difficult market conditions, and to reduce the need for heavy discounting.

By Spring 2003, it appeared that MyTravel had stabilized its situation and was trying hard to re-establish its market reputation. However, its share price was still extremely low on the London stock market.

In February 2003, the company could claim to have 12.7 million customers, 100 brands, and over 1900 retail travel outlets, making it still one of the largest travel industry organizations in Europe.

However, the War in Iraq, and political and economic uncertainty had created a very difficult market situation by Spring 2003 which was making it more difficult for the company to become successful again.

Key issues

- Airtours was created by an exceptional entrepreneur, David Crossland.
- The company grew rapidly from small beginnings in a small Lancashire town to a major international player in the tourism industry.
- Airtours became a fully vertically integrated tour operator through the development of its own in-house airline and retail travel chain.
- Airtours grew rapidly through a series of judicious acquisitions.
- The company diversified into other areas of the tourism business such as foreign exchange and insurance.
- Airtours made sure it was not over-dependent on the UK market by acquiring and developing brands in other European countries and Canada.
- Airtours pioneered some new products in the UK market, such as budget cruises.
- It could, however, be suggested, that perhaps the company became too broad with too many brands and business units.
- The decision to relaunch as MyTravel unfortunately, coincided with a downturn in the market caused by terrorism and economic uncertainty.
- The questions raised over the finances of MyTravel in Autumn 2002 had a serious adverse effect on the company's reputation with both the stock market and potential customers.
- The company has had to instigate a major recovery strategy to overcome these problems with changes in direction, re-financing of the company's debts, the sale of brands, and cost-cutting.
- MyTravel is another example of a pioneering, impressive tourism organization (like British Airways) which is discussed elsewhere in this book – that has experienced problems in recent years.

Conclusion

Airtours was an excellent example of a company, led by a gifted entrepreneur that grew rapidly from its birth to become a major player in the global tourism industry. It was particularly adept at acquiring businesses that allowed it to become highly horizontally and vertically integrated. A decision was then taken to re-brand Airtours as the MyTravel Group which unfortunately coincided with the company facing financial problems. They are, at the time of writing, engaged in an ongoing struggle to re-establish their reputation with customers, the industry, and investors.

Discussion points and exercises

1. Discuss the way in which Airtours grew between 1987 and 2001.
2. Critically evaluate the range of Airtours businesses in 2001 shown in Exhibit 3.6, and discuss whether the breadth of the organization's operations was a strength or a weakness.
3. Critically evaluate the decision to re-brand the company as MyTravel in 2002.
4. Discuss the reasons which you believe have led to the reversal of fortunes experienced by MyTravel in 2002–2003.

Case study 4

Pacific Asia Travel Association

Pacific Asia Travel Association (PATA) is widely recognized as, perhaps, the most effective regional supra-governmental tourism agency, in the world.

Interestingly, it was established in 1981, before the huge growth in international tourism which took place in later years. Thus, it was, a pro-active, almost visionary, initiative that has helped develop tourism in this region where tourism was relatively under-developed until recent times.

This case study analyses the nature of PATA and its role in tourism in this region, based largely on the PATA web site in Summer 2002.

PATA is a membership-based organization that brings together both the public and private sectors. There are nearly 2000 members including 41 national governments, and 66 airlines and cruise companies. In addition, there are more than 80 PATA chapters around the world which involve 17,000 travel professionals from around the world. These chapter members are able to take part in the educational and promotional activities of PATA.

The web site sets out the PATA mission as follows:

> PATA's mission is to enhance the growth, value, and quality of Pacific-Asia travel and tourism for the benefit of its membership.
>
> PATA has long been an advocate of balancing growth with responsible conservation measures, and its successes to date have been extraordinary.
>
> While international travel to Pacific-Asia has increased three-fold in the last decade alone – from 24 million visitors a year to over 90 million – PATA has provided a cohesive structure to help its members realize the most economic prosperity from this growth. In response to the recent economic downturn, PATA quickly took action to increase marketing and promotional activities on behalf of the region.
>
> *Source:* PATA web site, May 2002

PATA undertakes a range of activities to help develop tourism in the region generally, and to bring extra business to its members specifically, as follows:

1. *Promotional campaigns*: PATA co-ordinates a wide variety of promotional campaigns, with opportunities for participation by members, including the following:
   - *Advertising campaigns*: For example, in Summer 2002, PATA organized an advertising supplement that would be placed in 5 million copies of leading journals and newspapers in the USA.
   - Representing the region at major international tourism industry trade fairs around the world (Exhibit 4.1).

Exhibit 4.1 PATA representation at major tourism industry trade fairs, 2002

May 7–10	Arabian Travel Market	Dubai, UAE
May 15–17	Gulf	Jeddah, Saudi Arabia
May 21–23	EIBTM (PATA stand)	Geneva, Switzerland
June 3–7	Spotlight on Asia-Pacific and Arabian Gulf Workshops	Capetown, Durban Sandton Pretoria, South Africa
June 3–5	Travel Commerce Conference	New York City, USA
September 17–19	Mediterranean Travel Fair	Cairo, Egypt
September 19–21	Tourest	Tallinn, Estonia
September 22–24	Routes: The Annual Meeting of Airlines and Airports	Athens, Greece
September 24–26	PATA Village at IT and ME	Chicago, USA
September 27–29	Fourth International Travel and Tourism Mart	New Delhi, India
October 2–5	CIS Travel Market	St. Petersburg, Russia
October 15–17	IT and CMA	Bangkok, Thailand
October 21–25	Seventh World Leisure Congress	Kuala Lumpur, Malaysia
October 24–27	Tour Salon	Poznan, Poland
October 29–31	TTW	Montreux, Switzerland
October 29–November 3	PATA Americas Meeting	Cruise aboard Norwegian Sky, Miami
November 5–7	Madi Travel Trade Fair	Prague, Czech Republic
November 11–14	World Travel Market	London, UK
November 23–26	Taipei International Travel Fair	Taipei, Chinese Taipei
December 10–12	International Luxury Trade Fair	Cannes, France

Source: PATA web site, May 2002.

  – Organizing sales missions to various world cities to promote the region. In November 2002 for instance, missions were sent to Madrid and Barcelona.
2. *Organizing trade fairs to promote the region*: PATA organizes major trade fairs to help its members to meet buyers from around the world, as well as doing business with each other, in 2002, including the following:

April	PATA Travel Mart	Singapore
January–May	Pacific Tourism Exchange	Brisbane
September	PATA Americas Travel Mart	Mexico City

3. *Research*: PATA tracks trends in tourism worldwide and makes them available to its members via its Strategic Information Centre.
4. *Training and education*: PATA members can take advantage of a wide range of training and educational opportunities, including:
   – Specialist workshops for tourism professionals such as the PATA Communications Workshop which took place in Bangladesh in May 2002.
   – Scholarships offered to enable people to attend Educational Development Institute for Tourism (EDIT) programmes in various places. These scholarships are offered by PATA and the PATA Foundation (more details are given later in the case study).
5. *The Annual PATA Conference*: It brings members together to discuss key issues in the tourism industry and make new contacts. The *51st PATA Annual Conference* took place in 2002 in

New Delhi, and attracted over 7000 delegates. At the conference, awards are made to key figures in the tourism industry of the Pacific-Asia region.

6. *Careers help*: Careers help through a job partly resourced, for members only, on its PATA net site.
7. *PATA Foundation*: PATA has always taken an interest in conservation and the PATA Foundation continues this tradition. The PATA web site gives the mission of the Foundation as follows:

The Mission
To continue to the growth and development of travel and tourism in the Pacific-Asia area through the protection of the area's environment, the conservation of its heritage, and support for education.

The Pledge
The Association (PATA) is fully committed to the PATA Foundation – an essential means of fostering education and conserving natural and cultural resources in our region.

Source: PATA web site, May 2002

By 1999 the Foundation had given funds of more than US $700,000 to some 150 projects in 40 PATA member countries. There are five categories of grants, namely environment, architectural heritage, endangered wildlife and habitat, cultural heritage, and education.

The following extract from the web site, describes the work of the Foundation, and makes some interesting points which offer an insight into how PATA views the work of the Foundation (Exhibit 4.2).

Exhibit 4.2

The Foundation concentrates on positive, practical, and pro-active projects, seeking to use its small contribution to bring about a multiplier effect by attracting additional support from other sources. It also tries to ensure positive identification of the Foundation's participation so that visitors to an aided project are aware of PATA's contribution.

These may be modest objectives, but it is hard to deny that the Foundation has been successful in meeting them so far. It continues to work to enlarge on that success.

There exists a backlog of compelling projects, waiting for the assistance that we can, and must, provide.

Source: PATA web site, May 2002

8. *Office of the Environment and Culture* (*OEC*): This PATA department is tasked with helping to develop sustainable tourism in the region. PATA has a Sustainable Tourism Committee and PATA agreed its first *Sustainable Tourism Conference* in Indonesia in October 2002.

   In June 2002, PATA organized a Sustainable Tourism Caravan in Thailand. Its aim was to 'give travel industry professionals first-hand experience of sustainable community-based tourism' (PATA web site, May 2002).

   PATA, through the OEC, also issues voluntary codes of conduct or practice to encourage the development of sustainable tourism; two examples of which are illustrated in Exhibit 4.3.
9. *Advocacy for the tourism industry in the Pacific-Asia region*: Due to its wide geographical spread and large membership, PATA is in a strong position to speak for the regional tourism industry and to lobby on behalf of its members' interests.

Exhibit 4.3 PATA Codes of Conduct of Practice for Sustaining Indigenous Cultures and Sustainable Tourism, 2002/1

PATA Traveller's Code – Sustaining Indigenous Cultures, 2002

'Travel is a passage through other people's lives and other people's places.'

1. Be Flexible
Are you prepared to accept cultures and practices different from your own?

2. Choose Responsibly
Have you elected to support businesses that clearly and actively address the cultural and environmental concerns of the locale you are visiting?

3. Do Your Homework
Have you done any research about the people and places you plan to visit so you may avoid what may innocently offend them or harm their environment?

4. Be Aware
Are you informed of the holidays, holy days, and general religious and social customs of the places you visit?

5. Support Local Enterprise
Have you made a commitment to contribute to the local economy by using businesses that economically support the community you are visiting, eating in local restaurants, and buying locally made artisan crafts as remembrances of your trip?

6. Be Respectful and Observant
Are you willing to respect local laws that may include restrictions of your usage of or access to places and things that may harm or otherwise erode the environment or alter or run counter to the places you visit?

APEC/PATA Code for Sustainable Tourism, 2001

1. Declares and re-affirms its commitment to tourism and travel growth which is sustainable in the terms set out in the PATA Charter, namely (Article IV)
   'In a manner which recognizes the urgent importance to practice an environmental ethic that supports responsible conservation and restoration of Pacific-Asia's unique combination of natural, social, and cultural resources'.
2. Adopts and undertakes to promote to its members the APEC/PATA Code for Sustainable Tourism, and to adhere to this Code in its own activities.
3. Confirms its commitment to supporting the environmental accreditation scheme Green Globe.
4. Affirms its commitment to working with partner organizations, including the APEC Tourism Working Group, World Tourism Organizations, World Travel and Tourism Council, World Wildlife Fund, that have made commitments to work for sustainable tourism in the Pacific Asia region, and to work with PATA to achieve that goal.
5. Undertakes to carry out a series of meetings and workshops for PATA members and members of partner organizations, across the PATA region, to raise awareness of the importance of environmentally and culturally sustainable tourism, and of the range of best practice management options and experiences which contribute this.

Exhibit 4.3 (*Continued*)

Passed by the PATA Board of Directors on 8 April, 2001 at the *50th Annual PATA Conference* in Kuala Lumpur, Malaysia.

Source: PATA web site, May 2002

PATA public relations

As well as providing a wide range of services for its members, PATA undertakes a number of press and public relations activities to promote the image of PATA and the PATA brand, notably:

- The PATA web site which is detailed and regularly updated and which offers details of all aspects of the work of PATA.
- Its award schemes which attract media attention. For example, it recently agreed its inaugural Mekong Innovative Tourism Product Award to 'demonstrate to our Mekong friends that PATA is an organization that supports tourism development' (Danai Wansom, Chairman, PATA Thailand).
- Press releases to the trade and general media concerning PATA activities and its views on various issues.
- Merchandise carrying the PATA logo to promote the organization. For example, in 2001, a PATA 50th anniversary pin badge was released to celebrate the organization's golden jubilee.

PATA Partners

The PATA web site identifies a range of organizations which are identified as 'PATA Partners' including credit card companies, Master Card, and media corporations such as CNN, Fortune, and Time.

Key issues

A number of important points emerge from this study of PATA, notably:

- PATA shows that an effective supra-governmental tourism development agency can be created that can encompass a large number of very different countries.
- PATA is a balanced organization that combines destination marketing with broader issues such as training and education, and encouraging the development of more sustainable forms of tourism.
- A major strength of PATA is the size of its membership which gives it the resources it needs as well as giving it power in the market place.
- The fact that PATA has both public and private sector members means that it can represent the whole tourism industry of the region and can bring together the expertise, experience, and resources of both sectors for the benefit of the region.
- Most marketing campaigns are largely funded by contributions from private sector partners rather than government money. This means that those who gain first from these campaigns making the greatest financial contribution towards them.
- Many PATA services and activities are generally only open to members, giving organizations a major incentive to join PATA.
- Since the 1970s, PATA has taken an active interest in 'conservation and, more recently, sustainable tourism'. It clearly devotes a significant proportion of its resources to this work through its OEC, and the PATA Foundation. Some might argue that this could be seen as cosmetic public relations but there is no doubt that PATA is influencing industry practice in the Pacific-Asia region in a positive way.

- PATA is clearly a strong brand name in its own right and efforts are made, through media relations, to enhance the profile and reputation of this brand.
- Much of the language used by PATA, and its general style, seems to be influenced by American culture and associations.
- PATA has become such a major influence in the region because it has been around since before many national governments began to take an interest in tourism.
- The organization is truly global because it has 'Chapters' all over the world.
- PATA performs a valuable function through its conferences and trade fairs, bringing together people from all over the world to discuss important issues and do mutually beneficial business.

Conclusion

PATA is a highly effective, well-established supra-governmental agency that has done much to stimulate tourism development in the Pacific-Asia region. As well as marketing the region, it has focused attention on the need for conservation and sustainability. It has also been an effective way of combining the expertise and experience of the public and private sectors to create a strong partnership agency.

Discussion points and exercises

1. Critically evaluate the role of PATA and the World Tourism Organization (WTO) in world tourism, noting similarities and differences.
2. Compare and contrast the European Travel Commission (ETC) and PATA. Which do you think is the most effective and why?
3. Discuss the difficulties that may be involved in developing a supra-national tourism agency such as PATA.
4. Critically evaluate the PATA Travellers Code of Practice for Sustaining Indigenous Cultures which is set out in Exhibit 4.3.
5. Discuss the advantages and disadvantages of destination tourism organizations which operate a membership scheme like PATA.
6. Discuss what PATA can do to help the development of tourism in the region which could not be achieved by national governments working together but without private sector involvement.

Case study 5

Tourism Concern

Tourism Concern is a UK-based voluntary organization, a pressure and lobbying group which, in its own words, is 'campaigning for ethical and fairly traded tourism'.

Based in London, Tourism Concern operates on a very limited budget, with a small permanent staff. It is highly reliant on volunteers including a number of academics.

It has five stated aims as follows:

- to provide greater understanding of the impact of tourism on host communities and environments;
- to raise awareness of the forms of tourism that respect the rights and interests of people living in tourist receiving areas, promoting tourism that is just, sustainable, and participatory;
- to work for change in current tourism practice;
- to enable tourists and travellers to travel with critical insight and understanding;
- Tourism Concern has a special interest in drawing attention to the development of issues raised by tourism in developing countries.

Source: Tourism In Focus, Winter 2001–2002

Its mission is also highlighted by the following extract:

Tourism Concern is for people who care about the quality of tourism – the quality of experience for the tourist, and the quality of life for the host.

Source: Tourism In Focus, Winter 2001–2002

The editorial in the Tourism Concern journal, *In Focus*, gives an interesting perspective on the motives of some Tourism Concern activities, as can be seen from the following extract:

Tourism Concern's staff and members are largely young travellers who want to give as well as take – often after making major cultural gaffes ourselves, or seeing that tourism does not always benefit locals as much as it should. I have done things myself that make my toes curl …

Source: Sue Wheat, Editorial, *In Focus*, Spring 2001

This suggests guilt is a motivator for involvement in Tourism Concern.

Tourism Concern is a membership organization based in offices within the University of North London, an institution with a long staff interest in tourism issues in developing countries.

In 2002, the membership fee was £24 per annum and £12 for those who are without a salary for whatever reason (student, retired, unemployed, etc.).

Tourism Concern is a company limited by guarantee but is also a registered charity.

The organization sets out to further its objectives through the following activities.

Campaigns

Tourism Concern mounts campaigns on particular issues in tourism. Recent campaigns have included:

- a campaign for the rights to fair working conditions of the parties involved in the trekking 'industry';
- a boycott of 'Lonely Planet' products because they have published a guide to Burma/Myanmar;
- a campaign against a planned major tourism development in Zanzibar.

These campaigns are waged enthusiastically and strongly in spite of the organization's limited resources.

The '*Tourism In Focus*' journal

'*In Focus*', the in-house Tourism Concern journal, is a powerful vehicle for disseminating ideas and stimulating debate. More than 40 issues have now been published. Each one contains 'newsy' articles and features as well as information on Tourism Concern campaigns. Often issues have a particular theme, including in the past:

- tourism and racism,
- wildlife tourism,
- women in tourism,
- tourism and fair trade,
- tourism employment,
- ecotourism,
- all-inclusive resorts,
- tourism education,
- tourism and indigenous people,
- health and tourism,
- charity challenges,
- local Agenda 21.

A 'typical issue' will have 13 main text pages which will contain the following:

- an editorial on a topical issue,
- a debate between two authors with different views,
- articles about particular people involved in issues related to the interests of Tourism Concern and its members,
- short articles on aspects of ethical issues in tourism,
- news of sustainable tourism projects from around the world,
- reviews of relevant books,
- letters from readers.

Usually, there is also a four-page 'supplement' specifically about Tourism Concern's activities. The style is chatty and concise, and each issue contains a lot of information.

Exhibit 5.1 Content analysis of Issues 37–41 of *In Focus*

Appropriate percentage of issue devoted to	
UK-based news and features	8
Developed world beyond the UK	8
Developing countries	33
Non-geographical specific stories	51
Appropriate percentage of articles/views per issue, largely about	
Economic impacts of tourism	23
Socio-cultural impacts of tourism	48
Environmental impacts of tourism	11
Miscellaneous issues	18
Percentage of stories written by	
UK-based authors	70
Non-UK-based authors	30

Source: Tourism In Focus, Issues 37–41.

The content of *Tourism In Focus* is interesting to note. Exhibit 5.1 shows the results of a subjective but interesting content analysis of five randomly selected issues between Autumn 2000 and Winter 2001–2002 (Issues 37–41).

Conferences

Tourism Concern endeavours to organize regular conferences on topical issues. Often these conferences end with recommendations or action plans which are then disseminated as widely as possible. This happened with the '*Putting Fair Trade in Tourism into Practice: The Role of the Tourism Industry*' Conference in London, November 2000. Tourism Concern has also run conferences just for younger people such as its Young Readers Travel Conference '*Explaining the Issues of Exploring the World*' in Manchester in April 2001.

Providing materials and resources for teachers and lecturers

Tourism Concern has long been interested in education and provides resources about tourism issues for teachers and lecturers. These materials include videos, education packs, and even mobile exhibitions.

Publications

As well as '*Tourism In Focus*', Tourism Concern also produces other important publications to further its aims including the following:

- A book, sold in high street bookshops, '*The Good Alternative Travel Guide*' (the first edition was called the *Community Tourism Guide*). Tourism Concern claims this is still 'the only guidebook to responsible community-based tourism (www.tourismconcern.org.uk).
- '*Being There*', a glossy lifestyle magazine, published in Summer 2001. Well produced with funding from the National Lottery in the UK, and distributed via branches of the Body Shop and fair trade retail outlets.
- Reporting on important issues such as '*tourism on television*' which was released in 2001.

Attending exhibitions

Tourism Concern takes stand space at selected exhibitions to get its message across to the population. For example, in November 2000 at the 'Global Fair'.

The library

Tourism Concern has a library at its London office which contains a wide range of resources which can accommodate up to six personal callers at a time.

Codes of Conduct

Tourism Concern, like many other organizations these days, produces Codes of Conduct to encourage 'better behaviour' by tourists. For example, in 2001 the '*Exploring the World – Young Travellers Code*' was published, arising out of the previously mentioned conference in Manchester in April 2001. The code was partly funded by STA Travel, Earthwatch, and Raleigh International and was annotated inside *Rough Guides* among other outlets.

The web site

The Tourism Concern web site not only contains details of the organization's activities, it also features links to other related web sites and tells people about the relevant events and activities of other organizations in the sustainable tourism field.

Partnerships and networking

As a relatively poorly resourced organization, Tourism Concern, sensibly, works closely with other organizations in the field for their mutual benefit. These organizations include Action for Southern Africa, the International Porter Protection Group, Tribes Project, Fair Trade Travel, The Latin American Bureau, Voluntary Service Overseas (VSO), Tear Fund, and the Association of British Travel Agents.

Setting up regional and national affiliations

Tourism Concern is a UK-based body but it encourages the creation of new affiliated bodies with the same name, in other countries, including places as far apart as Scotland and The Gambia.

Let us now look at a specific Tourism Concern project that has gained wide recognition.

The fair trade in tourism network

Established at the beginning of the new millennium, this project received funding for a period of 3 years. In that time it achieved a great deal under its co-ordinator, Angela Kalisch.

It endeavoured to focus on the issue of fair trade in tourism and to raise awareness of this issue with a wide audience, and particularly the tourism industry. In 2002, it published a consultation report, entitled, '*Corporate Futures – Social Responsibility in the Tourism Industry*'. This report cleverly linked the concept of fair trade with the fashionable business concept of 'corporate social responsibility' (CSR).

The report offered definitions of CSR that were generalized, namely:

> Operating in a manner that meets or exceeds the ethical, legal, commercial, and public expectations that society has of business.
>
> Human rights, employee rights, environmental protection, community involvement, supplier relations, stakeholder rights, and monitoring.
>
> CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
>
> *Source:* The World Business Council for Sustainable Development

It then focused on trying to apply this concept to the tourism industry to encourage the growth of more fair trade in tourism. The project involved the participation of an impressive array of figures from the tourism industry and beyond, including the following:

Tour operators
- Accoladia (BA holidays)
- Thomas Cook Holidays
- Airtours
- Airtours – Sunwing Resorts
- Scandinavian Leisure Group Resorts and Hotels
- Canodros SA and Kapawi Eco-lodge
- Exodus
- First Choice
- Porini Ecotourism Ltd
- Thomson Travel Group
- Thomson Holidays and Thomson Malta Ltd
- Thomson-Fritidsresor

Related companies
- Cristal (Health and Safety Hygiene Company)

Trade associations
- Association of British Travel Agents and Tour Operators (ABTA)
- Association of Independent Tour Operators (AITO)
- Federation of Tour Operators (FTO) and International Federation of Tour Operators (FTO)

Airlines
- British Airways

Non-governmental organizations
- End Child Prostitution, Child Pornography, and Trafficking of Children for Sexual Purposes (ECPAT)
- Tearfund
- Tourism Concern
- International Network on Fair Trade in Tourism
- WWF.UK

CSR
- Business in the Community
- Centre for Tomorrow's Company
- The Co-operative Bank
- The Department of Trade and Industry (DTI)
- The Ethical Trading Initiative
- The Fair Trade Foundation
- Forum for the Future
- Institute of Social and Ethical Accountability
- New Economics Foundation
- Prince of Wales Business Leaders Forum
- Sustainable Tourism Initiative (STI) Foreign and Commonwealth Office (FCO)
- Sustainability

International
- Tourism
  - International Hotels Environmental Initiative (IHEI)
  - Tour Operator Initiative (TOI)
- Human rights
  - Amnesty International
  - United Nations Office of the High Commission for Human Rights
- CSR
  - Business for Social Responsibility
  - CSR Forum
  - Global Reporting Initiative
  - World Business Council for Sustainable Development (WBCSD)

Source: '*Corporate Future*': Social Responsibility in the Tourism Industry

The report made five specific recommendations for tour operators, which are listed below:

Recommendations
Tour operators are recommended to:

1. Integrate the principles of CSR into core business functions as a way of realizing sustainable tourism, built on environmental, social, and economic performance indicators.
2. Practise stakeholder engagement and social and environmental reporting, as formulated within the new process standard AA1000, for use in their organization as practical tools for implementing CSR.
3. Address issues of social and economic responsibility in destinations regarding local and indigenous communities, small- and medium-sized domestic businesses and the informal sector, with a view to consultation, working in partnership and benefiting local people.
4. Respect the principles of Human Rights in destinations, as outlined in the UN Declaration for Human Rights. These should be underpinned by concrete actions regarding indigenous land rights, labour rights, and the rights of children.
5. Respect national and regional regulations as a minimum or, alternatively, apply good practice arising from regulation in tour operators' home countries, particularly in respect of planning, environmental, and social sustainability and corruption.

Source: '*Corporate Future*': Social Responsibility in the Tourism Industry

Sadly, the funding for this project ran out at the end of 2002, and Angela Kalisch wrote her last newsletter about it for the Winter 2002–2003 edition of '*Tourism In Focus*'. Interestingly, she focused this last newsletter on the issue of 'getting consumers on board', recognizing that only tourist pressure can really lead to changes in how tourism operates and the effect it has on host communities. Her editorial in this last newsletter is worthy of quoting in this respect:

In this bulletin we are focusing on consumer behaviour. We realize only consumer pressure willultimately convince companies to adopt accountable, responsible actions in their trading practices. No mount of moralizing or NGO talk about corporate social responsibility can have the same power.

It makes little sense to try and mobilize consumers around a moral argument and a vague notion of fairer tourism for local people. In order to catalyze people into action, they have strong reasons to feel concerned, passionate, and committed, and to be able to relate the issues to personal experience. In addition, they need either concrete proposals for action or an alternative product based on fair trade principles. Both of these have to be prepared carefully to avoid superficial and tokenistic pseudo-solutions that can do more harm than good.

Source: Fair Trade in Tourism Network, *Tourism In Focus*, 2002–2003

It is typical of the problems facing voluntary organizations like Tourism Concern that it had to suspend this project because of lack of funding just as it begins to make a real impact. Hopefully by the time this book is published, new funding will have been found to continue this important work.

Sustainable tourism and the higher education curriculum

We will now briefly note another issue that Tourism Concern has been thinking about recently, namely the role of sustainability in the tourism curriculum at university level. This is not surprising given the number of academics who are involved in Tourism Concern. The 2002–2003 Winter issue of '*Tourism In Focus*' contained several contributions on this subject. It had been suggested that a syllabus for teaching sustainability should include the following:

Sustainability teaching should examine

- The problems of being unsustainable – understand the various dilemmas facing our planet which require addressing by business, governments, and individuals.
- Globalization and localization – how the business world interacts with trade, politics, and development.
- The background to, and major interpretations and definitions of sustainable development.
- The agendas of public sector national and international bodies and non-governmental organizations, and their roles in sustainable development.
- The agendas of private sector national and international businesses, shareholders and stakeholders, and their roles in sustainable development.
- The business case for sustainability and a corporate approach to responsibility, community participation, and consultation.
- The rights, responsibilities, and ethical considerations of individuals – as citizens, consumers, or stakeholders – towards global and local sustainability issues.
- Human needs, human rights, poverty alleviation, and social inclusion in sustainable development; actions and responsibilities of businesses, NGOs and individuals in protecting global and local environments.
- The relationship of business to the diversity of cultures, notions of heritage, identity and community.
- Options for the future – constructive engagement or opposition, genuine change or competitive marketing, and ethical careers.

Source: Tourism In Focus, Winter 2002–2003

Tonly Curson of London Metropolitan University agreed that sustainability should be central to the core curriculum in tourism in higher education courses. However, Keith Wilkes of Bournemouth University, also in the UK, disagreed, saying:

> No one would argue that sustainability is not important in the tourism curriculum and the introduction of concepts such as the 'triple bottom line' are significant and welcome developments. Sustainability has too often been perceived as, and limited to, environmental aspects and concepts like 'CSR' have a key role to play in widening the debate.
>
> However, the issue is whether, and the extent to which, sustainability should be the key, or only, curriculum driver of undergraduate tourism degree courses. Most students do an industrial placement in their third, penultimate year, for which they need to have a solid grounding in basic, generic business skills. Few of them work within organizations that are concerned directly, or indeed aware of, sustainability issues. Having had some experience in the real world of work, students are then more capable of grasping the relevance of a more broadly defined sustainability to business, tourism or otherwise.

> To re-orient the whole curriculum around sustainability would be to overstate its role both in the tourism industry and probably business in general. In their first year, students need to have a fundamental understanding of the various forms and the structure of the tourism industry. Learning and recognizing that the environmental, economic, social, and political impacts of tourism are not always beneficial, or evenly distributed, raises the question of how things might be changed and improved. A gradual build-up in awareness of wider issues, reinforced by their work experience, can lead to a more meaningful and informed debate in students' final year. It is expecting much of first, or indeed second year students, to understand sustainability issues fully. However, in their final year, students are better placed to understand concepts like CSR and the wider ethical issues that are implied.
>
> *Source: Tourism In Focus*, Winter 2002–2003

Finally, Tourism Concern is not the only organization in the world with this name, as we will now see.

Tourism Concern Gambia

Tourism Concern Gambia is a locally based organization that was created in the mid-1990s. It publishes a magazine of its own about tourism, called '*Concern*'. This magazine is sold by 'bumsters' or beach boys who hassle tourists to buy things. This is reminiscent of the way the 'Big Issue' is sold in the UK, an example of self-help. An interview with the founder of Tourism Concern Gambia, Adama Bah, in 1996, gives an interesting angle into the ethos behind the organization as can be seen from the following extracts:

> Tourism Concern was originally initiated by a group of managers in the major hotels who thought that something needed to be done after the British government's travel advice in November 1994 that tourists should regard The Gambia as an unsafe destination. The advice was devastating for hotel employees. We did not feel that we could just throw up our hands and look on at the situation: we lobbied the Gambian government on behalf of the hotel employees who had lost their jobs, and met the British High Commission to express our dissatisfaction at the travel advice. Eventually the advice was changed, but by then the tourist industry had suffered terribly. It was disastrous.
>
> There are a lot of misconceptions about tourism in our country. Sometimes, the information tourists get from travel agents may not be the real, accurate information, so we feel one of the roles of Tourism Concern is to educate tourists coming to The Gambia. Also, we wish to see if there is a role in contributing to policy, and advising the government, which will enable us to prevent future problems in the industry.
>
> *Source:* www.africaculture.dk/gambia/concern

It is important to note that Adama Bah was, at the time, Personnel Manager of one of the main hotels in Gambia, an example of a tourism industry person taking a lead in an industry that was stimulated by a decline in business caused by advice from the UK government that it was not safe to visit Gambia in 1994.

A new web site was launched in 2000 and according to various current web sites:

> Gambia Tourism Concern was founded to promote better tourism practice in The Gambia. We publicize and support issues that generate and provide opportunities for the local people to positively benefit from tourism.
>
> Gambia Tourism Concern promotes fair and sustainable tourist practices and has close contacts with all 'eco-tourism' operations.
>
> We have also assisted in the formation of an association of small-scale tourism ventures within our country called ASSET.
>
> *Source:* www.subuk.net/tourism/html/start2.htm

Key issues

Tourism Concern is an interesting, and relatively rare, example of a voluntary sector pressure group in the tourism industry which raises some important points, as follows:

- It is a loose, membership organization with no major sources of funding or sponsorship. This allows it to preserve its independence but limits what it can do.
- Tourism Concern is a campaigning organization in the mold of Friends of the Earth and Greenpeace. This can bring it into conflict with governments and private sector organizations, notably Lonely Planet, as we saw earlier in Case Study 2.
- In recent years, Tourism Concern has worked particularly hard to involve young people in its activities.
- There is great reliance on volunteers in the work of Tourism Concern.
- Tourism Concern benefits from having the support of tourism academics and from being based at a university.
- Tourism Concern works closely with other tourism pressure groups for its mutually beneficial partnerships.
- Some success has been achieved in developing dialogue with players in the tourism industry, quite a difficult development to achieve for both sides.
- Tourism Concern is a largely altruistic organization, drawing, perhaps, quite heavily on the guilt factor by some tourists from developed countries, when they visit much poorer countries.
- The work of lobbying and campaigning groups is made more difficult by the fact that tourism is a fragmented industry with no single industry-wide professional body and often no government ministry focused just on tourism.
- Tourism Concern is a UK-based body trying to influence issues largely taking place outside the UK. This is a difficult task and it also means that it has to be sensitive to criticism that it is trying to control what happens in someone else's country, a potentially imperialistic concept harking back, to the era of colonial paternalism.
- If groups, such as Tourism Concern, begin to exercise real influence over industries and governments it can raise questions about democracy as these are usually run by people not elected by, or accountable to, the population as a whole, of their country, let alone the countries in which they campaign.

Conclusion

Tourism Concern may be small, but it has become a significant voice in the debate over fair trade in tourism. It combines practical advice with deeper thinking about the intellectual dimension of sustainable tourism. While UK based, it is becoming a truly international organization, not only in terms of its geographical concerns, but also through its partnerships and projects. However, like all such voluntary organizations, it continues to be plagued by funding problems.

Discussion points and exercises

1. Discuss the strengths and weaknesses of voluntary pressure and campaign groups, like Tourism Concern, in the tourism field.
2. Compare and contrast Tourism Concern with organizations such as Friends of the Earth and Greenpeace, and with the World Travel and Tourism Council (WTTC).
3. Of all the activities of Tourism Concern identified in this case study, which do you think are likely to be the most effective, and why?
4. Critically review one complete issue of '*Tourism In Focus*' and/or attend and review a Tourism Concern event.
5. Discuss the arguments for and against Tourism Concern seeking sponsorship from major tourism organizations and companies.

CASE STUDY 6

Touristik Union International and Its Environmental Policies

Touristik Union International (TUI) is Europe's leading tour operator and one of the most important players in the global tourism industry. Its importance is demonstrated by the following facts and figures about the company:

- The tourism business of Preussag, the TUI parent company, of which TUI is by far the largest element had a turnover in 2001 in excess of 12 billion Euros.
- TUI profits in 2001 were 25 per cent higher in 2001 than they had been in 2000.
- As well as dominating the German market, TUI is a major tour operator in Switzerland, Netherlands, Austria, Belgium, and Poland.
- TUI owns Thomson, the leading UK tour operator, and is currently re-branding it under the 'World of TUI' banner.
- TUI owns airlines, hotels, and all-inclusive resorts, in a number of countries. For example, its hotel portfolio consisted in 2001 of 278 hotels with more than 140,000 beds.
- The company employed nearly 50,000 people in December 2001.

TUI has always been at the forefront of corporate environmental policy in tourism, since it appointed an executive director, in 1990, with responsibilities for conservation and environmental activities. It has since incorporated the concept of sustainable development into its environmental management policies.

The company's highly developed approach to conservation, environmental protection and sustainable development is clearly set out in Exhibit 6.1, from the Tour Operators Initiative (TOI) web site. TUI is a founder member of this project which is also discussed in this book, in the Case Study 24.

Exhibit 6.1 The activities of TUI in respect of environmental protection, conservation, and sustainable development

The environmental compatibility of TUI's products is a fundamental component of its quality standards and each of its divisions bears responsibility for safeguarding the environment (Eighth Commandment of the TUI Corporate principles).

Continuous improvement process of environmental quality
The main focus of TUI's environmental management is the continuous improvement process of environmental quality in its core tourism business – in resort hotels, holiday destinations, travel

agencies and means of transport. They carry out important work in promoting environmental protection in its personal contacts with people involved in the tourism business, such as hoteliers and business partners, as well as in their ongoing dialogue with politicians and representatives of environmental organizations. In addition, the active participation of each individual holidaymaker is of crucial importance for the improvement of the environmental situation in the destinations.

Ecological and economic goals

The ecological and economic goals of TUI's environmental management go hand in hand because an intact environment is a fundamental pre-requisite for a pleasant holiday. An urgent shared objective of all co-operation partners within the TUI environmental network is therefore the stepwise reduction of environmental pollution – through small systematic steps such as improving eco-efficiency (energy consumption, water consumption, waste avoidance, size of built-up areas, etc.) in thousands of holiday hotels around the world.

Summary: Table of Actions

Supply chain management

- Environmental monitoring: contracted hotels are monitored annually using an environmental checklist.
- Our airline is monitored regularly using an environmental checklist for carrier (to record innovations).
- TUI's web site (http://www.tui-umwelt.com/) includes far-reaching information on environmental issues for destinations, hotels and transportation. The site is directed at anyone who is involved in tourism and is organized by information for guests, for travel agents, for hoteliers, for destination managers, and on TUI's environmental management system.

Co-operation with destinations

- Environmental monitoring: TUI evaluates the state of its destinations. The information collected on the destinations is entered in an environmental database and is used in planning and in catalogues.
- Destination information is collected using checklists filled out by customers, as well as through annual reports from the TUI service offices. Extracts are published on all destinations.
- The number of protected areas in each region is used as one of the key ecological criteria for determining the quality of holidays; this supports a policy of conserving nature.
- TUI supports communities and regions, such as Calvia in Mallorca, in implementing the development processes of local Agenda 21s.
- The company supports and promotes holiday regions such as Menorca as candidates for recognition as UNESCO biosphere reserves.
- TUI supports measures to restore overused holiday zones to more natural conditions, including measures for 'restoring value' by a strategy of 'protection through use'
- Current destination projects are engaged in turtle, whale, and dolphin protection, in cat and dog welfare, in reforestation (Kenya, Israel, Greece, Cyprus, and Dominican Republic) and in clean-up activities
- The annual 'TUI Environmental Award' supports exemplary environmental initiatives in the destinations with a cash award equivalent to the amount of 10,000 Euros.

Customer awareness

- Far-reaching information on environmental issues for destin-ations and hotels is provided on TUI's web site.
- Brochures include tables on 'Nature and Environment', giving information on the environmental situation at destinations. The catalogues highlight environmentally-friendly hotels.

- Brochures include information about 'holidays and environmental compatability' and practical hints for environmentally friendly behaviour to sensitize customers.

Internal management
- TUI's contracted hotels aim to reduce their environmental impacts by boosting their eco-efficiency. TUI-owned hotels play a pioneering role.
- Grecotel, one of TUIs shared hotels, co-operates with local farmers on Crete to ensure a supply of locally and ecologically produced food. Beneath the agricultural activities, AGRECO a subsidy of Grecotel, opened the Agricultural Park 2001 to public visitors. This initiative aims at demonstrating small scale traditional agricultural activities, testing agricultural techniques which comply with environmental protection measures and passing them to local farmers. Additional activities in the Agricultural Park are to demonstrate the production and promotion of agricultural goods like olive oil, herbs, Greek cheeses, honey, wine, and other Cretan delicacies.
- The Iberotel Sarigerme Park in Turkey [100% shared by TUI] received its ISO 14001 certification in October 2000. The Robinson Club Fleesensee in Germany and Robinson Clubs Maris, Camyuva and Pamfylia in Turkey followed with ISO 14001 certifications combined with ISO 9001 in 2001.
- Local specialities are promoted in the Robinson Clubs as well as Grecotel Hotels and Iberotel Hotels and VIP guests receive local products as gifts.
- Since February 2000, TUI has worked with a communal co-operation project to improve in-house environmental management at its headquarters.
- TUI's environmental actions are included in the TUI annual report to its shareholders.

Source: Tour Operators Initiatives Website, 2001

The environmental checklist TUI uses with all its contracted accommodation establishments is a crucial part of its monitoring activities. The 2002 checklist is reproduced below, in Exhibit 6.2, with the kind permission of TUI.

Exhibit 6.2 The environmental checklist 2002 for hotels, clubs, and apartments

1. Waste water treatment?
   Compliance with the national limits for waste water quality
   Disposal via local sewage works
      mechanical
      microbiological
      three-stage
      plant waste water treatment
   Disposal via own sewage works
      mechanical
      microbiological
      three-stage
      plant waste water treatment
   Septic tank with communal disposal
   Cesspool
2. Water conservation measures?
   Yes Variable change of linen
   WC flush stop button

Flow limiter
Hot–cold mixer tap
Sensor mixer tap
Second water circuit (for used water, seawater, or rainwater)
Watering of garden with filtered used water
Trickle irrigation
No

3. Water supply?
Local supply (%)
using seawater desalination plant (%)
using ground water (%)
Own supply (%)
using seawater desalination plant (%)
using ground water (%)

4. Controlled waste management?
Yes Avoidance of single portion packs/one-way packaging?
Use of deposit bottles
Use of deposit containers for large quantities
Others
Separation of waste
Paper
Glass
Plastics
Metal
Composting
Recycling
Collection and disposal of toxic waste
Used oil
Batteries
Others
No

5. Energy saving measures?
Yes Energy management system
Energy saving lamps
Central power switch in guest rooms
Make-and-break contact for the air conditioning
Use of alternative energy:
Solar energy for heating water
Photovoltaics
Wind energy
Biogas
Heat recovery
No

6. Regular hygiene checks?
Yes Drinking water
Legionella control plan
Which?

Kitchen
Refrigerator and storerooms
Food
Pools
Air conditioning
Hygiene check system (e.g. HACCP)
How often?
By whom?
No

7. Environmental Organization?
Yes Environmental officer and contact name, function, and e-mail
Environmental committee
Staff training
No

8. Regular measure of consumption?
Yes Water consumption per guest and night (litre)
Electricity consumption per guest and night (kilo Watts)
Diesel consumption per guest and night (litre)
Heating oil consumption per guest and night (litre)
Gas consumption per guest and night (Cubic metre)
Amount of alternative energy compared to total energy consumption (%)
Amount of waste per guest and night (kilogram)
No

9. Environmentally oriented purchasing policy?
Yes Preference for regional products
Products from organic farming methods
No

10. Use of biodegradable cleaning agents
Yes Preferred (>50%)
Exclusively
What ones?
No

11. Noise protection measures?
Yes Insulation of rooms
Insulation of generators
Insulation of discotheques
Noise reduced air conditioning
Car-free zones
Traffic calming
No

12. Use of pesticides and pest control
Yes Biological
What product/Organisms?
Chemical
What product?
No

13. Beach, lake, and sea water quality?
    Yes Beach hotel awarded with the 'Blue Flag'
    Regular beach cleaning by hotel
    Cleanup actions on the beach
    Regular beach cleaning by local authorities
    No

14. Protection of animals and endangered species in the hotel complex?
    Yes Keeping animals on the site
    dogs
    cats
    Others
    Castration/sterilization measures
    Regular veterinary checks
    Sale of coral, shells and ivory in the hotel complex
    Gardens typical for the region with indigenous plans
    What ones?
    No

15. Environmental communication?
    Yes Guest information for the guests about nature and environmental protection in the hotel and surroundings
    Environmental guided tours and excursions
    Support of environmental projects
    Financially
    By active work
    What ones?
    Co-operation with environmental organization
    What ones?
    No

16. Environmental certifications? eco-labels? auditings?

Yes	ISO 14001	valid from .... to ......
	EMAS	valid from .... to ......
	Green Globe 21	valid from .... to .....
	Others	
No	____________________	valid from to.....

17. Additional information as enclosure?
    Yes Brochures
    Videos
    CDs
    Photos
    Others
    No

TUI monitoring also extends to the destinations visited by their customers. An annual checklist of environmental criteria for destinations is also implemented; the 2002 checklist is shown below, in Exhibit 6.3, with the kind permission of TUI.

Exhibit 6.3 TUI environmental criteria for destinations, 2002

1. Bathing water quality and beach quality
Assessment of bathing water quality (sea, lakes, and rivers) and beach/shores quality (on the basis of official documents and visual and odour assessment). 'European Blue Flags' (development). Are water analyses conducted regularly? By whom? At how many sampling points? Analyses results available [possibly upon request] and/or made known by public notices? where are the results published? Beaches clean and well kept? If polluted, by what/whom? Method of beach cleaning? Responsibility for beach clean up? Litter bins at the beach? Regular waste collection? Toilets, showers? Bans on cars and dogs? Natural beaches worthy of protection? Protection of beach and dune zones? Coastal protection management? Artificial beaches? Marinas? Are there industrial facilities near the coast? Which or what kind? Coastal erosion? Other special points of interest? Future prospects? Important contact persons? Websites?

2. Water supply and water saving measures
Source of drinking water (ground water, springs, dam, sea water desalination, etc). and capacity? Cost of water per Cubic metre? Water consumption per capita and day (guest/ inhabitant)? Seasonal water shortages? How will be dealt with this situation? Quality/treatment of drinking water? Regular monitoring? Are water conservation measures implemented? Are there national/regional/local awareness campaigns for the public and/or tourists? Measures to reduce groundwater consumption e.g. by re-use of treated waste water? Government subsidies for water saving measures? Other special points of interest? Future perspectives? Important contact persons?

3. Waste water disposal and waste water utilization
Public sewer system? Sewage plants (technologies used, capacities, number, and location)? Which areas are connected by a sewage water system with the sewage plant (map)? Cesspools and further treatment? Calculation of sewage treatment costs; joint with drinking water fees, separate, etc? Other forms of sewage treatment? Where exactly is the [treated] waste water discharged? Is treated waste water {%} re-used [e.g. in agriculture, on golf courses, green spaces, in parks, gardens etc.]? How and where are the sewage sludges and residues disposed of? Other special points of interest? Future perspectives? Important contact persons.

4. Waste disposal and waste avoidance
Waste disposal plan? Regular waste collection services (by whom, how often)? Allocation of containers by the community? Fees for/cost of garbage removal (by volume or weight)? Amount of garbage per capita? Locations, number and types, capacity and utilization (%) of controlled landfills and/or waste incineration plants? Uncontrolled rubbish dumps (where)? Potential smoulders? Affected tourist zones? Separation of different types of waste? Recycling possibilities or composting in the destination (public/private)? Treatment of hazardous wastes? Are there national/ regional/ local waste avoidance awareness campaigns for the public? Other special points of interest? Future perspectives? Important contact persons?

5. Energy supply and energy saving measures
Type of energy generation (which source of energy)? Energy cost per Kilowatt-hours? Utilization of renewable sources of energy? Kilowatt-hours percent of total (wind, solar, and biogas); Layout plan? Are there energy saving measures? National/ regional/local awareness campaigns for the public and/or energy saving programmes and measures? Promotional programmes for renewable energies? Other special points of interest? Future perspectives? Important contact persons?

6. Traffic, air, noise and climate
Impairment of air quality by industry, traffic, or incineration of wastes? Are air quality analyses conducted regularly? With what results (if available)? Measures to ease the traffic load (traffic control, contingents, park and ride, public transport)? Traffic calming or car-free zones? Measures to

reduce noise (traffic, air traffic, machinery, building sites, and public amenities)? Noise protection systems? Indications for or noticeable impacts of climatic changes? Unusual dry spells, rainfalls, weather phenomena? Other special points of interest? Future perspectives? Important contact persons?

7. Landscape, built environment and building density
Scenic features? Landscape conservation? Agriculture? (Mono-culture/type of farming) Application of pesticides for pest control? Forestry? Golf course construction? Are there green areas, parks, public amenities? Regional or land use planning? Local development plans and regulations? To what extent are these implemented and observed? High building density on the coast? Extreme sealing of surface? Urban planning? Environmental impact assessment for construction projects? Architecture blended in with landscape? Other special points of interest? Future perspectives? Important contact persons?

8. Nature conservation, species preservation, animal protection
Nature reserves? Percentage of protected areas? National parks? UNESCO World Natural Heritage? Biosphere reserves?Which of these are affected by the TUI programme? Data on biodiversity? Marine flora and fauna? Coral reefs in jeopardy? Soil erosion? Flood hazards? Forest fires (preventive/control measures)? (Re-)Afforestation? Particular animal protection problems? Animal and species protection activities? Are there animals and/or plants in the destination area that fall under the provisions of the Washington Convention on Trade in Endangered Species (CITES)? Are there national/regional/local awareness campaigns for the public and/or tourists on protected species (if such species exist in the destination area)? Other special points of interest? Important contact persons?

9. Environmental information and environment related supply
Information material of national/regional/local information centres (e.g. municipalities, environmental authorities, health authorities, etc.)? Notices, posters, etc.? Guided tours, excursions, courses? Educational or hiking trails? Bicycle tracks, hire? Regulations governing jeep safaris? Cars with catalytic converters for hire? Unleaded petrol available? Are there problematic holiday activities offered [e.g. jet skiing, water scooters, sale of souvenirs, etc.]? Other special points of interest? Important contact persons?

10. Environmental Policy and Activities
National/regional/local environmental policy? Development of a (local) *Agenda 21*? Environmental protection laws? Tourism Master Plan? Measures for sustainable tourism development/ regional development? Environmental officers? Environmental organizations? Environmental protection established in media/schools? Health/hygiene/consumer protection policy? Environmental awareness and behaviour of the public? Environmental competitions, awards? Environmental projects? Environmental seminars and conferences? Ecotourism? Co-operation between private and public sector? Environ-mental certification for hotels and industry? Local, regional, national eco brands for tourism offers and products? Are TUI partners/authorities/environmental protection organisations willing to cooperate?

Source: TUI Environmental Management, 4/2002

TUI has also launched a web site with well over 1000 pages which focuses on their approach to environmental policy. It is available in 10 languages including Polish, Greek, and Turkish. In 2001, it won the 'Umwelt Online Award' which is organized by BAUM the German Environmental Management Association.

Among the companies which are part of the 'World of TUI' family is the leading Greek hotel operator, Grecotel. It is a partnership between TUI and a Cretan-based family of entrepreneurs, the Daskalantonakis family. Grecotel has been a pioneer of good environmental practice in hotels for more than a decade. However, they go much further than the physical environment and are also concerned with the social and economic impacts of tourism. They are also committed to supporting the local communities in the area in which their hotels are located. Grecotel claims, with justification, to be 'the leader in the Mediterranean hotel industry for its environmental implementation and cultural programmes' (Grecotel, 2000).

Exhibit 6.4 displays the Grecotel environmental policy statement.

Exhibit 6.4 Grecotel environmental policy statement*

- To formulate and implement a programme to improve the environment for both local people and seasonal visitors thereby encouraging fellow hoteliers and members of the tourism industry to undertake similar responsibilities.
- To be realistic in setting goals, due to local considerations, and the existing Grecotel product. At no time will any conservation or protection plan be accepted if it may lower the quality of services already offered.
- To take notice of changing attitudes and suggestions from staff, guests, or other interested parties and adapt programmes accordingly.
- The conservation and protection of the landscape, wildlife, and historical resources near each Grecotel will have priority over other regional or general projects.
- Grecotel SA aims to collect information regarding similar programmes being undertaken by other members of the tourism industry and by local authorities in order to make better use of available resources and avoid duplication of activities.
- To use local, natural raw materials and recycled products; save energy and water; minimise waste; and control air/water pollution.
- To increase level of awareness of environmental issues within its own organization, to local residents, hotel guests, and business partners.
- To include improved environmental considerations in all new building and renovation plans.
- To balance financial benefits from environmental applications against increased initial costs of other improvements.

*Nikolaos Daskalantonakis, Managing Director, Grecotel SA

Its action on environmental issues has been very successful. For example, up to 2000, Grecotel had

- achieved a 30 per cent reduction in water consumption;
- replaced 2,500,000 plastic laundry, refuse, and sanitary sacks with environmentally friendly ones;
- reduced the use of plastic packaging by 68 per cent;
- achieved a 40 per cent reduction in the use of chlorine in swimming pools;
- replaced 76 per cent of cleaning products with more environmentally friendly ones;
- achieved 12 European Blue Flags for the beaches they control, in 1998 and 1999.

However, they are also involved in broader activities that relate more widely to sustainable tourism, including:

- Agricultural investments, in Crete, which involve them producing wine and honey and providing advice for farmers on organic production.
- The Doran Society, which Grecotel set up in 1992, and which engages in projects to protect the cultural and national heritage of Crete, the home island of the Daskalantonakis family. This organization has restored monasteries, sponsored archaeological sites, and supported the conservation of the endangered sea turtles, the 'Caretta-Caretta'!

- Engaged in education programmes to inform tourists and local people about environmental issues.

The result of this activity has been recognition of the role played by Grecotel, which has won numerous European awards for its environmental policies. It is also used as an example in the publication, '*Agenda 21*' for the travel and tourism industry.

The excellent work on environmental and cultural issues carried out by Grecotel is partly a result of two factors, namely:

- The love for, and commitment to, Crete specifically, and Greece in general, by the owners of Grecotel, the Daskalantonakis family.
- The partnership between Grecotel and TUI, perhaps the world's most environmentally aware tour operator group.

Key issues

- TUI is a world leader in the field of environmental management in tourism. It has been involved in such action for well over a decade and has a well established, well resourced department charged with responsibility for all aspects of conservation, environmental management, and sustainable development.
- Over time, TUI has broadened its interest from environmental issues to the wider concept of sustainable development.
- Through its ownership of tour operators in countries, other than its home base of Germany, its environmental policies have been implemented, to some extent, in the other countries too.
- It is probably no coincidence that the world's most environmentally conscious tour operator is German given that environmental issues have traditionally been taken more seriously in Germany than perhaps anywhere else on the planet.
- TUI places great emphasis on environmental monitoring. Each year more than 10,000 accommodation establishments are checked against the TUI environmental criteria outlined in Exhibit 6.2, for example.
- As well as applying environmental management principles to its own businesses, TUI also plays a part in trying to improve environmental standards, and encourage sustainable development, in the world as a whole. TUI was a founder member of the influential TOI. TUI staff also regularly speak at international conferences and it has helped with initiatives such as the 1997 Berlin Declaration on Biological Diversity and Sustainable Tourism.
- TUI clearly believes that its clients want to know about the environment in destinations; hence the destination checklist shown in Exhibit 6.3, and the fact that it includes information on the destination environment in its brochure.
- As well as its tour operation business, the company's environmental policy also extends to the airlines TUI owns, where new aircraft are being purchased, which reduce fuel consumption and noise levels.
- While it devotes considerable resources to environmental issues, TUI remains closely focused on its core activity, namely offering tourism services, profitably. Its main motivation for its environmental policies appear to be, quite rightly for a commercial enterprise, that of helping the business run more successfully in terms of reducing costs and retaining customers. As it's web site rightly noted in 2002:

  > the ecological and economic goals of Preussag (including TUI) environmental management go hand in hand, because an intact environment is a fundamental pre-requisite for a pleasant holiday
  >
  > *Source:* Preussag Website, 2002

- The environmental policies of Grecotel are clearly a result, not just of the TUI influence on the company, but also of the views of the family which controls Grecotel.
- In the future, the TUI commitment to sustainable development may see it focusing more energy on social issues in the destinations, such as staff salaries, opportunities for women and young people, sex tourism, and so on.

Conclusions

TUI has understandably become a world leader in environmental management in tourism. This is perhaps not surprising given its home in Germany, one of the world's most environmentally conscious countries. As a large profitable company it has also been able to devote considerable resources to its environmental policies. In recent years it has broadened this policy to encompass the concept of sustainable development. It has been highly influential in the tourism world through its activities because it has not simply concentrated on its own business, but has sought to encourage other companies to take environmental issues seriously. However, in all this, it has taken a hardheaded commercial approach and has sought to reconcile economic and environmental issues.

Discussion points and exercises

1. Discuss the benefits and risks for TUI in relation to its high profile environmental policy and activities.
2. Critically evaluate the extent to which a major tour operator such as TUI, can be environmentally friendly.
3. You should approach several mass market and specialist tour operators and ask them for their environmental policies. You should then:
   – compare and contrast the policies of the different operators you research, noting if any are unable to provide any policy for you,
   – compare and contrast the TUI environmental policy with that of these other tour operators.
4. Imagine that TUI has asked you, as a consultant, to help it broaden its 'environmental criteria for destinations' (Exhibit 6.3) into a broader 'sustainable tourism audit for destinations'. You should write a short report for them, containing your main recommendations.

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Section 2

Tourism Destinations

Case study 7

Tourism in Asia-Pacific

Asia-Pacific is undoubtedly, the most dynamic regional tourism market in the world. Between 1990 and 2000, alone, the number of international tourist trips in the region doubled! By 1999, the region accounted for 16 per cent of all international tourist trips, globally. However, it is intra-regional travel accounts for the rapid growth of tourism in the region. For example, in North-East Asia, which includes China, Taiwan, and Japan, 82 per cent of all arrivals in the region were of tourists from elsewhere in the same region, in 1999.

In this case study, we will explore the reasons for the growth of tourism in Asia-Pacific until the 1990s and we will then explore the impact of the Asian economic crisis in 1997–1998.

After this, there is a discussion of the increase in tourism in 1999–2000, but we will then examine how late 2001 to mid-2003 have been very difficult times for the tourism industry in Asia-Pacific. Finally, we look at the forecasts of future tourism growth in the region, noting the factors that may limit this growth.

Firstly, however, let us describe what we mean by Asia-Pacific. We will use the term as it is used by the World Tourism Organization (WTO), which divides the region into four zones as follows:

- North-East Asia, including China, Japan, Korea, and Taiwan;
- South-East Asia, including Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam;
- Oceanina, including Australia, Fiji, Micronesia, New Zealand, Papua New Guinea, Samoa, Tonga, and Tuvalu;
- South Asia, including Bangladesh, India, Iran, Nepal, Pakistan, and Sri Lanka.

This list is also in order of volume of inbound tourist trips for the four zones, which in 2000 were 111.9, 38.2, 9.67, and 6.42 millions, respectively, according to the WTO.

Before we discuss the factors that have underpinned this rapid growth in tourism in the region, in recent years, we need to make the point that this is a very diverse 'region' that:

- stretches more than 15,000 kilometres from west to east and over 13,000 kilometres from south to north;
- includes some of the poorest, least developed countries in the world, together with some of the richest, most highly developed countries on the planet;
- has a climate which varies from desert in some places to locations with several hundred centimetres of rain a year;
- encompasses every major religion of the world and hundreds of languages and dialects;
- includes countries with highly developed tourism infrastructure and others where tourism has hardly begun to develop.

It is therefore, extremely difficult to generalize about tourism in the region, but we will now try to do so!

The growth of tourism until the mid-1990s

There is no doubt about the impressive growth which took place in tourism in Asia-Pacific between 1950s and the 1990s. WTO data, for example, shows that in 1950 no Asia-Pacific countries featured in the list of the top 15 tourist destinations in the world. But by 1990, both China and Malaysia were in the list. Furthermore, by 2000, China had moved up to be 'number five' in the list of leading destinations in the world.

Exhibit 7.1 illustrates the rise of tourism in the region from 1950 to 1994. It is clear that the growth of tourism in East Asia and Pacific was much faster and more profound than that in South Asia. It is also clear from WTO data that the growth of tourism was not equally felt around the whole region. This is clearly illustrated in Exhibit 7.2.

Exhibit 7.1 The rise of tourism in the Asia-Pacific region from 1950 to 1994

Year	*East Asia and the Pacific*		*South Asia*	
	Arrivals (in millions)	*Percentage share of world tourism*	*Arrivals (in millions)*	*Percentage share of world tourism*
1950	0.2	0.8	<0.1	0.2
1960	0.7	1.0	0.2	0.3
1970	5.3	3.0	0.9	0.6
1980	21.0	7.4	2.3	0.8
1990	53.1	11.6	3.2	0.7
1994	76.7	14.3	3.7	0.7

Source: Adapted from WTO data.

Exhibit 7.2 Tourist arrivals in selected Asia-Pacific countries

Country	*Number of tourist arrivals, 1995*
Australia	3,725,800
Bangladesh	156,231
Cambodia	219,680
China (excluding Macau and Hong Kong)	5,886,716
Fiji	318,495
Hong Kong	10,199,994
India	2,123,683
Indonesia	4,324,229
Iran	452,059
Japan	3,345,274
Malaysia	7,468,749
Mongolia	108,434
Myanmar	117,000
Nepal	363,395
Pakistan	378,400
Singapore	7,136,538
Thailand	6,951,566

Source: WTO data.

This list consists of only major countries and excludes small islands like Tuvalu which attracted 922 tourists in 1998!

Due to the different cost of living in the various Asian countries, financial receipts varied even more dramatically than visitor numbers in the mid-1990s across Asia-Pacific. For example, in South Asia, in 1993, Afghanistan received 6000 tourists earning a total of just US $1 million for its economy and tourist spending was US $118 per head in Bangladesh. In 1994, by contrast, in Hong Kong, tourists spent US $8987 million while each visitor to Australia spent on average, US $ 1561.

The growth of international tourism in the region was spurred by two trends, as follows:

- a growing attraction to Asia-Pacific for tourists from outside the region;
- much more importantly, the growth in travel between countries within the region, stimulated by the rapid economic growth experienced in many Asian economies in the1980s and early 1990s.

This latter phenomenon is clearly illustrated by the following WTO data:

- By 1995, around three-quarters of tourists to Asia-Pacific countries were from other countries in the region, compared to just around 16 per cent from the whole of Europe.
- In 1995, nine of the top 30 countries for generating international tourist trips were in Asia-Pacific.
- The number of trips per head taken by national residents was higher in Singapore, Hong Kong, and Taiwan than it was in the USA. Spending abroad as a proportion of gross domestic product (GDP) by residents was also higher in Hong Kong, Japan, Malaysia, Singapore, South Korea, Taiwan, and Thailand than in the USA.
- By 1995, of the top 10 national markets for Hong Kong, no fewer than seven were in Asia-Pacific.

This domination of Asia-Pacific tourism by tourists from Asia-Pacific was generally constant across the sub-zones of the region as a whole, as can be seen from the following figures for Asia-Pacific tourist arrivals from the region, in each zone, in 1990:

- Australia/New Zealand 67 per cent
- Far East/Pacific 70 per cent
- South-East Asia 75 per cent
- South Asia/Indian Ocean 35 per cent

The only exception was South Asia which because of the relative poverty of many countries in the zone, and its cultural and linguistic differences from much of Asia, was less dependent on Asia-Pacific, and relied more on European markets.

At the same time, we need to recognize that the economic growth which stimulated outbound tourism in Asia-Pacific also fuelled a huge, but rarely measured, growth in domestic tourism in many countries in the region.

Having established that tourism grew very rapidly within the Asia-Pacific region between the 1950s and 1990s, we need to examine the reasons. They include:

- The rapid growth of Asia-Pacific economies, starting with Japan and Australia and later including most major countries in the region. Not all the populations have shared the benefits of this growth equally but it still fuelled much of the growth of intra-regional tourism, particularly in the 1980s and early 1990s.
- Many of the most popular destinations in Asia-Pacific are still relatively poor countries by global standards so that they are quite low cost destinations, such as Thailand and Indonesia, for example.
- The wide variety of attractions within the region, from sophisticated cities to rainforests full of wildlife, and to some of the world's finest beaches.
- The existence of the Pacific-Asia Travel Association (PATA) which is perhaps the world's most effective regional tourism organization. It covers Asia-Pacific as defined in this case

study plus the Pacific coasts of the USA, Mexico, and Canada. Its mission is to 'enhance the growth, volume, and quality of Pacific-Asia travel and tourism for the benefit of its membership'.

It is a membership-based organization that brings together representatives of the whole tourism industry and destination governments. It has taken the lead on marketing the region but has also played a leading role in developing tourism in the region through its work on education and training, product development, research, and sustainable tourism. There is a separate case study of PATA earlier in the book.

- The region has several world-class 'gateway' airports, including Singapore and Hong Kong, and some of the world's leading airlines.
- In general, the region enjoyed high levels of political stability through the 1970s and 1980s particularly, even though sometimes this was a result of the control exercised by non-democratic governments. The region was also largely free from war and terrorism threats too, which also made it attractive to tourists. There were exceptions of course, from the Vietnam War to the conflict in parts of Indonesia, but these were the exception.
- Most Asia-Pacific governments have been welcoming to foreign investment which made it easy for big corporations in the hospitality sector, for instance, to develop operations in these countries. This not only helped attract foreign tourists to places with hotels with brands with which they were familiar, but it also brought new standards of product and service to some developing destinations.
- The region became the world leader in the backpacking market which has also grown rapidly in recent decades.
- Much of the region was also well placed to exploit the growing interest in ecotourism and nature tourism as well as shopping tourism and cultural tourism.
- Apart from low prices, much of Asia offers quite high levels of personal service, and has developed a reputation for smiling, hospitable staff.

However, while these factors helped the region to grow in popularity as a tourism destination, not everything about this period was positive by any means. For example:

- many Asia-Pacific countries saw little tourism growth until the 1990s;
- often tourism was developed in an elitist way which brought few benefits for the local population;
- local people's rights were often disregarded in the drive to develop tourism for profit;
- in countries which had developed rapidly economically, environmental degradation in places, undermined the development of tourism;
- mass market tourism often caused great socio-cultural impacts which were often quite destructive;
- parts of the region such as Manila and Bangkok developed reputations as sex tourism destinations which harmed their image in general.

Nevertheless, by the mid-1990s tourism in Asia-Pacific looked like a success story, but then the region was gripped by a major economic crisis.

The economic crisis of the 1997–1998 and tourism

In 1997–1998, the so-called 'Tiger-economies' of Asia suffered a serious economic crisis, their first for many years. This replaced the steady annual economic growth they had experienced for many years, with actual decline in these economies. This caused shock waves around the region, and, given the reliance of many Asia-Pacific destinations on tourists from the region, this had a great impact on tourism in the region. This severe economic downturn also coincided with other issues such as the return of Hong Kong to China, and political and environmental problems in Indonesia, which caused further uncertainty in the market.

Selected WTO data show the impact of these economic problems, as follows:

- While international tourist arrivals in Europe rose by around 8 per cent and in the USA by 13 per cent, between 1997 and 1998, they fell in Asia by around 13 per cent. Only the Oceania zone managed a modest increase over this period.
- In Indonesia, arrivals fell from 5.2 to 4.6 millions between 1997 and 1998. Tourism in Vietnam fell by 10 per cent and arrivals even declined in China and Australia.
- Tourists daily expenditure also fell because of the economic crisis, between 1997 and 1998. There was a 22 per cent decline in Thailand, 12 per cent in the Philippines, and 6 per cent in Australia.
- Revenue per hotel room also declined as companies were forced to cut rates to attract guests. In Kuala Lumpur, for instance, between 1996 and 1997 the average rate per room fell from US $60 to $40 and in Phuket, Thailand, the fall was from US $70 to $40.

Through a survey of national tourism organizations, the WTO sought to identify the level of impact of the financial crisis on selected Asia-Pacific countries. Their results are produced in Exhibit 7.3, where three asterisks represent the greatest impact.

The WTO then went on to offer a short commentary on each country, based on the views of their national tourism organization, as follows:

As indicated in the rating chart:

- Thailand indicated that the crisis was largely responsible for the poor performance in 1997 and 1998 but would only be moderately responsible for performance in 1999 and 2000.
- China indicated that the crisis had only a minor impact on its tourism sector in 1997 but a large impact in 1998 and 1999.
- Malaysia indicated that it did not think that the crisis was applicable to it in any year – citing instead a run of bad luck for its poor performance in the tourism sector.
- The Philippines indicated that the crisis had only a modest impact in 1997, a large impact in 1998 and is predicting only moderate impacts in 1999 and 2000.
- Pakistan indicated that the crisis has and will only have a minor impact on its tourism sector.
- Sri Lanka indicated that the impact in 1997 and 1998 was moderate and that it would only be minor in 1999 and 2000.
- Indonesia indicated that the crisis had a large impact on its tourism sector in 1997 and 1998 and will continue to have a large impact in 1999 after which it is predicted to moderate in 2000.
- Vietnam gave no rating as to the impact of the crisis on its tourism sector.
- Australia indicated that the impact of the crisis on its tourism sector in 1997 and 1998 was large, that it would be moderate in 1999 and minor in 2000.
- Republic of Korea indicated that the crisis – had a minor impact in 1997, a large impact in 1998 is expected to have a moderate impact in 1999 and a minor impact in 2000.

Source: WTO

It is clear that the crisis affected much of the region and that its effects were expected to last at least until 2000.

The consequences of the downturn in tourism were serious for countries, individual entrepreneurs, and employers. The standard reactions to the crisis were to:

- merge hotels or declare hotels bankrupt;
- reduce salaries in hotels and travel agents;
- lay off workers in the tourism industry;

Exhibit 7.3 Rating of the impact of the Asian financial crisis on the tourism sector

	1997	*1998*	*1999*	*2000*
Thailand	***	***	**	**
China	**	***	***	*
Philippines	**	***	**	**
Pakistan	*	*	*	*
Sri Lanka	**	**	*	*
Indonesia	***	***	***	**
Australia	***	***	**	**
Republic of Korea	*	***	**	**

Source: NTOs Survey, reported by WTO.

- put off investment in new projects and delay refurbishments;
- reduce prices and discount heavily to try to attract tourists;
- reduce training budgets;
- withdraw unprofitable airline services.

These understandable responses to the economic crisis were all potentially harmful to the long-term development of tourism in the region. However, we do need to note that the crisis did not cause a decline in tourism across the whole of the region. Where the crisis caused reductions in prices, some destinations saw increases in visitor numbers as tourists exploited the crisis as an opportunity for cheap vacations. For example, between 1997 and 1998, tourism in Thailand grew by 8 per cent. However, this was an exception, for in general the crisis depressed visitor numbers, spending, and profitability in the tourism industries of most countries in the region.

Nevertheless, the WTO in the conclusions to its report on the impact of the crisis said it believed there were some positive results from it for the future of the Asia-Pacific tourism industry, including the fact that it:

- demonstrated the resilience of the tourism industry compared to other sectors of the economy;
- exposed poor management, marketing, and financial practices in the operation of tourist facilities and services;
- helped to rid the industry of fly by night operators and other opportunists;
- brought about a major restructuring of the tourism sector in all countries seriously affected;
- set the framework for the development of a much leaner, more aggressive and competitive tourism industry in the region.

Source: WTO

Recovery until 2001

From 1999 onwards, it appeared that tourism in the region had not only recovered but by 2000/2001 it had achieved new heights. Again some selected WTO data will serve to illustrate this point as follows:

- By 2000, tourist arrivals in Asia-Pacific reached 118.3 million, compared to 85.6 million in 1995.

- In 2000, the region's share of world tourist arrivals had risen to 16.9 per cent compared to 15.6 per cent in 1995.
- Between 1998 and 1999, the growth rates for tourism in the region were 11 per cent across the whole region.
- From 1998 to 1999 many countries experienced rapid growth in international tourist arrivals, including Hong Kong (12 per cent), Vietnam (17 per cent), Thailand (10 per cent), Singapore (11 per cent), and Malaysia (43 per cent).
- Growth continued in 2000 with increases over the 1999 figures of 29 per cent in Malaysia, 16 per cent in China, 14 per cent in Korea, and 11 per cent in both Australia and New Zealand.
- There was a modest recovery of tourist spending in some countries such as Korea and Thailand, although in most countries spending levels changed little between 1998 and 2000.
- Outbound tourism from the People's Republic of China grew from 1.81 million in 1998 to 3.24 million in 2000. Between 1999 and 2000 the number of Chinese tourists in Malaysia increased by 123 per cent!
- By 2001, Thailand was receiving nearly 1.2 million tourists from Japan, and Singapore welcomed 340,000 tourists from the rapidly growing South Asian market of India.

This recovery was largely the result of the end of the economic crisis and the beginning of a slow improvement in the situation. Furthermore, it was stimulated by high-profile events such as the Olympic Games in Sydney in 2000 and the World Cup in South Korea/Japan in 2002.

However, the Japanese economy was still in trouble and there was by no means an economic boom in the region, although China continued to achieve impressive economic growth.

By 2001 the region's tourism industry thought the worst was behind it and good times lay ahead, but that is not what has happened, as we will now see.

Difficult years – 2001–2003 – terrorism, safety, and health fears

By early 2001, it looked as if Asia-Pacific had recovered from the economic crisis and was moving into another period of rapid growth in terms of tourism demand, outbound, inbound, and domestic. However, between September 2001 and the time of writing (May 2003) the region, or parts of it, were hit by a series of problems which adversely affected the tourism industry. Some of these were issues faced by the global tourism industry, while others were specific to the region. They included the following:

1. *The terrorist attacks of 11 September 2001* Commentators at first thought these terrible events in New York and Washington would have little effect on Asia-Pacific as they took place a long way from the region. A few even suggested that, appallingly, the events in the USA could lead to more international travellers choosing to vacation in Asia rather than North America. However, this proved to be a largely inaccurate suggestion, as the following data shows:
   - Tourist arrivals from the USA, in September 2001, the month in which the attacks took place, fell by 22 per cent in Singapore, 32 per cent in the Philippines, and 50 per cent in Tahiti, compared to September 2000.
   - Overall tourist numbers in the same month in Nepal fell by 29 per cent compared to the same month in 2000.
   - In the 5 weeks following the attacks 750,000 Japanese tourists cancelled their travel arrangements.
2. *The Bali Bombing, 12 October 2002* This attack was clearly targeted at foreign tourists and particularly young people from Australia. It therefore decimated inbound tourism to Bali. Hotel occupancy rates fell to single figures within days and even in 2003 tourists were only starting to come back as a result of massive discounts on the island.

The attacks had wider repercussions in the region though, as follows:
– They made many Australians nervous about travelling to Asia, in general.
– By targeting backpackers and young people, they attacked a market which is very important to many Asian destinations.
– The attacks were followed by warnings from governments in the USA, Europe, and Australasia that their citizens may also become targets of terrorist attacks in other Asian countries, such as Thailand and Malaysia.

3. *Criminal attacks on tourists* In recent years there have been a number of high profile, widely reported attacks on tourists, particularly young women, across Asia-Pacific from Thailand to Australasia. These again may make young people and their parents wary of backpacking trips to Asia-Pacific region.
4. *Deep-vein thrombosis (DVT)* This syndrome appears to be directly related to taking long-haul flights and for key markets, such as Asia and North America, trips to Asia-Pacific destinations always include a long-haul flight. Due to the publicity surrounding this illness some people are now unwilling to take a long flight.
5. *Severe acute respiratory syndrome (SARS)* First announced from China in early 2003, this condition was causing near panic by April 2003, including:
   – Hong Kong based airline, Cathay Pacific reporting a two-thirds drop in traffic on its routes in and out of Hong Kong;
   – US carrier continental cancelling its New York–Hong Kong flights;
   – Up to 50 per cent of all flights at Hong Kong airport being cancelled.

These events were on top of an already unstable world situation with a downturn in the US economy and the war in Iraq in early 2003.

Within the region there was also the continuing trouble in the Japanese economy.

Yet, in spite of this very difficult climate, many commentators still have great hopes for the future of Asia-Pacific tourism, as we will now see.

The future of tourism in the region and the obstacles to growth

Until the events highlighted in the last section, forecasts for the future of tourism in the region were very ambitious. A Travel and Tourism Intelligence report, 'International tourism forecasts to 2010' based on 1995 data, predicted the following:

- International arrivals in Asia-Pacific would rise from 49.6 million in 1995 to 147.2 million by 2010, virtually a 300 per cent increase, compared to a rise of around 80 per cent for the world as a whole.
- Between 1995 and 2010 arrivals in specific Asia-Pacific countries were predicted to rise as follows:
  – Australia 3.7–14.9 million
  – China 7.4–17.9 million (15.2–29.6 million, including Hong Kong)
  – Thailand 7.0–21.6 million
- Tourist expenditure by outbound Chinese travellers, excluding Hong Kong, was forecast to increase by some 600 per cent between 1995 and 2010. Equivalent figures for outbound travellers from other countries are 350 per cent for Malaysians, 300 per cent for Japanese, and 500 per cent for Koreans.
- These forecasts also predicted that most growth in Asia-Pacific would come from travellers from outside the region, rather more than from intra-regional travel. For example, in Far East and Pacific zones, from 1995 to 2010 the report predicted an average annual growth of 3.2 per cent intra-regional arrivals, compared to 6.4 per cent from outside the region. However it is important to recognize that intra-regional travel means just the Far East and Pacific zone not the whole region; it excludes South Asia, South-East Asia, and Australasia, so it is a little misleading in the context of our definition of Asia-Pacific.

- The same source recommended that the proportion of tourists from different countries who would be travelling within the Asia-Pacific region as a whole, by 2010, would be as follows:
  - Australia – approximately 66 per cent;
  - China – excluding Hong Kong, around 80 per cent;
  - Japan – approximately 50 per cent;
  - Malaysia – around 95 per cent;
  - Singapore – around 90 per cent;
  - Taiwan – approximately 82 per cent;
  - Thailand – around 75 per cent.

This seems to indicate that the region will see a very heavy rise in tourism from people who live in the region.

However, it is important to recognize that these forecasts were developed from 1995 data before the impacts of the 1997–1998 economic crisis, the terrorist attacks of 2001 and 2002, and the SARS outbreak of 2003.

It is interesting to look to see how these forecasts relate to what has actually happened since 1995. We can do this, to some extent, by comparing 1995 and 2000.

In Exhibit 7.4, we compare the forecasts from the Travel and Tourism Intelligence forecasts with real data for 2000.

It is clear that in spite of the economic crisis in 1997–1998 Asia-Pacific has exceeded the expectations of the forecasters by more than 50 per cent. The forecasters predicted a rise from 73.8 million in 1998 to 102.4 million in 2002, yet this latter figure was already exceeded by 2000. Logic would seem to suggest, therefore, that the Travel and Tourism Intelligence forecasts will turn out to be an underestimation. However, maybe not, for the events of 2001–2003 described earlier may depress the arrival figures.

On the other hand, with the exception of SARS, most of the points noted in the section on 2001–2003 were much more likely to affect long-haul travel from outside the region than intra-regional travel within it. This may reduce their impact on the growth of tourism in the region.

Tourism in the region, at least within China will be boosted by the Beijing Olympics in 2008 and the opening of Universal Studios in Shanghai and Hong Kong Disneyland, both scheduled for 2006.

Furthermore, as more and more people from Asia-Pacific migrate outside the region, the scope for inbound visiting friends and relatives tourism into the region will grow in the future. For example, there are now 450,000 Indian people living in the USA and 241,000 people from Hong Kong resident in Canada.

At the time of writing, in spite of the Iraq war, terrorist attacks fears, and the SARS outbreak, the future of Asia-Pacific tourism appears bright. However, unforeseen circumstances could change this picture such as another economic crisis, or political instability in a major Asian country, or health scares. Only time will tell.

Exhibit 7.4 Forecast and actual changes in International Tourist Arrivals, 1995–2000

Zone	*Forecast*	
	Travel and Tourism Intelligence forecast for arrivals in 2000 (in millions)	*Actual arrivals according to the WTO statistics (in millions)*
South Asia	6.0	6.4
South-East Asia	30.9	111.9
Far East and Pacific	29.4	111.9
Australia/New Zealand	7.5	111.9
Total	73.8	118.3

Source: Travel and Tourism Intelligence, WTO.

Key issues

- Tourism in the Asia-Pacific region has grown dramatically over the past 50 years, and faster than anywhere else in the world, albeit from a relatively low starting point.
- However, the volume and pace of growth has not been the same across the whole region; the development of tourism has barely started in some parts of the region.
- Much of the growth of tourism in the region has been driven by intra-regional travel, as economic development has stimulated the demand for outbound tourism from the countries within the region.
- The development of tourism in Asia-Pacific has been aided by the activities of the highly effective PATA which is now over 50 years old.
- In recent years the growth of tourism in the region has been largely driven by the Chinese market, with its huge population and rapidly growing economy.
- Until now, South Asia, including Bangladesh, India, and Pakistan, has not shared in this growth in tourism to the same extent as most of the rest of the region. This is partly because of its culture being very different to much of the rest of Asia, but is also due to the relative poverty of much of the zone. However, outbound tourism from India is growing rapidly although inbound tourism is not growing as quickly.
- The economy crisis in Asia-Pacific in 1997–1998 had a severe – albeit short-term – impact on tourism in the region, reducing the number of tourists, but more importantly, perhaps, it also depressed prices and profits. However, the impact of the crisis varied dramatically between countries, and had little impact in South Asia, for instance. Furthermore, the recovery was rapid once the immediate crisis was over.
- The WTO has suggested that, ironically, the economic crisis indirectly helped the future development of the regions, tourism industry, by stripping out less efficient enterprises, and forcing organizations to cut their costs and become more realistic.
- By 2000, tourism had not only recovered but arrivals to the region were already exceeding those before the outbreak of the crisis.
- The first years of the new millennium also saw exciting projects planned in Asia-Pacific. Sydney had a very successful Olympic Games in 2000 and the World Cup, shared between South Korea and Japan in 2002 was also a success. Beijing won the right to hold the Olympic Games in 2008 while Universal and Disney announced that they would open attractions in 2006 in Shanghai and Hong Kong, respectively.
- However, 2001–2003 were difficult years for the Asia-Pacific tourism industry. The terrorist attacks in September 2001 in the USA depressed the industry worldwide. But other problems were focused on the Asia-Pacific region such as the Bali bombings in 2002 and the SARS illness outbreak in Spring 2003.
- In the 1990s several organizations made very ambitious forecasts of future tourism growth in the region. However, the economic crisis of the late 1990s made some think these would not be achieved. However, by 2000/2001, in spite of the crisis, the region's performance was already outpacing the forecasts.
- On the other hand the terrorism fears, Iraq War, and health problems of 2001–2003 may dampen tourism growth in the region.
- It looks as if tourism in the region will grow in the foreseeable future at an impressive pace. However, increasingly, it may be that this growth is not seen across the whole region but is heavily focused on China.
- In the longer term, certainly in terms of outbound tourism, India may also become a major player in the region.
- It seems likely that tourism growth will put pressure on the environment in the region, and lead to a greater emphasis on sustainable tourism.
- The region will probably need to take measures, too, to ensure that the benefits of tourism are spread as widely as possible so that they can help achieve the broader objectives of social and economic development. Otherwise it may simply widen chasms between, and within, countries.
- Finally, it appears that the future of tourism in Asia-Pacific will be driven by countries within the region, not inbound tourism from people outside the region. At the same time, Asia-Pacific will become ever more important markets for countries outside the region, while domestic tourism will also grow rapidly in the Asia-Pacific region.

Conclusion

The growth of tourism in Asia-Pacific has been very impressive in the last half century, fuelled by rapid economic growth in, at least, parts of the region. It has shown that it can be adversely affected by economic downturns but that it also recovers quickly once these are over. It has succeeded in attracting mega events such as the Olympic Games and has attracted major new projects such as Hong Kong Disneyland. However at the time of writing, it is suffering from terrorist fears and health concerns. On the other hand it seems that the region's tourism sector will continue to grow strongly for the foreseeable future. At the same time, perhaps, this growth will be heavily dependent on China and its continuing economic growth and political stability. Perhaps the main challenge in Asia-Pacific will be to see how the benefits of tourism can be spread to all sectors of society and all parts of the region.

Discussion points and exercises

1. Discuss the reasons why tourism in Asia-Pacific grew so rapidly between the 1950s and early 1990s.
2. Compare and contrast inbound, outbound, and domestic tourism in one of the following pairs of countries:
   - Australia and Thailand
   - China and India
   - Malaysia and New Zealand
3. Discuss the factors that could slow down the growth of tourism in Asia-Pacific over the next 10 years.
4. Select an Asia-Pacific country which currently receives relatively few international tourists. For your chosen country, you should produce a report outlining a realistic strategy it might adopt to help it develop inbound tourism.

Case study 8

Dubai

It is only in recent years that Dubai has emerged as a major tourist destination. However, its rise has been dramatic to the point where it now features in the brochures of city breaks and long-haul operators around the world.

Dubai is one of the seven emirates which make up the United Arab Emirates (UAE). It is small, less than 4000 square kilometres, sparsely populated and has an important oil industry. However, its economy has been diversified in the past few years to reduce dependence on petroleum, and tourism development is an important element of this diversification.

Today, Dubai is a very modern, high rise city in an arid desert region with a climate that features high temperatures in the summer and large amounts of sunshine all year round.

It is a cosmopolitan place, populated by people of many different ethnic groups, many of them are economic migrants working in Dubai.

In a very short time, Dubai has established itself as a major destination, particularly for city breaks and conference tourism, for a number of reasons, including the following:

- Its attractive all year round climate with temperatures ranging from 24°C to 40°C, little rainfall, and between 7 and 12 hours sunshine per day.
- Dubai is located relatively close to two major world tourism markets, namely Europe and Asia. It is around no more than 6 or 7 hours flying time from both regions.
- Dubai is the home base of one of the world's best airlines, Emirates. This has helped build up Dubai as a 'stopover' destination between Europe, Asia and Australasia, by which tourists can break their journey between these continents in Dubai.
- Dubai's role as a short-break stopover destination is further stimulated by the reputation of Dubai airport for its duty-free shopping.
- Dubai allows visitors to enjoy some elements of traditional middle-eastern culture while enjoying modern amenities in an atmosphere which represents 'comfortable exoticism'.
- The reputation of Dubai as a leading place for shopping tourism, offering particularly good deals on a range of products including gold, electrical goods, and computers.
- The wide range of unusual excursions offered by local inbound tour operators. The following examples come from the Dubai Tourism web site in 2002:
  - *Creek tours*: An imaginative way of seeing Dubai is to take a tour of the Creek by traditional wooden dhow or cabin cruiser. Most of the major landmarks can be seen from the waterway. Daytime or evening cruises are available with food and beverages on board.
  - *Desert safaris*: No visit to Dubai would be complete without a trip into the desert. Such excursions, which are best organized as part of a group tour, offer a taste of the true heartland of Arabia.

    The majesty and tranquillity of the desert can be experienced in a choice of exciting half-day, full-day, and overnight safaris. These action-packed trips cover varied terrain ranging from desert to mountain, and take in remote camel and goat farms and isolated villages. Highlights of a safari in Dubai may include the following:

Dune driving: Driving in sand is an adventure in itself, combining the excitement of a rollercoaster ride with the challenge of remaining mobile on the shifting surface. Courses in sand driving are available, with four-wheel-drive vehicles provided along with expert instruction.

Camel riding: The camel, a symbol of Arabia, is also a major tourist attraction. Camel rides are part of some tours and desert safaris. Tour operators and hotels can also arrange camel rides separately.

Exploring the wadis: A popular pastime with both residents and visitors is known as wadi basing – exploring the wadis or dry beds of streams that flow after the winter rains from the Hajar mountains. Many wadis offer scenes of unexpected beauty: attractive rock pools, some with water year round, surrounded by greenery. Four-wheel-drive vehicles are required and are available for hire with or without drivers.

Sand skiing: Those with a taste for speed, and enthusiasm for an unusual sport will enjoy sand skiing down the dunes of Dubai desert. Special skis are used and high dunes in the interior of the desert are chosen as slopes. Sand skiing can be arranged on request or as part of a full-day or half-day safari.

Desert feasts: Particularly popular are safaris that culminate in the evening with spectacular sunset views followed by a traditional Arabian barbecue under the stars. These can be tailored to meet every taste from a romantic and peaceful experience to elaborate fun-packed evenings complete with music, belly dancing, the smoking of hubble-bubble pipes, and often a display of falconry.

Bedouin village: Some local tour operators offer the opportunity to visit a Bedouin village outside Dubai. This provides an experience of the traditional desert way of life and may include camel-riding lessons.

– *Camel racing:* A trip to the camel races, which take place on Thursdays and Fridays during the winter months, can be one of the most memorable highlights of any visit to Dubai.

  At the racetrack on the fringe of the city, the races are vigorous and exciting and a village fair atmosphere prevails around the track with vendors offering blankets, rugs, beads, and a variety of other rural wares spread on the ground. Owners urge jockeys on to the finish line while trainers speedily follow the races in four-wheel drives which plough through the dust of the inside track. The atmosphere is contagious.

– *Horse racing:* The sport of kings has rapidly become Dubai's most popular spectator event, attracting crowds of over 15,000.

  Race meetings are held weekly during the cooler months at one of the UAE's four racecourses. Dubai Racing Club, at Nad al Sheba, the country's largest and most spectacular track and home to the Dubai World Cup – the sport's richest race – also holds meetings at night under floodlights.

- The development of spectacularly designed and unusual hotels which sometimes even claim to be six or seven stars, such as the following, which are taken from tour operators' brochures:
  – *Al Maha:* An exclusive oasis set within a 25 square kilometres desert conservation reserve and designed to reflect a Bedouin encampment. Accommodation, on full board basis only, is in luxury lavish suites with private plunge pools. Activities include camel safaris, Arabian horse riding, falconry, archery, and four-wheel driving across the dunes. A restaurant with swimming pool. This resort is for adults only. Transfer time is 45 minutes.
  – *The Jumeirah Beach Hotel:* The Jumeirah Beach: Hotel is a spectacular luxury beach resort which is 20 minutes drive from the centre of Dubai. From the striking wave design to the endless facilities, the hotel exudes quality. The 600 en suite rooms are sea facing and air conditioned with hairdryer, satellite TV, phone, minibar, and sea view. Other rooms categories are available; please call for details. The hotel offers 18 restaurants and bars, including an

English pub and jazz bar, shops, pools, gym, sauna, steam room, jacuzzi, tennis, squash and, at extra charge, watersports.

- Sports facilities such as golf courses, one of which, the Emirates Golf Club, is the home of the European PGA.
- The active promotion of Dubai by the high-powered, well funded government agency, Dubai Tourism and Commerce Marketing (DTCM), which was created as recently as 1997. Its own web site highlighted its activities in January 2003 as follows:

> The DTCM plans and implements an integrated programme of international promotions and publicity activities. This programme includes exhibition participation, marketing visits, presentations and roadshows, familiarization and assisted visits, advertising brochure production and distribution, media relations, and enquiry information services.
>
> In addition to its head office in Dubai, the DTCM has 15 overseas offices. They are located in Philadelphia (covering North America – East and Central), Los Angeles (North America – West Coast), London (the UK and Ireland), Paris (France), Frankfurt (Germany), Stockholm (Scandinavia), Milan (Italy), Moscow (the Russian Federation, CIS, and Baltic States), Nairobi (East Africa), Johannesburg (South Africa), Mumbai (India), Hong Kong (Far East), Tokyo (Japan), and Zurich (Switzerland and Austria).
>
> In assuming its administrative responsibilities within Dubai, the DTCM has now taken over the licensing of hotels, hotel apartments, tour operators, tourist transport companies, and travel agents. Its supervisory role also covers all touristic, archaeological, and heritage sites, tourism conferences and exhibitions, the operation of tourist information services, and the organization and licensing of tour guides.

- Its reputation as a cosmopolitan, sophisticated place of fun and entertainment makes it attractive to the economic elite of neighbouring countries and to expatriate workers throughout the Middle East.

For these reasons, Dubai has established itself recently as one of the fastest growing short-break city destinations in the world, although it does face some problems and obstacles notably:

- the relatively high cost of living,
- the very high summer temperatures which some tourists find too hot for them,
- the lack of historical buildings and traditional atmosphere in this aggressively modern twenty-first century city.

As well as leisure tourism, Dubai has also developed its reputation as a destination for conferences. This reputation has been recognized by, among others, the World Bank and International Monetary fund who selected it as the venue for their 2003 conference with 17,000 delegates.

Billions of dollars have been spent on developing new facilities and new projects are being commenced all the time, often on a massive scale.

Dubai, using the attractions discussed earlier in this case study, has also become a major venue for incentives during the cooler winter months.

Quoted in Conference and Incentive Travel (November/December 2002) Nigel Cooper of D&MM, who has experience of organizing events in Dubai, said:

> Under Sheikh Mohammed the emirate has moved away from being an oil-based economy to one that is based on a westernized business model, where tourism is of prime importance. That is why it has had to work so hard at building its offer to visitors in terms of the infrastructure and the standard of hotels. It is managed to maintain its cachet by continuing to upgrade the five-star hotel stock and it knows how to deliver a quality experience.

You have got properties there to suit all types of programmes. Down at the beach you have got a whole strip of five-star deluxe hotels, one after another – that is something that is hard to beat. The Royal Mirage is ideal for groups of around 100, while the Ritz-Carlton offers boutique-style accommodation. Up in the city, the Inter-Continental and the Emirates Towers both have first-rate business facilities.

Dubai is also developing its added-value attractions, by building a new marina, and setting up an eco-resort in the heart of the desert in traditional Bedouin style. That is a clever move because it means that groups will want to stay longer than the average four-day visit. When you think that there was virtually nothing there prior to 1965 and look what they have done with the place now, it really is absolutely incredible.

Exhibit 8.1 Recent and future hotel projects in Dubai in chronological order

Hotel	*Capacity*	*Location*	*Completion date*
Dusit Dubai Hotel	174 hotel rooms 147 apartments	Sheikh Zayed Road	May 2001
Hilton Dubai Creek	156 hotel rooms	Dubai Chamber of Commerce	October 2001
The Taj Palace Hotel	159 hotel rooms 90 apartments	Deira	June 2001
Holiday Inn Bur Dubai	240 hotel rooms	Bur Dubai	September 2001
Marriott Executive Apartments	172 apartments	Deira	End 2001
Fairmont Hotel (formerly Sheraton Plaza)	393 hotel rooms	Sheikh Zayed Highway	February 2002
Shangri-La Traders Hotel	240 hotel rooms	Deira	Mid-2002
Grand Hyatt Hotel	674 rooms	Near Dubai Creek Golf and Yacht Club	October 2002
Howard Johnson Plaza	80 rooms	Deira	October 2002
Hamriya Hotel	115 hotel rooms 4 suites	Hamriya	2002
Wafi Residience	2, 3, and 4 bedroom apartments	Pharoh's Club	2002
Royal Mirage Hotel (expansion)	200 room villa units	Jumeirah Beach	2002
Sheraton Jumeirah Beach (expansion)	205 rooms to a total of 460	Jumeirah Beach	2002
2nd Taj Hotel	320 hotel rooms	Sheikh Zayed Road	Mid-2003
Novotel (Accor)	400 hotel rooms	World Trade Centre	2003
Ibis Hotel (Accor)	200 hotel rooms	World Trade Centre	2003
Oberoi Jumeirah	228 hotel rooms	Jumeirah Beach	2003
Palm Islands (80 hotels)	8000 rooms	Jumeirah Beach	2003/2004
Madinat Jumeirah (three properties)	600 hotel rooms 340 villa rooms	Jumeirah Beach	2003/2005
Pyramid Hotel	440 hotel rooms 205 suites	Sheikh Zayed Road	2003
Kempinski	N/A	Palm Island	2005/2006
Iberotel (TUI*)	300 hotel rooms	Undetermined	Undetermined
Robinson Select (TUI*)	300 hotel rooms	Undetermined	Undetermined
Total announced projects	14,062	Dubai	2001–2006

* Touristik Union International.

Source: Government of Dubai, Department of Tourism and Commerce Marketing.

The rise of all forms of tourism in Dubai has been fuelled by enormous investment in the infrastructure.

Exhibit 8.1 shows some of the projects completed in recent years, or planned.

The success of the tourism industry in Dubai can be seen from the following data taken from a Mintel report on Middle East tourism, dated 2002:

- from 1990 to 1999 international tourist arrival in Dubai grew from 633,000 to 3,027,000;
- over the same period, international tourism receipts grew from US $169 to US $713 millions;
- by 1999, Dubai had a 16.6 per cent market share of all tourism in the Middle East seasonality is low; in 2000 the month with fewest tourists was June with 485,000 while the most popular month was March with 740,000;
- in 2000, 70 per cent of all tourists in Dubai were from outside the Middle East.

Key issues

- Dubai has succeeded, partly, because of the pro-active approach taken by the government and its investment in infrastructure.
- The accessibility of Dubai to key markets, and the quality of Emirates Airlines and Dubai airport, has facilitated the growth of tourism.
- Huge private sector investment has provided Dubai with state of the art hotels. Indeed the strikingly designed, luxury hotels have become attractions in their own right.
- Dubai's success has been helped by the fact that it is the first place in the Gulf to decide to develop itself, seriously, as a tourist destination.
- Price does not seem to deter visitors to Dubai. It is certainly not an inexpensive short-break destination. For example, in the 2003 Cresta brochure in the UK, 7-night room only, from the UK, cost between £770 and £1148 per person at the Royal Meridien Beach Hotel and Spa, and £956 to £1810 per person at the Jumeirah Beach Hotel.
- Due to the very high summer temperatures, unusual for a Northern Hemisphere destination, it is the summer which is the off-peak season.
- The current global concern with terrorism could make people wary of visiting Dubai, given its geographical location. However at this time of writing, in February 2003, it is perceived as a generally safe destination in an insecure world.
- While Dubai is well provided for modern consumer shopping tourism, its rapid development has limited its appeal for cultural or heritage tourists.
- As the first resort destination in the Gulf, Dubai will face increasing competition from other places in the Gulf which also wish to diversify their economies by developing tourism. Already, in the UK, there are television advertisements for Oman and Saudi Arabian Airlines. Future competition in the Middle East will include:
  - the developing Red Sea resorts in Jordan, Israel, and Egypt;
  - places with traditional cultures and heritage attractions in Iran and Yemen;
  - the rejuvenated, sophisticated entertainment city of Beirut.
- Some of the tourism which has developed in Dubai is not without controversy. For an Islamic country, Dubai has a very liberal attitude towards alcohol and nightlife. Furthermore, it attracts residents and expatriate workers from other parts of the region where attitudes to alcohol and partying are less liberal. This could cause offence to some Dubai residents and could make Dubai a potential target for certain groups of terrorists.
- As yet there is little emphasis on community involvement in tourism in Dubai. Instead the model of development being followed appears to be one of the central direction and large corporation control. While clearly effective, this approach does seem to be at odds with the concept of sustainable tourism, and may jeopardize its long-term prospects.
- Tourism is being developed, not as an end in itself, but rather as a way of diversifying the economy of Dubai and reducing its dependence on the oil industry.
- It will be interesting to see how the experience of Dubai will influence the development of tourism in the other six sheikhdoms of the Federal State of the UAE.

Conclusion

Dubai has created a successful tourism industry in a very short time to help it diversify its economy. In doing so, it has pioneered a new, almost post-modern, style of recreational tourism incorporating entertainment, shopping, and strikingly designed luxury hotels. Given its desert setting it has much in common with Las Vegas, an oasis of fun in an unforgiving environment.

It shows what can be achieved with great investment and clear government policies, but it may have difficulty sustaining its success in the light of growing competition and the global terrorist threat. Nevertheless, its growth as a destination to date has been a very impressive achievement.

Discussion points and exercises

1. Discuss what you consider to be the three most important reasons for the successful development of Dubai as a tourist destination, in recent years.
2. Discuss the potential issues involved when tourism develops at a rapid pace, as has happened in Dubai.
3. Compare and contrast the development of tourism, and the main characteristics of the tourism industry, in Dubai and *either* Turkey *or* Egypt.
4. Imagine you have been appointed as a consultant to develop a sustainable tourism strategy for Dubai. You should produce a report that:
   – identifies the main threats for the sustainable development of tourism in Dubai in the future,
   – suggests policies and initiatives that could make the future development of tourism in Dubai more sustainable.

CASE STUDY 9

The Role of Visitor Attractions in Dublin, Ireland

Dublin has developed, in recent years, into one of the leading city break destinations in Europe. This success has been based on developing attractions to meet the needs of different visitor segments. These segments vary from British 'party animals' on 'stag' and 'hen' trips to Americans of Irish ancestry to cultural tourists drawn by the city's artistic heritage.

In this case study we explore the range and diversity of visitor attractions in Dublin, which for the purposes of this case study, have been clarified using the typology illustrated in Exhibit 9.1.

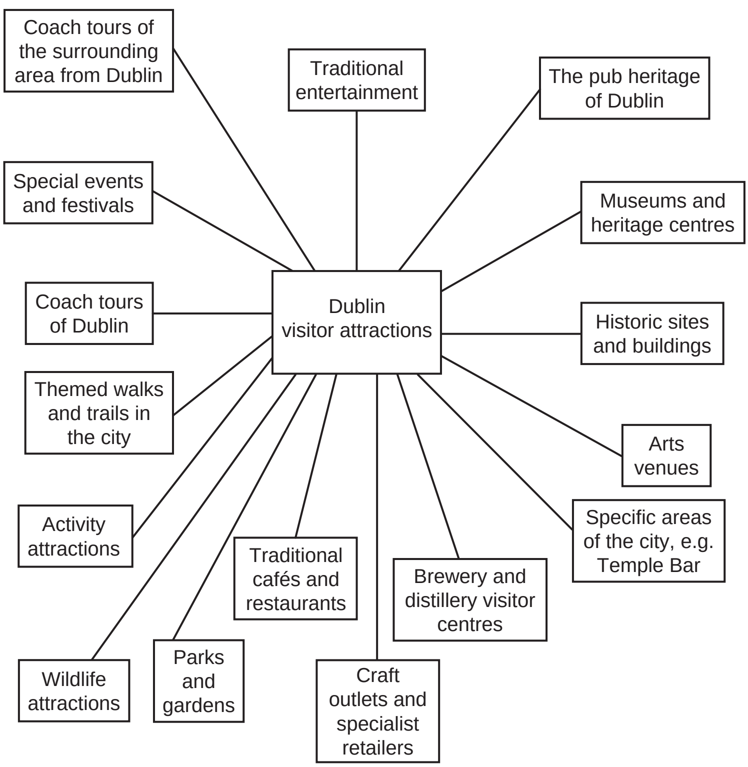

Exhibit 9.1 A typology of selected Dublin visitor attractions

Traditional entertainment

Traditional Irish entertainment (music and dance) has achieved almost cult status in recent years. However, some believe it is getting difficult to distinguish between authentic entertainment and that which is packaged and, largely created, for the tourist. Nevertheless, they are clearly very popular.

In 2002, some of the leading 'traditional' entertainment venues were as follows:

- Taylors Three Rock with its all year round 'Irish Nights' which combines food, music, dancing, and storytelling.
- Jury's Irish Cabaret, a 2½ hour show, now 40 years old, which has also toured in the USA. The show and dinner costs €54 in 2002.
- The Bunghia Cabaret which offer five shows a week between May and October at the hotel of the same name.
- Johnie Fox's Pub, just outside the city, which offers 'Hooley' nights every day of the week.

A number of Dublin hotels are involved in offering Irish entertainment nights primarily geared to their American clients.

The pub heritage of Dublin

Dublin makes a great ploy of its pub heritage in its promotional activities, promoting both their atmosphere and live entertainment, and their links to the cultural life of the city, particularly in relation to famous writers.

The official Dublin Tourism web site, in 2002, outlines the importance of pubs in the city, by saying:

> 'Dublin is a city of 1000 pubs'
> 'A good puzzle would be to cross Dublin without passing a pub'
> (James Joyce)
> 'The pubs of Dublin are not simply places to drink'
> They are theatres for storytelling, backdrops for romance,
> homes away from home, keepers of the spirit of the city'

The city organizes 'pub crawls' or tours on the city's many famous pubs.

There is no doubt that the pubs add to the myth or reality of Dublin as a fun and different city.

Museums and heritage centres

The official guide, 'Dublin's Top Visitor Attractions, 2002' includes entries for 30 museums and heritage centres in the city. These can be divided into several types as follows:

- 'Traditional' flagship national collections such as the National Gallery of Ireland and the National Museum of Ireland.
- Modern-style heritage experiences, which have often attracted relatively disappointing visitor numbers given the large volume of tourists in the city. These include the Dublin Viking Adventure and Dublinia. The latter looks at the mediaeval heritage of the city, and cost €5.70 for adults, in 2002. These heritage experiences are like others found elsewhere in Ireland and were developed deliberately to help develop tourism in the city.

- Special interest museums on themes as diverse as printing and Jewish heritage, famous writers to Gaelic sports.
- Places associated with famous people such as James Joyce and Oscar Wilde.

Historic sites and buildings

Dublin uses a wide range of its historic sites and buildings to attract tourists. This is in addition to promoting the city in the business of its superb Georgian architecture. The sites and buildings can again be divided into several types as follows:

- Religious buildings, which is not surprising given the importance which the Roman Catholic church plays in Ireland. The official 2002 guide to the city attractions contains details of no less than eight religious buildings including two cathedrals.
- Buildings with political significance such as the Dublin city Hotel and Leicester House, the site the Irish parliament.
- Buildings associated with Ireland's struggle against British occupation, notably Kilmainham Jail and the General Post Office, a key site in the 1916 Easter Rising.

Specific areas of the city

Several areas of the city have been developed to help attract tourists, most notably the Temple Bar area. Described as 'Dublin's Cultural Quarter' by the official 2002 guide to attractions in the city, the guide says the following about it:

> Temple Bar represents a concentration of predominantly contemporary arts and cultural practices.
>
> Meeting House Square is a spectacular open-air performance square located off Eustace Street. It is surrounded by a cluster of innovative cultural centres which are well worth a visit. These include the Temple Bar Music Centre, Arthouse, a multi-media centre for the arts; the Gallery of Photography; the Irish Film Centre and Irish Film Archive; the Gaiety School of Acting; the Ark, a Cultural Centre for Children, and most recently, the National Photographic Archive.
>
> The Temple Bar Food Market also runs every Saturday from 10 a.m. to 5 p.m. on Meeting House Square and is an open-air gourmets paradise. It concentrates on small produces and growers and the home produced goods on sale include breads, pastries, cheeses, oils seafoods, and much more.
>
> Temple Bar boasts three weekly markets which attract hundreds of residents and visitors every weekend.
>
> Why not take time to browse through the selection of old and new titles, classics, and novels at the small but interesting weekly Temple Bar Book Market which is open every weekend from 11 a.m. to 4 p.m.
>
> *Source:* Dublin's Top Visitor Attractions, 2002, Dublin Tourism

However, Temple Bar with its clubs, bars, and restaurants, also attracts a lively crowd in search of memorable nightlife. It has become a major destination for British all male, and all female 'stag', and 'hen' groups. The behaviour of these tourists is now causing controversy with some people avoiding weekend night visits to the area because of the behaviour of these tourists.

There is also some controversy over Temple Bar itself. To some, it is a successfully revitalized jewel in the crown of the city, while to others it is an artificially created, trendy enclave that has little to do with the true character of Dublin.

Arts venues

The arts are an important element in the tourism product of Dublin today through the following components:

- traditional art galleries and museums,
- visits to the homes of famous writers and trails following the footsteps of the writers,
- the Francis Bacon studio,
- the famous theatres of the city, notably the Abbey Theatre,
- the historic Charles Beatty Library,
- cultural centres,
- galleries of modern art.

Again, in the arts, Dublin attractions are divided into the traditional and the modern.

Brewery and distillery visitor centres

The whisky and stout heritage of Dublin plays a major part in the attractions sector in the city, through the following:

1. The Guinness Storehouse, tells visitors all about the history and production of Guinness. The building which includes a large retail outlet, is the result of a major investment by the company. Open all year round, it is one of the city's most visited attractions, and cost €12 for adults in 2002.
2. The Old Janson Distillery, a tour of the old distillery, recreates the atmosphere and appearance of the distillery. The tour, which cost adults €6.50 in 2002, culminates in a whisky tasting session.

These attractions are very important as these products, particularly Guinness, are a major element of Dublin's international reputation.

Craft outlets and specialist retailers

Crafts have become a major feature in the tourism product of Ireland as a whole, and Dublin specifically. This has encouraged modern crafts as well as older ones such as knitwear. The modern crafts movement is well typified by craft centres such as the Craft Centre of Ireland in the St Stephens Green Centre, which is open 7 days a week, all year round. This centre displays and sells work by farmers countrywide, including everything from slate work to glass and woodturning to ceramics.

The city also has a number of specialist retailers which attract specialist visitors. For example, the city is famed for its second-hand and antiquarian bookshops.

Traditional cafés and restaurants

As well as the plethora of top class restaurants, it now boasts, Dublin is also renowned for its traditional cafés and restaurants, notably:

- Bewley's old fashioned style cafés, with traditional decor and a loyal clientele.
- Fish and Chip shops like Bestoffs which offer this traditional cuisine in two locations in the city. This company uses a special offer voucher, specifically to attract tourists to their restaurants.

Parks and gardens

In a city with relatively few open spaces in the centre, Phoenix Paul is a vital attraction. It is one of the largest and most beautiful city parks in Europe. The city also has several other gardens and parks, notably:

- the Garden of Remembrance, dedicated to all those who did in the struggle for Irish freedom;
- Iveagh Gardens, a planned nineteenth century park;
- five municipal parks;
- the National Botanic Gardens which dates back more than 200 years and is open all year round.

Wildlife attractions

The city is not renowned for its wildlife attractions, but it does have one place which is a true Dublin institution, namely the Dublin Zoo. This 60 acre site apparently attracts more visitors than any other attraction in Ireland, although this is probably largely due to its popularity with Dublin residents themselves. The zoo is open all year round and an adult ticket costs €9.80 in 2002. In the past few years the zoo has undergone a major redevelopment which doubled its size.

The only other significant wildlife attraction is the 300 hectare North Bull island nature reserve in Dublin Bay.

Activity attractions

Dublin has very few activity attractions but one or two are now emerging. Of these, 'Skirmish' is one example, being a paintball game complex. A 30 acre forest site features six game areas.

Individuals can buy a package for €32 (in 2002) including equipment and clothing and 120 paint pellets, together with some refreshments. The games last 3¼ to 4 hours.

Groups can also book the facilities at a rather lower cost per head.

Themed walks and trails

A number of different themed guided walks and trails have been developed to promote different themes in the city, including the following:

- the 'Rock 'n' Stroll' Trail, a 2-hour walk around sites identified with rock musicians who came from the city;
- the 'Musical Pub Crawl', who entertain people on the walks which cost €10 for adults in 2002;
- the 'Dublin Literary Pub Crawl' a tour of pubs with actors reading from the works of famous authors, at a cost, in 2002, of €10;
- the '1916 Rebellion Walking Tour' which again costs €10 in 2002 and was offered from April to October;
- the 10 Euros historic tours on themes such as 'Sex and the City', and 'The Gorgeous Mask' (about the architecture of the city);
- Super tours such as 'The Zoz Experience' and the 'Walk Macabre';
- tours of the Glasneun Cemetery, of which two per week were offered.

Coach tours of Dublin

Several companies offer vehicle tours of Dublin; the details of them are noted in Exhibit 9.2.

Exhibit 9.2 The characteristics of vehicular tours in Dublin 2002

Characteristics	*Company*		
	Dublin Bus	*Guide Friday*	*Viking Splash Tours*
Description of tours	'Hop on, hop off' tours of city plus ghost tours	Open top 'hop on, hop off' tours	Tours use vehicles or ducks to offer tours on land or water
Seasonality	All year	All year	February–November
Price for adults/children (Euros)	10/5	12/4	13.5/7.5
Duration of city tour	80 minutes	90 minutes minimum	75 minutes
Guide on board	Yes	Yes	Yes
Number of highlights on tour	16	23	N/A
Brochure promotes other Dublin attractions	No	Yes	No

These three examples illustrate the three types of providers of such tours in most places, namely:

- the local municipal bus operator (Dublin Bus);
- a major international specialist (Guide Friday/Gray Line) together with other city coach tours in many cities;
- imaginative local entrepreneurs (Viking Splash Tours).

Special events and festivals

Exhibit 9.3 shows some of the major events scheduled to take place in Dublin in 2002. Many of these are quite recent in origin and they have done a lot to make Dublin a truly all year round destination.

Coach tours of the surrounding region from Dublin

Dublin is also a base for coach tours of the surrounding region, including the following:

- The Wicklow Tour including a visit to the village where the BBC series, 'Ballykissangel' was filmed – a full day tour costing between €20 and €28 for adults.
- The Coast and Garden Tour, a half day tour, at a price of around €20 in 2002.
- A day tour to the historic sites of Newgrange and the Hill of Tara, costing between €20 and €30 in 2002.

In addition, Dublin-based operators also offer short-break tours to more distant places. For example, in 2002, Gray Line offered a 3-day tour of the Ring of Kerry which cost €203 for adults.

The market for these coach tours from Dublin is a very competitive one. The authors obtained 10 different brochures for such tours on one visit to the Dublin Tourism information centre in June 2002.

Exhibit 9.3 Major events in Dublin 2002

January	
1	Christ Church Bells, Christ Church Cathedral
11	National Symphony Orchestra, National Concert Hall
14	Concert for a Landmine Free world, The Point Theatre
27	AIG Europe Champion Hurdle, Leopardstown Racecourse
February	
3	Ireland versus Wales Rugby International, Lansdowne Road
4	Hennessy Cognac Gold Cup Chase, Leopardstown Racecourse
4	Deep Purple, The Point Theatre
27	Childline 2002 Concert, The Point Theatre
March	
2	Ireland versus Scotland Rugby International, Landsdowne Road
15–18	St. Patrick's Festival
17–18	The National Book Fair, RDS
27	Ireland versus Italy Rugby International, Lansdowne Road
April	
1–30	National Hunt Racing Festival, Leopardstown Racecourse
20–29	Dublin Film Festival
21–29	Convergence Festival, celebrate Earth Day in Temple Bar
May	
9–26	Recent Histories Exhibition. National Photographic Archive
24–26	Heineken Green Energy Festival
June	
3	Tesco Evening Herald Women's Mini Marathon
6–16	Westlife in concert, The Point Theatre
20	Rod Stewart in concert, Lansdowne Road
21–23	Special Olympics pre-games, RDS
July	
7	The National Book Fair, RDS
9–20	James Joyce Summer School
August	
5–6	Witness Festival, Fairyhouse Racecourse
7–11	Kerrygold Horse Show, RDS
11–13	Dun Laoghaire Flower Show
23–26	Dublin Gay and Lesbian Film Festival
September	
	All Ireland Hurling and Football Finals
	Dublin Jazz Festival
	Dublin Fringe Theatre Festival
1–30	International Puppetry Festival
October	
	Dublin Marathon
1–29	Dublin Theatre Festival
31	Samhain Halloween Festival
November	
10	Irish Racing Fixture, Leopardstown Racecourse
24	Toy and Train Collectors Fair, Royal Marine Hotel, Dun Laoghaire
December	
26–29	Christmas National Hunt Festival, Leopardstown Racecourse
31	RTE Gala New Year's Eve Concert, National Concert Hall

Source: Dublin's Top Visitor Attractions, 2002, Dublin Tourism.

Key issues

From this case study, a number of key issues can be identified as follows:

- Dublin has a wide variety of visitor attractions meeting the needs of its greatly increased number of tourists.
- A significant proportion of the city's attractions have been opened or redeveloped in recent years.
- The attractions are fully publicized into those concerned with the history and traditional lifestyle of the city and those of a more modern nature.
- Many attractions – deliberately or unconsciously – promote the image of Dublin as a hospitable, artistic city.
- Most attractions appear to have been developed with attracting foreign tourists, rather than local people, in mind.
- Given the wet climate of the city, the overwhelming majority of its visitor attractions are wholly or partly under cover.
- Many of the attractions are specialist in nature and are aimed at the niche market which the city attracts.
- Many attractions do not seem crowded for most of the year and some appear to receive relatively few visitors.
- Some attractions have clearly made use of European Union funding in their development.
- Several historic attractions are concerned with the struggle of the Irish for freedom from British occupation, which could offend some British visitors, but will appeal to Americans of Irish ancestry.
- Many attractions carry quite high entrance charges, as can be seen from Exhibit 9.4. However, at the same time many public sector museums are free or very inexpensive due to public sector subsidies. This is, of course, potentially controversial as it could be seen as unfair competition by those attractions who do receive such subsidies.
- Some Dublin attractions are seasonal as can be seen from Exhibit 9.5.The fact that less than a fifth of Dublin attractions are not open all year round reflect the fact that the city has been successful in establishing itself as an all year round city break destination.
- Some attractions have proved controversial because of creating 'Irish heritage' to meet the desires of tourists who may have a romanticized view of Ireland in general, and Dublin, specifically.

Exhibit 9.4 Entrance charges at selected Dublin attractions, 2002

Attraction	*Admission charges (Euros)*			
	Adult	*Senior citizen*	*Child*	*Family ticket*
Dublin	4.00	3.00	1.50	N/A
Dublin's Viking Adventure	7.50	7.00	4.00	20.00
Dublinia	5.75	4.20	1.90	15.00
Dublin Zoo	9.80	6.15	6.15	28.50
Francis Bacon Studio	7.62	3.81	2.54 (free for under 12)	N/A
Guinness Storehouse	12.00	N/A	N/A	26.00
James Joyce Museum	5.50	N/A	3.00	15.00
Kil	4.40	3.15	1.90	10.10
National Wax Museum	4.44	N/A	2.54	N/A
The Old Jameson Distillery	6.50	5.10	2.50	15.00
The Shaw Birthplace	5.50	N/A	3.00	15.00
Trinity College	4.20	3.50	3.50	N/A

Source: Dublin's Top Visitor Attractions, 2002, Dublin Tourism.

Exhibit 9.5 Seasonality of leading Dublin attractions, 2002

	Percentage of attractions
Open all year round, 7 days a week	38
Open all year round, but not days a week	43
Open for 9–11 months per year	4
Open less than 9 months per year	15

Source: Dublin's Top Visitor Attractions, 2002, Dublin Tourism.

Conclusion

We have seen that Dublin has a wide variety of attractions, many of them developed in the recent past. These attractions meet the needs of the various niche markets attracted by the city and have allowed the city to become an all year round destination. However, the growth of attractions has made the market very competitive and has led to many attractions appearing to receive fewer visitors than they would wish.

Discussion points and exercises

1. Collect information on the visitor attractions in a city of your choice. Then compare and contrast this city with Dublin in terms of visitor attractions, noting differences and similarities.
2. Critically evaluate the portfolio of visitor attractions in Dublin, identifying their strengths and weaknesses.
3. Discover more about the heritage attractions in Dublin. Then, discuss what the attractions illustrate about the difficulties of presenting heritage to foreign and domestic markets.
4. Using examples, discuss the role of visitor attractions in urban tourism in the USA and Europe.
5. Select a city with which you are familiar. For your chosen city, devise a plan for new visitor attractions that will allow it to attract new markets.

Case study 10

Adventure Tourism in Iceland

Iceland, in recent years, has established itself as a niche market destination. Between 1990 and 2000 the number of foreign tourists visiting Iceland, more than doubled from 142,000 to 303,000 (Hagstofa Islands, 2002). According to the same source, the major markets in 2000 were the USA (53,637), the UK (45,000), and Germany (32,664). However, in the past few years, there has also been a substantial growth in the number of visitors from other Scandinavian countries, France, and Italy.

Most tourists visit Iceland on one of three types of trips, namely:

- conference and incentive travel packages,
- weekend breaks,
- short stopovers for those using Icelandair to fly between the USA and Europe.

Iceland has several advantages as a tourist destination, as follows:

- its diverse landscape with universal feelers such as volcanoes, glaciers, geysers, and lava deserts;
- the lack of pollution and high levels of environmental concentration;
- the high levels of safety and low levels of crime it offers;
- a very efficient transport system and a well-organized tourism industry;
- the summer with its very long hours of daylight;
- its location between the USA and European markets;
- its reputation for lively nightlife in the capital only, Reykjavik;
- its strong cultural identity and rich history;
- the ability of most of its population to speak English and other foreign languages.

However, it also has major weaknesses as a destination, including:

- a damp, cool climate, with unpredictable weather;
- a deserved reputation for being very expensive;
- the small number of direct flights to Iceland and the fact that there is only one seasonal ferry to the country from Europe;
- the long hours of darkness in winter;
- most foreigners know little about Iceland;
- the short tourist season with most attractions only open for 3 or 4 months a year.

The Iceland Tourist Board has, therefore, followed a strategy of developing quite up-market tourism, which is not dependent on good weather.

Indeed, the Icelandic tourism industry has tried to turn some of its disadvantages into selling points, notably:

- the long winter nights are promoted as the time to see the beautiful *Aurora borealis*,
- the pleasures of swimming in a thermal pool, outside, with a winter temperature of 35°C while it snows around you, in winter.

Due to its isolation, environment, and difficult climate, all tourism to Iceland could be seen as adventure tourism.

However, the country has specifically developed several forms of adventure tourism which attract high spending tourists and give the island an appeal to different market segments all year round.

Iceland specializes in several types of physical and non-physical adventure tourism, of which we will discuss six, namely:

- whale watching,
- glacier adventures,
- four-wheel drive activities and crossing the interior of the island,
- nightlife in Reykjavik,
- gastronomic adventures,
- swimming in thermal pools.

It is important to acknowledge that these forms of tourism are the key points of conference social programmes and incentive travel packages, as well as ordinary tourists.

Whale watching

Whale watching really took off after 1989 when the government put a moratorium on whaling. This has helped stocks of whale's growth which has, in turn, further stimulated whale watching. However, the government in 1999 allowed whaling 'for scientific reasons' to resume, but it is unlikely that Iceland will start commercial whaling again in the near future.

However, it is important to recognize that whaling and whale meat are key parts of Icelandic heritage and whale meat is still eaten in Iceland. Nevertheless, many people now earn a living from whale watching rather than whale hunting.

The nature of whale watching exercises in Iceland is illustrated in Exhibit 10.1.

The recent growth of whaling in Iceland is illustrated by the fact that the Husavik whale watching operator says in its literature that the number of whale watchers in Husavik, in Northern Iceland, is as follows between 1995 and 2000:

1995: 1,500
1996: 7,100
1997: 14,050
1998: 18,100
1999: 19,600
2000: 20,500

For coastal destinations, like Husavik, whale watching is now a major part of their appeal to tourists.

Glacier attractions

Iceland contains 11,922 square kilometres of glaciers which is around 12 per cent of the entire area of the country. It also has Europe's largest glacier, Vatnajokull.

Exhibit 10.1 Six selected whale watching tour operators 2002

Aspects of the tour	*Operator*					
	Reykjavik whale watching centre	*Huni II*	*Reykjavik Dolphin and whale spotting*	*Husavik whale watching*	*Eiding*	*Seatours*
Seasonality of tours	June–August	May–October	April–October	May–September	May–September	May–August
Duration of tours in hours	3	2–3	3	Not given in brochure	21/2–3	4–7
Price for activities in ISK/Euros/US Dollars	3500/43/40	3000/37/34	No price given in leaflet	3600/44/41	No price given in leaflet	13,100/163/ 149*
Success rate in seeing whales during tour [percentage of trips where whales are seen]	No specific figure quoted	98.0	90.0–97.0	99.8	Extremely high, but no figure given	100.0 in 2000 94.0 in 1999–2000
Does operator also claim to be involved in research and conservation?	Not mentioned	Not mentioned	Yes	Yes	Not mentioned	Not mentioned
Capacity of boats	Not mentioned	Not mentioned but at least 50	94	Not mentioned	40/120	110–120
Does the brochure give information about different types of whales?	Yes	Yes	Yes	Yes	Yes	Yes
Other key points about the whale watching tours offered by the operator	• Educational material available on board • Experienced guides are on board • High speed vessel gets customers to the whaling grounds quickly to maximize time spent with the whales • On board bar and refreshments	• Snacks available • Live music during cruise • Wooden hull to reduce sea sickness • Also offer evening cruises	• Offer audio CD commentary • Marine biologist guides on board • Free pick-ups from Reykjavik hotels • Another free cruise if no whales are seen • Possible add-on visit to the Blue Lagoon	• Wooden vessels well suited to Icelandic sea conditions • Offer evening cruises	• Five departures per pay • Coach pick-up service from Reykjavik area • Also offer sea angling tips • Get free trip if no whales seen	• Dining facilities on board • Life saving equipment on board

* This tour includes a 2-hour-each way coach transfer from Reykjavik to the whale watching tour departure point.

A number of excursions are organized to Icelandic glaciers of which the following three examples will give the reader a flavour:

1. Reykjavik Excursions High Glacier Adventure, with a price of 31,930 ISK (or approximately €397 or US $364). This tour operators from June to August and lasts for 14 hours. It includes a return flight from Reykjavik to High together with snow-cat and snow-mobile rides and a boat tour of the glacial lagoon.
2. Iceland Excursions Snaefellsjokull tour which operates from 1 June to 1 September. It operates 3 days a week and lasts for 10 hours. The basic tour costs 6800 ISK (or approximately €84 or US $77) which covers the cost of the transport and the guide. However, if tourists wish to take a snow-mobile ride or a glacial lake boat ride, they must pay for them on top of the core price.
3. Dogsteam Tans offer dog-sledding tours on glaciers in the summer and in the highlands in the winter. A 1-hour dog sled tour in 2002 cost 5900 ISK/€73/US $67. The operator also offers dog-sledding expeditions that last several days, together with team building exercises tours.

As well as day excursions, some operators offer 2- or 3-day glacier exploration tours.

Four-wheel vehicle driving adventures

Iceland has some excellent opportunities for those who enjoy wilderness driving in four-wheel vehicles, for convention paved roads are very much the exception to the rule in Iceland. Most roads are rough tracks and many small rivers that must be crossed have no bridges so that vehicles must ford them.

Many Icelanders indulge in 'off-road' driving as a leisure activity but it is also growing in popularity with tourists.

Most driving in Iceland is an adventure, as can be gauged from the following advice taken from a leaflet issued by the Icelandic Travel Council.

> Many rural roads in Iceland are gravel roads not suited to fast driving. Please drive carefully and show other road-users consideration at all times. When you meet another car, slow down, and pull out to the side of the road.
>
> Icelandic highland roads are not meant for ordinary cars, and that includes hire cars. Their insurance does not cover them for driving on highland roads.
>
> There are so many blind hills on our roads, some of them without any markings at all. Many of them however, are marked with the warning sign: 'OTHER DANGER' above the word 'BLINDHÆD' (BLIND RISE).
>
> Please ask for information about the various roads and tracks in the highlands, for example, at the office of Vegagerðin (The Public Roads Administration). Tel: 1777. Highland roads are often impassable far into summer. Please remember that driving off the established roads and tracks is forbidden in the highlands as well as everywhere else.
>
> Many rivers in the highlands are unbridged. Therefore, it is important that you make sure that the conditions are safe before you attempt to cross – especially when a vehicle is travelling unaccompanied, that is not in a convoy.
>
> Please be prepared for farm animals grazing by the roadside and straying into or crossing the road. Drivers who cause injury or death to such animals may be liable to claims for compensation.
>
> Drivers are obliged to drive with headlights on at all times.

Icelanders are clearly concerned about the potential environmental impacts of such ‘adventure driving’ as the same leaflet also states that:

> Driving off marked roads is prohibited. It results in irresponsible damage to the land and the plant cover which may remain visible for centuries. Drivers who cause damage to the land and the vegetation are liable to claims for compensation.

Exhibit 10.2 gives two examples of 2-day tours offered by Iceland Rovers using ‘Super Jeeps’.

Exhibit 10.2 Two sample four-wheel drive tours in Iceland

ÞINGVELLIR AND THE LANGJÖKULL GLACIER

Season: The whole year*
From Reykjavik we drive to Þingvellir National Park, site of the ancient Viking parliament. We drive through the barren mountain pass of Kaldidalur (the Cold Valley) to the glacier Langjökull, where we will be equipped with crampons and ice axes for a glacier walk under professional supervision (easy level). From Langjökull we continue to Hallmundarhraun, a lava area where Surtshellir, Iceland’s biggest and most spectacular lava cave is to be found. After caving, the group will continue down the Borgarfjördur valley and visit the waterfalls of Hraunfossar and Barnafoss, pass the historic site of Reykholt and Europe’s biggest hot spring before returning to Reykjavik via the fjord Hvalfjördur.

Duration: 9–10 hours.

Departures: Fridays and Saturdays; 9:00 a.m., minimum two persons.
Other days upon request, minimum three passengers.

Included: Driver-guide, snowshoes or ice axes and crampons, headlights.

Not included: Lunch

* During thaw period in the spring we might have to drive the Kjós road from ˚ingvellir to the glacier. During winter we cannot guarantee access to the Surtshellir cave.

GULLFOSS – GEYSIR

Season: All year round
From Reykjavik we drive in modified jeeps to Thingvellir National Park where we will enjoy the fascinating views of the rift valley. Directly east of the valley, a mountain track will take us to the Lyngdalshei∂i plateau and we continue east across the wilderness, following mountain tracks during summer and driving on snow in winter, until reaching inhabited areas and a real road again at Laugarvatn. After reinflating the tyres for road driving, we continue to the spectacular waterfall Gullfoss and the spouting hot springs (up to 30 metres!) in the Geyser area. On our way back to Reykjavik we take a look at the Faxi waterfall and we stop at Keri∂, a lake-filled extinct volcanic crater.

Duration: 8–9 hours

Departures: Sundays; 9:00 a.m., minimum two persons.

Included: Driver-guide.

The following extract from the same company's brochure gives a flavour of the nature of these tours, as follows:

Ice***Land***Rovers is owned and operated by a group of guides and professional mountaineers having years of experience in outdoor recreational activities. We offer adventures into the fascinating nature of Iceland in specially outfitted Land Rovers, vehicles having a reputation worldwide for reliability and sturdiness. Furthermore, all our Land Rovers are mounted on 38- or 44-inch tyres, equipped with a GPS satellite navigation system. CB radios, NMT long-range telephones, and other necessary equipment for summer and winter expeditions in Iceland's remotely rugged and scenic landscape.

Each Land Rover comfortably accommodates up to seven passengers for road and track touring. For glacier or snow driving, the maximum number is four to five passengers so as to limit the total weight.

The IceLandRovers team is a highly select group of specialists each in his/her field, thus giving the company the opportunity to offer a wide choice of activities. The combined experience of our professional team also assures the safety of clients.

Clothes to bring

Note that for all tours it is very important to bring good shoes, trekking boots, or similar, a warm wind and rainproof jacket and trousers, gloves or mittens, a ski cap, and sunglasses. It is always better to have warm clothes at hand even though we do not need them all the time. The Icelandic climate can be very unpredictable.

The most adventurous drive in the country is the crossing of the interior lava desert, the Sprengissandur Route, a journey of around 250 kilometres on rough tracks. This route is generally only open from around 1 July to mid-August each year. Glacier melt water can make it very difficult for vehicles to ford the rivers on this route and it can snow heavily, even in August.

Nightlife in Reykjavik

The capital city of Reykjavik, in recent years, has developed an awesome reputation for its nightlife. Many young Britons, for example, now travel to Iceland to enjoy the nightlife of the city on Friday and Saturday nights. The nightlife has several components, including:

- the traditional Friday night 'pub crawl', the 'Runtur';
- the lucky live rock music scene which gave birth to Björk and the Sugar Cubes;
- drinking Brenivin, the Icelandic version of Schnapps;
- the style-conscious nightclubs of which 11 leading examples are listed in the 2001 edition of the *Rough Guide to Iceland*.

Many foreign party-goers find emerging from a nightclub in the 'midnight sun' at 3 a.m. to be a stirring experience. They also enjoy getting over their hangover in the 'hot tub' of a geothermal swimming pool.

However, adventurous nightlife also comes in other forms such as the famous Viking Feast at the Fjor Ukráin restaurant in Hafnarfjardur. Here 'traditional' Viking food is combined with entertainment so riotous, and drinking so heavy, that children are not recommended to attend. The town also hosts a wild International Viking Feast every June.

Gastronomic adventures

As well as Viking Feasts, Iceland offers great opportunities for gastronomic adventures of all kinds, including the following:

- tasting Icelandic specialities which can be an acquired taste such as Hakarl – putrefied shark, wind dried fish, lamb smoked in dung, and boiled sheep heads;
- restaurants in unusual venues such as Perlan, a revolving restaurant on top of four tanks of geothermal water, and Thor, a former coastguard ship which was involved in the Cod Wars with Britain;
- top-class gastronomic restaurants, featuring local meat and seafood.

The reputation of Iceland as a gastronomic destination is very recent and is largely based on the quality of the raw ingredients. It is also popular with those farming organic food as growth hormones cannot be given; growth hormones and pesticides are forbidden.

Swimming in thermal pools

For years, Iceland has transformed geothermal power to give it hot water and heating. A by-product of this process are geothermal swimming pools with ‘hot tubs’ that are between 39 and 43°C.

The most famous place for bathing in geothermal water is the Blue Lagoon, with its turquoise water. It is actually an outflow from a geothermal power station which uses water from 2000 metres below the Earth’s surface. The water is 38°C and has silt on the floor of the lagoon so thought to have curative properties. The Blue Lagoon is a popular excursion destination for most visitors to Iceland. It also has developed a spa with various treatments available, together with facilities for meetings and receptions. It is open for between 9 and 13 hours at different times of the year. A full day ticket costs 1000 ISK or €13 or US $12. It is a unique experience to sit in the hot water as the snow falls in winter. Many towns and cities also have their own roadside ‘hot tubs’ which exploit this hot geothermal water. One could make a ‘hot tub’ tour of the country. Not surprisingly, the biggest centre for geothermal pools is Reykjavik, which has seven thermal pool complexes. The pool temperature is around 29°C while the hot tubs can rise to 43°C. The complexes also feature steam baths, solariums, saunas, and massage facilities.

For most tourists, these geothermal pools are a unique adventure.

The organization of adventure tourism in Iceland

The overriding majority of adventure tourism in Iceland is packaged by specialist operators and is then sold to tourists once they are already in the country. Most packages are day trips offered to guests staying in Reykjavik, and to a much lower extent, Akureyn.

In 2002 one company, Reykjavik Excursions, offered 31 separate excursions including a day trip to Greenland.

Most of these tours were coach tours, but several were adventures, namely:

- an evening visit to the Blue Lagoon and the Viking Feast at a total cost of 8200 ISK or around €102 and US $94;
- a 10–13 hour whale watching excursion at a cost of 14,500 ISK or around €180 and US $165;
- a 5-hours riding tour at 8400 ISK and around €184 and US $97;
- six-hours of white-water rafting on a major river at a cost of 10,500 ISK or around €130 or US $119;
- a four-wheel drive jeep safari, priced 12,900 ISK or approximately €160 or US $146.

However, there is still a considerable amount of adventure tourism in Iceland of the following two types:

- adventure vacations in Iceland organized by foreign specialist tour operators in Europe and North America,
- independent travellers backpacking around Iceland.

Key issues

It is clear from this case study that adventure tourism in Iceland has several important characteristics, namely:

- It is highly developed and well organized.
- There is clear regeneration of the environment and perceived risks associated with adventure tourism, and it is regulated where appropriate.
- The Iceland Tourist Board, in its promotional material, uses the adventure tourism opportunities in Iceland as a major selling point.
- Adventure tourism experiences in Iceland are expensive.
- Most adventure tourism experiences take place in the peak tourist season, the summer.
- The majority of adventure tourism is packaged into day trips.
- Most adventure tourism involves the need for considerable travel from hotels in Reykjavik and Akureyri to destination areas which may be several hundred kilometres away.
- The nature and location of adventure tourism activities varies with the seasons.
- Many tourists will undertake several different adventure activities while in Iceland.
- Adventure tourism in Iceland is quite a recent phenomena but it is growing rapidly.
- Icelandic adventures are both physical and non-physical.

Conclusion

Iceland has been very successful in developing its reputation as an adventure tourism destination. It offers a wide range of unusual and extraordinary experiences but at a high price. At the same time, the adventurous nature of Icelandic tourism is mitigated by the high quality of the infrastructure and the great emphasis placed on safety.

Discussion points and exercises

1. Compare and contrast adventure tourism in Iceland with that found in other countries around the world.
2. Discuss the nature of whale watching in Iceland, based on the data contained in Exhibit 10.1.
3. Discuss the ethical dilemmas which are raised by the types of adventure tourism discussed in this case study.
4. Develop a Code of Practice that would minimize the negative potential impacts of whale watching in Iceland.
5. Discuss the factors which you believe will influence the future development of adventure tourism in Iceland, and the world as a whole.

Case study 11

Las Vegas, USA: Portrait of a Market Leader

This case study focuses on the city of Las Vegas but it is important to recognize that the Las Vegas Convention and Visitors Authority (LVCVA) covers the whole of Clark County which is greater than the city of Las Vegas.

The city of Las Vegas was not officially established until 1911 and gambling had only been legalized in Nevada for a little over 70 years. Yet in that relatively short time, Las Vegas has become one of the most famous tourist destinations in the world and, perhaps the global leader in gambling and entertainment tourism.

In this case study, we will look at how Las Vegas has achieved this pre-eminent position, together with the current situation in the destination. It also looks at the impact of, and responses to, the events of 11 September 2001.

Much of this case study draws upon material from the excellent web site of the LVCVA, in Summer 2002.

Firstly though, let us look at some data which justifies the authorities' contention that Las Vegas is a success story.

Using three measures of performance, Exhibit 11.1 illustrates the development of tourism in Las Vegas between 1970 and 2000.

This exhibit shows substantial increases in all three measures over the 30 years period.

Let us now explore some of the reasons why Las Vegas has achieved this success.

Factors in the success of Las Vegas

Exhibit 11.2 introduces the key factors in the success of Las Vegas and we will then say a few words about each of them.

Exhibit 11.1 The development of tourism in Las Vegas 1970–2000

Year	*Measure of performance*		
	Volume of visitors (in millions)	*Visitor expenditure (US $)*	*Accommodation occupancy rates (percentage)*
1970	6.788	1,182,544,977	68
1980	16.942	4,775,879,664	80
1990	20.954	14,320,748,660	85
2000	35.850	31,462,337,364	89

Source: Las Vegas Convention and Visitors Authority, 2002.

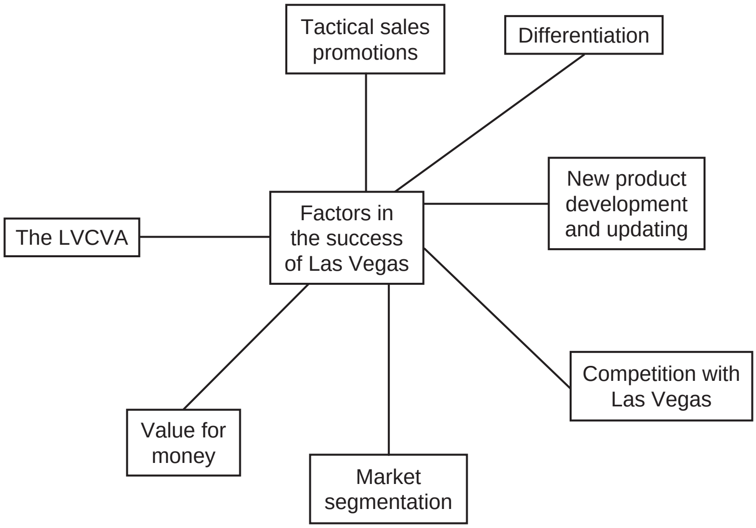

Exhibit 11.2 Factors in the success of Las Vegas

Differentiation

Las Vegas is, and set out to be, different. It has no direct competitors because no one else offers the same package of spectacular location, non-stop entertainment, and lively fun which is Las Vegas. Its name has become a by-word for 24 hours a day fun tourism. Other casino resorts have their own appeal but no other place, not Atlantic City or Monaco or anywhere else, offers the same volume of fun opportunities to the same market at a similar price, in a similar location, anywhere in the world.

Being unique and different is a major strength in destination marketing.

New product development and updating

Las Vegas has always been an innovator and has continually invested in the development and refurbishment of its product. This point can be easily illustrated in a number of ways, as follows:

- In 1959 the Convention Centre was opened and the city pioneered the ‘mixing business with pleasure’ such that in 2000, over 4,000,000 delegates attended conventions in this desert town, spending more than $4 billion. The Centre has been refurbished and extended throughout its life, in respond to demand. The most recent development at the Centre included an investment of $100 million.
- New hotels are constantly opening, involving huge amounts of private sector investment. For example, the LVCVA states that between 2002 and 2004, a further 6571 hotels and motel rooms will be developed, together with more than 3 million square feet of convention space.
- Las Vegas has been a leader in fun-based hotels, with hotels with themes ranging from Venice to Paris. Ancient Egypt to the movies. These hotels are often spectacular in scale with several thousand rooms. An example of the innovative nature of the industry in Las Vegas is the recent plans to site a Guggenheim art museum in one of the hotels in the destination.

Competition with Las Vegas

The high level of competition among businesses with Las Vegas has undoubtedly fuelled the constant product development and updating. Apart from dozens of casinos, visitors also have a massive choice in relation to other aspects of their stay. For example, in Summer 2002:

- there were 126,610 hotels and motel rooms in Las Vegas,
- the Las Vegas website listed 147 shows that were on in the destination during July 2002 alone.

Market segmentation

Las Vegas effectively segments its market into several categories including:

- those where main purpose in visiting the destination is gambling,
- convention delegates,
- those for whom the main appeal is the entertainment,
- those who visit Las Vegas to get married – the 3 millionth wedding in Las Vegas took place in 2001.

Increasingly, Las Vegas is also attracting international visitors who also form a separate market segment.

The marketing messages of Las Vegas are clearly designed to appeal to these different segments.

Value for money

Las Vegas seems to be perceived by its visitors to deliver value for money whatever the budget or tastes of the traveller. In the marketing of the city and individual businesses, great emphasis is placed on 'value for money' rather than on the cheapness of hotels and restaurants.

The Las Vegas Convention and Visitors Authority

The LVCVA dates back to 1955 and, today, its role is to

> attract to the Las Vegas area a steadily increasing number of visitors to support the hotel and motel room inventory in Clark County to efficiently operate and maintain the LVCVA facilities.
>
> *Source:* LVCVA web site, 2001

Unlike many other destination marketing operators, the LVCVA is not a membership-based organization. Instead it is a quasi-governmental agency, funded by a share of the local room tax. This tax was within some $136,000,000 in 2001, of which the LVCVA received just under half. This gives the Authority a substantial and steady form of revenue which is denied to many other organizations elsewhere, which have to rely on small state grants and subsidies, and the whims of public sector bodies.

With this generous funding the Authority is able to fund major marketing campaigns. It is particularly in terms of its powers and public relations.

Its Press Office sends out a wide variety of press releases to relevant media, with titles such as

- Las Vegas captures largest share of Trade Show Week 200' (15 May 2002)
- Singapore Airlines announces inaugural flight to Las Vegas (19 March 2002)
- Las Vegas identified as top winter travel destination for domestic market (14 December 2001)
- Las Vegas celebrates 3 millionth wedding in style (3 July 2001)

It is also very effective at collecting and disseminating valuable marketing research data, including a monthly update on the performance of Las Vegas, compared to the same month in the previous year. This is very valuable for the local business and public policy makers.

Having looked at the reasons for the success of Las Vegas, let us now look at its market in recent years.

The Las Vegas market 1997–2001

Exhibit 11.3 provides a picture of some key characteristics of the Las Vegas market between 1997 and 2001.

Exhibit 11.3 The Las Vegas market 1997–2001

Question	*1997*	*1998*	*1999*	*2000*	*2001*
First versus repeat (%)					
First time visitor	29	25	26	21	21
Repeat visitor	71	75	74	79	79
Purpose of current visit (%)					
Vacation/pleasure/gamble	76	71	74	74	65
Business/convention	11	14	14	14	16
Other	13	15	12	12	19
Transportation (%)					
Air	47	46	46	46	48
Automobile	41	41	44	43	40
Bus	6	8	7	8	8
Recreational vehicle	5	4	4	4	4
Room occupants (%)					
One	12	14	12	13	14
Two	70	70	70	70	68
Three	11	9	9	10	9
Four	7	8	9	7	8
Other trip characteristics					
Number of visits in past year	1.6	1.9	1.7	2	1.9

(*Continued*)

Exhibit 11.3 (*Continued*)

Question	*1997*	*1998*	*1999*	*2000*	*2001*
Adults in party	2.6	2.6	2.6	2.4	2.4
Nights stayed	3.5	3.3	3.7	3.7	3.6
Visitors with children (%)	10	10	12	10	12
Expenditure per visitor (in $)					
Food and drink (per trip)	123.87	140.80	170.76	187.32	213.17
Transportation (per trip)	51.22	48.04	57.31	61.01	61.62
Shopping (per trip)	74.77	79.88	87.94	94.00	106.75
Shows (per trip)	33.24	28.02	33.84	38.39	45.54
Sight seeing (per trip)	5.11	5.34	5.67	9.16	17.40
Hotel/Motel room (per night)	62.30	65.51	66.86	74.30	85.34
Gambling behaviour					
% who gamble while in LV	89	87	87	85	86
Daily hours gambled	3.9	4.0	3.9	4.0	3.8

Source: Las Vegas Convention and Visitors Authority, 2002.

In general, the market seems quite stable but some changes are evident, namely:

- A growing percentage of visitors are repeat visitors. This shows visitors are satisfied enough to want to visit again but does it reflect a reduction in the ability of Las Vegas to attract new visitors?
- The traditional vacation/pleasure/gambling motivation for visiting Las Vegas is declining rela-tive to business, convention attendancy, and other purposes of visit.
- Expenditure levels appear to be rising much faster than the rate of inflation, per visitor, per trip.

Las Vegas in 2001

Exhibit 11.4 gives a clear picture of the Las Vegas market in 2001.

This data gives an impression of a destination that is very successful at attracting visitors, and where tourism is very big business. The accommodation occupancy is clearly very high by US

Exhibit 11.4 The Las Vegas market, 2001

Number of visitors	301,017,317
Visitor expenditure	$31.6 billion
Number of convention delegates	4,095,635
Las Vegas gaming revenue	$6.0 billion
City-wide accommodation occupancy	84.7% (average UK occupancy is 60.1%)
Percentage of airline passengers on scheduled services	91%
Average room rate	$85
Average length of stay	3.6 nights
Percentage of visitors under 21	12.0%
Average age of visitors	48.2 years
Percentage of visitors from Southern California	26.5%
Percentage of international visitors	12%

Source: Las Vegas Convention and Visitors Authority, 2002.

standards although the length of stay is relatively short. Average room rates are modest given the high number of quite upmarket hotels in Las Vegas. The resort has a strong appeal to older people but still attracts younger people. Finally, Las Vegas still receives twice as many Southern Californian visitors as international visitors in spite of its efforts in foreign markets.

Las Vegas and the events of 11 September 2001

Most years have seen the value and expectation of visitors to Las Vegas to grow and the city had every reason to hope that 2001 would follow the same pattern.

However, the tragic events of 11 September 2001 changed all that, dramatically.

Exhibit 11.5 shows the equivalent marketing performance of Las Vegas in seven selected markets in 2000–2001 (before 11 September) and 2001–2002 (after 11 September).

The data in Exhibit 11.5 clearly shows that what happened in New York and Washington on that fateful day had a great impact on the business in Las Vegas. After the first 8 months of 2001 in which visitor numbers grew compared to the same period in 2000, the last 4 months of 2001 recorded a fall in visitors, averaging 9 per cent against September–December 2001. In January–March 2002 the market remained rather depressed in terms of visitor numbers.

However, it is important to note that there are some interesting comments that can be made about the data, notably:

- The fall in convention visitors and spending fell distinctly after the events of 11 September but by the end of the year onwards there were signs of a strong recovery.
- Gambling revenue did not fall much immediately, with the worse effects being felt from November 2001 to the beginning of 2002.
- Airline passenger numbers fell in every month between 11 September and March 2002, but gambling revenues fell much less steeply in September and between them either visitor numbers and gambling revenue. Perhaps visitors from the region, travelling by bus and car helped, or people from other parts of the USA using rail or bus or car rather than air travel, account for this fact.

Exhibit 11.5 The impact of the events of 11 September 2001 on the Las Vegas market

Aspect of market	*% Charge of month in 2001–2002 (After 11 September) with same month in 2002–2003 (Before 11 September)*						
	September 2001	*October 2001*	*November 2001*	*December 2001*	*January 2002*	*February 2002*	*March 2002*
Visitor numbers	−14	−8	−9	−6	−5	0	−1
Convention attendance	−37	−6	−23	+41	−6	+13	+12
Economic impact on conventions	−32	+3	−19	+60	−5	+16	+15
Accommodation occupancy level	−14	−9	−10	−6	−5	−1	−2
Gaming revenue in Las Vegas	−4	−8	−11	−10	−20	−9	−7
Number of airline passengers	−28	−16	−18	−14	−10	−9	−7

Source: Las Vegas Convention and Visitor Authority, 2002.

Of course, it is important to note that the decline in business in Las Vegas in late 2001 was also partly related to the loss of consumer confidence in the USA which was taking place simultaneously.

It is also interesting to note that the LVCVA moved quickly to re-stabilize customer confidence in travelling to Las Vegas in the wake of the 11 September disaster.

Exhibit 11.6 contains extracts from press releases sent out by the LVCVA to stimulate consumer confidence in Las Vegas.

Exhibit 11.6 Post 11 September, 2001 press releases from the LVCVA

Las Vegas open for conventions, tourism – 21 September 2001

Las Vegas – Las Vegas is fully operational and continues to welcome convention and leisure visitors. Contrary to erroneous reports, not all conventions scheduled to meet in Las Vegas during September and October have been cancelled. In fact, several major tradeshows and meetings scheduled for the fall have confirmed their commitments to meet in Las Vegas, including the Amusement and Music Operators Association (AMOA), October 4–6, with 6500 projected attendees; Fun Expo, October 4–6, with 5500 projected attendees; Specialty Equipment Market Association (SEMA), October 30–November 2, with 86,000 projected attendees; and COMDEX, November 12–16, with 200,000 projected attendees.

Many meetings and conventions that were postponed in the immediate aftermath of the attacks on 11 September have been rescheduled, and new bookings for Las Vegas meetings and conventions continue at a steady pace.

Three weeks after terrorist attacks, Las Vegas says 'It's Time For You' in New Consumer Ad Campaign – 2 October 2001

Las Vegas – October 2, 2001 – In the wake of national tragedy and unprecedented challenge for the tourism industry in general, LVCVA turned to research to help gauge the current mindset of travellers as it developed a new marketing strategy. The findings – a resurging desire to escape from the woes of the world to enjoy life and to do so at a great value – serve as the cornerstone of a new $13 million, 8 week advertising campaign launched in print on 30 September and set to launch on television 3 October. Lyrics from a never-before released song by Las Vegas icon Frank Sinatra entitled 'It's Time For You' symbolize the primary message of the campaign and set the tone for a growing national sentiment echoed in the urgings of our nation's leaders: it is time to get back to the business of living.

In the 3 weeks since the attacks, Las Vegas' visitor volume continues climbing each weekend from 60 per cent the first weekend following the tragedy, to 75 per cent the second weekend to most recently 93 per cent this past weekend. Las Vegas continues to beat national statistics; in fact, the national average for hotel occupancy prior to 11 September was 64 per cent. 'These figures bear out our research, which showed that people see Las Vegas as the ultimate escape. Vassiliadis said: Las Vegas continues to be seen as a place where time stands still or even ceases to exist. A special place where we are free to laugh, to dance, to play. An escape, however brief, from the pressures of the moment and, because that is just what people are now saying they need, our freedom message has never been more relevant.

Las Vegas offers great deals right now – 18 October 2001

'In light of recent events, travellers are telling us they need to break free of routines and take some time for themselves, to relax, reduce tension and just enjoy life' said Rossi Ralenkotter, vice president of marketing for the LVCVA. 'Properties throughout Las Vegas want to support that desire to get away from it all, if only for a few days. Consequently, visitors to Las Vegas have never enjoyed better deals'.

Las Vegas Convention Authority helps show organizers encourage event attendance post 9/11 – 26 February 2002

Las Vegas – In an effort to boost event registration in the face of a changed travel climate and period of economic uneasiness, the LVCVA meetings sales team inaugurated a marketing campaign at prospective meetings and convention attendees. The convention attendance retention campaign, as the effort has been termed, complements other marketing tactics employed by the LVCVA in recent months, all of which were designed to drive short-term visitation to the Las Vegas destination.

The LVCVA produced more than 1.1 million postcards, which were subsequently mailed to the list of potential registrants for each of several tradeshows. The cards were customized with the appropriate tradeshow registration information and a call to action reminding recipients to register if they had not already done so. All of the postcards also assured recipients that 'user-friendly' Las Vegas was open for business and going strong, and directed them to visit the LVCVA's official web site, vegasfreedom.com, for further Las Vegas information.

Las Vegas welcomes return of Japan Airlines – 27 February 2002

Las Vegas – Las Vegas will welcome the return of an important air travel route when Japan Airlines resumes service from Tokyo this Friday, March 1, 2002. The LVCVA and McCarran International Airport will hold a special welcome reception for passengers arriving on Japan Airlines flight #26, scheduled to arrive at McCarran's Terminal 2 at 8.20 a.m.

The return of Japan Airlines' non-stop service between Tokyo and Las Vegas is an important milestone in Las Vegas' ongoing recovery process said Manny Cortez, president and CEO of the LVCVA.

The 1 March flight will kick off a phased reinstatement of Japan Airlines' prior schedule of five weekly flights between Las Vegas and Tokyo. The airline temporarily suspended this service in response to the 11 September terror attacks on America and subsequent impact on Asian travel to the US.

Source: Las Vegas Convention and Visitors' Authority, 2002

This campaign has clearly combined press and public relations with sales promotions and has been very professionally conducted.

Key issues

There are a number of points that emerge from the story of Las Vegas, including the following:

- The success of Las Vegas is not a new story; its success dates back to foundations laid decades ago with the establishment of the LVCVA and the building of the Las Vegas Convention Centre.
- Las Vegas has constantly innovated and updated its product in line with market trends.
- The city knows its markets, understands their desires and meets their needs effectively.
- The LVCVA plays an important role in the destination and is fabulous in not being reliant on the voluntary contributions of members but rather on the more stable basis of the product of room taxes.
- Image and branding is vital to the appeal of Las Vegas and much effort goes into press and public relations activity to enhance the image and develop brand identity.
- The impressions of Las Vegas, in terms of both its size and product, is a major reason why it appears to have no direct competition anywhere on the planet.

- When the tragic events of 11 September, together with the economic downturn in the USA, took place, the response of Las Vegas was impressive and rapid. It has helped minimize the adverse effects on the business in the city and has speeded the recovery.

Conclusion

Las Vegas is an icon of world tourism today. It constantly re-invents itself through product development. Its marketing is first-rate and it is currently trying to broaden its appeal to encompass families, and to attract new international markets. Over the years Las Vegas has proved its resilience and its response to the events of 11 September 2001 has continued this tradition.

Discussion points and exercises

1. Discuss the contention that Las Vegas has no direct competition anywhere in the world.
2. Evaluate the findings that will lead to the growth or decline of international visitors to Las Vegas in the future.
3. Discuss the suggestion that it would have been impossible to build another Las Vegas anywhere else in the world.
4. Discuss the factors that could potentially threaten the future success of Las Vegas.
5. Carry out a small scale survey of people who have visited Las Vegas to ascertain:
   - their opinion on Las Vegas as a destination,
   - their motivations for visiting Las Vegas.

   You should try to see how their views on these questions compare to their views of other destinations in relation to the same questions.

Case study 12

Tourism in Russia

Russia is a country that has experienced enormous political, economic, and social change in recent years. This change has had a major impact on tourism in Russia, inbound, outbound, and domestic. In this case study, we will explore tourism in Russia in terms of these changes and the obstacles facing the Russian tourism industry today.

Firstly, however, we must remind ourselves of the recent history of Russia to see what has actually taken place in the country in recent years. Some milestones in its recent history are as follows:

- 1987 – President Gorbachev initiates democratic reform and some freeing up of the centralized, state-controlled economy.
- 1991 – Gorbachev resigns after a failed coup, and in the Soviet Union, a grouping of 15 'Republics' under the control of the Russians broke up.
- Rapid price rises began in 1992 as state subsidies were removed.
- In 1993, a programme of privatization of enterprises began.
- The year 1993 also saw another attempted coup, this time against the new President Yeltsin.
- Beginning in 1994, large units of Russian troops have been involved in a war in Chechnya, part of Russia which is demanding independence.
- From 1997 to 1999, Russia suffered a major economic crisis in which its currency, the Rouble, plummeted in value and inflation rose to a very high level.

The results of all these changes have been the rise of a tiny, extremely rich elite, sometimes involved in corruption and dubious business activities, while the vast majority of the population have fallen into relative poverty. The country has developed an unwanted reputation for civil unrest and crime. The price of everything from bread to hotels has also risen dramatically. These developments have all had major impacts on the tourism industry.

The changes have also had direct impacts on tourism industry, such as the freeing up of the borders for inbound and outbound travel, the privatization of former state airline, Aeroflot, and the growth of private airlines. At the same time state subsidies have been reduced for government-owned tourist facilities.

The old Soviet government tourist agency, Intourist, which had a virtual monopoly of the tourism industry in the Soviet Union, now has to compete with the growing number of private sector tourism organizations.

As a result of all this, the Russian tourism industry has faced unprecedented problems and challenges over the past decade or so, as we will see shortly, but first we need to say a little about Russia as a country.

Russia, or the Russian Federation as it is now known, is a huge country which covers more than 6,000,000 square miles and represents three-quarters of all the territory of the former Soviet Union. It is still the largest country in the world. It has around 150 million population of many different ethnic groups, although Russians represent 82 per cent of the total population. The climate is extreme with winter–summer temperature variations as high as 100°C. Much of its territory is remote and inhospitable, although Russia has a well-established, largely reliable transport sector.

It is now time for us to look at how inbound tourism has changed in recent years.

Inbound tourism

It is difficult to compare tourist arrival data for Russia today with that in the 1970s and 1980s when Russia was part of the old Soviet Union, which included other Republics which attracted tourists, such as Ukraine, Georgia, and Uzbekistan. Here are the figures for international arrivals which should be viewed in the light of the point made above.

1970	2.1 million	Soviet Union
1975	3.7 million	Soviet Union
1980	5.6 million	Soviet Union
1985	4.3 million	Soviet Union
1988	6.0 million	Soviet Union
1996	14.6 million	Russian Federation
1998	15.8 million	Russian Federation
1999	18.5 million	Russian Federation
2000	21.2 million	Russian Federation

Source: WTO Yearbook, *UN Statistical Yearbook*, NAG Consultancy, Globalnet.org web site.

In 1999 the Russian Federation was ninth in the international league table of tourist destinations, with 2.8 per cent of all international trips.

The increase in inbound tourism since 1988 is partly explained by the growth of business tourism once the economy was privatized. It is also a result of the fact that after the end of the Soviet Union, tourists from former Soviet Republics such as Ukraine, the Baltic States, Georgia, and Byelorissic are now seen as inbound tourists.

In 1988, and indeed throughout the existence of the Soviet Union, most Russian inbound tourists came from other Soviet Republics or Soviet States in Eastern Europe. They did not come from the major tourist-generating centres of the world such as Germany, the UK, and the USA. For example, in that year, only 8 per cent of all tourists, around half a million tourists, came from these three countries. That is because, at this time, these countries were enemies of the Soviet Union in the so-called 'Cold War'.

During the Soviet era, the Soviet Union, including Russia, attracted less tourists than other Eastern European states such as Bulgaria, Hungary, and Yugoslavia. Again most of these countries attracted the majority of their foreign tourists from the countries of the Eastern Bloc. On the other hand, in 1999, the Russian Federation attracted more foreign tourists than any other former Eastern Bloc country.

In terms of receipts from international tourists, we can make the following points:

- In 1999 Russia earned US $7.77 billion from international tourists, which placed it 11th in the world league table, with 1.7 per cent of all international tourists spending. Comparing this data to the figures for arrivals, it is clear that Russian inbound tourists spend less than the average international tourists. The mean tourist spending in Russia in 1999 was US $420 per head compared to US $686 in the world as a whole, US $369 in Central and Eastern Europe, US $871 in the Ukraine, and US $77 in Uzbekistan.
- Between 1998 and 1999 tourist receipts rose by 19 per cent in the Russian Federation compared to a world average of 3 per cent. However, this is largely explained by the high level of inflation in Russia caused by its economic crisis.

- Tourism receipts in Russia, per head of population, in 1999 were US $53 compared to a world average of US $77, a European mean of US $269, and US $108 in the Ukraine.

Inbound tourists, apart from business travellers and convention delegates, tend to visit Russia for one of several types of trips as follows:

- City breaks to Moscow and St Petersburg, focusing on art galleries, historic buildings, and ballet and performances; in the UK market in 2003, Intourist UK was offering a 7-night St Petersburg/Moscow two-centre holiday at a price of £649–£1659.
- Visits to St Petersburg during the 'White Nights Festival'.
- The classic 'Golden Ring of Russia', a tour of historic towns including Sizdal and Vladimir.
- River cruises, most notably on the Vola and Driepen rivers. A 14-night cruise was offered to British tourists by Intourist UK at a cost of between £1169 and £1619 in Summer 2003.
- The world-famous Trans-Siberian Railway, which is perhaps the country's most famous tourist attraction. Packages of different durations are available for travelling the route depending on how long the tourist will be available. In 2003, the US tour operator, Russia Travel, offered a 17-night Trans-Siberian package including return flights from New York to Vladivostok. It costs from US $2728 in January to US $3299 in August.
- Hunting holidays, a very controversial area of Russian tourism, but a growing market, that brings much needed foreign currency into the country. In 2003, a company called Russian Expeditions was offering a variety of hunting packages to different parts of the Russian Federation, largely in Siberia. These hunting trips, which featured deer, chamois, moose, and bear, were very expensive. Packages, excluding flights to/from Moscow cost up to US $8000 for a 14-night trip. These hunting trips attract people from as far afield as the USA, Japan, and Europe.
- Adventure tourism trips such as mountain trekking or expeditions to the Arctic circle.
- Health tourism, in terms of visits to spa resorts for treatments, particularly around the Black Sea.
- Educational trips for schools and colleges.
- Cultural exchanges between towns and cities in other countries and places in Russia.

While still in its infancy, the inbound tour operation sector in Russia is developing some imaginative products, in contrast to the 'old' days of the Soviet Union when Intourist was a monopoly and many cities were closed to foreign tourists.

The inbound market has changed in a number of ways since the end of the Soviet Union and the 'Cold War' with a growing number of:

- business travellers and convention delegates,
- Chinese leisure and business travellers,
- finns visiting St Petersburg for 'partying' weekends,
- visitors from former Soviet Republics that are now 'foreign' countries in terms of tourism statistics,
- people employed by various NGOs and inter-governmental agencies working on projects in Russia.

This diversity is in great contrast to the old days of the Soviet Union when the vast majority of inbound tourists were either invited visitors from Eastern Bloc countries or 'fellow travellers' from other countries. In other words, people who were sympathetic to the Soviet political system.

Outbound tourism

In the Soviet era, citizens were not allowed to travel abroad without official permission. As a result, all outbound tourists tended to be part of, or friends of, the political elite. They were very small in number – for example, in 1988, even after the Gorbachev reforms were underway, Soviet tourists spent just 10,000 nights in Turkey and 130,000 nights in the former West Germany, two nearby countries. Soviet tourists represented only 0.1 and 0.4 per cent of all nights spent in these two countries, respectively, and this represented an increase of 77 and 47 per cent, respectively over the figures for 1987 (WTO, 1999)!

The political and economic change in Russia in the past decade or so has created a new class of rich ‘New Russians’. These people are usually described as ‘entrepreneurs’ although their business interests and practices can be questionable. However, it cannot be denied that the new Russians have enormous disposable income and a huge desire to travel abroad.

Once it became easier for Russians to travel abroad, these new Russians immediately started to travel, literally all over the world. Their high spending made them attractive target markets for a wide range of destinations in Europe and Asia, particularly.

The growth of outbound Russian tourism is clearly illustrated by the fact that, as we saw, in 1988, tourists from the whole Soviet Union spent 10,000 nights in Turkey but that by 1998 it was estimated that 1,256,000 Russians took trips to Turkey! (*Travel and Tourism Analyst*, 2001)

The outbound Russian market has been volatile though, in response to economic booms and crises. According to a report in *Travel and Tourism Analyst*, in 2001, outbound tourist numbers rose from 9.2 million in 1993 to 21.3 million in 1995, but fell back to 11.7 million in 1998. Nevertheless, even this latter figure is massively higher than it would have been in the Soviet era.

Exhibit 12.1 Arrivals of Russian travellers by leading destinations, 1994–1999

Destination	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*
Poland [T]	na	1,915,000	1,800,000	1,600,000	1,360,000	1,160,000
Lithuania [V]	na	na	1,733,651	1,889,150	na	na
Lithuania [AH]	46,711	39,837	53,563	62,615	53,722	24,960
Bulgaria [V][a]	1,828,894	1,216,463	1,418,722	1,406,311	213,000[d]	102,000[d]
Turkey [T][b]	1,321,625	1,227,115	1,469,203	1,427,838	1,256,000	na
China [T]	399,849	489,329	555,897	813,681	692,000	832,995
Finland [AH]	na	257,969	249,994	265,557	253,000	164,000
Hungary [T][c]	3,400,957	1,336,616	1,061,044	410,377	72,866	105,992
Germany [AH]	na	279,000	na	316,000	238,000	196,000
Dubai [H]	na	na	321,854	260,738	205,584	187,162
Italy [V]	245,600	311,029	370,969	270,000	264,000d	185,000d
Cyprus [T]	60,000	95,000	130,000	221,854	176,000	114,000
Greece [T]	134,187	210,440	337,773	200,794	127,000	na
Latvia [V]	na	na	202,700	187,300	na	na
Latvia [AH]	na	42,400	37,800	35,700	30,100	21,710
Georgia [T][b]	na	50,859	112,678	145,018	211,171	219,318
Belarus [[T]	66,892	57,859	112,678	145,018	211,171	219,318
UK [V]	118,000	141,000	152,000	139,000	121,000	112,000
South Korea [T]	153,777	155,098	157,401	136,847	135,401	127,892
USA [T]	80l,166	94,093	112,046	120,681	115,506	81,378
Egypt [V]	66,743	110,043	122,546	117,879	na	na
Israel [T]	42,934	61,608	64,883	69,650	62,000	56,000
Japan [F]	26,845	25,979	28,671	32,990	29,722	25,126

[a] Figures are for former USSR; [b] Figures are for CIS; [c] 1993 and 1994 figures are for the former USSR; [d] Russian Federation only.

Notes: T, tourist arrivals at frontiers; V, visitor arrivals at frontiers [i.e. including day visits]; H, arrivals at hotels and similar accommodation; AH, arrivals in all accommodation.

Source: National Statistical and Tourist Offices; WTO.

It is also important to recognize that in spite of the large number of outbound trips, travelling abroad is a minority activity. Between 1993 and 1997, the percentage of the population taking trips to other countries ranged from 5 to 11 per cent of the population. This is only a fraction of the equivalent figure for most Western European countries, and reflects the inequalities in Russian society. While there is a very affluent elite, the bulk of the population lives on very limited salaries.

However, in 2003, the prospects for the Russian economy look quite bright, and if this progress can continue it is anticipated that outbound tourism may rise to 16 million trips by 2005. (*Travel and Tourism Analyst*, 2001).

The most recent available data on outbound trips is presented in Exhibit 12.1.

The figure for Poland is partly explained by the fact that it is a major route from Russia to the rest of Europe. The second most popular destination is China and it is reasonable to believe that many of these are short break travellers and business people exploring the thaw in relations between Russia and China.

Interestingly, it is the places where Russians went for their holidays that suffered most from the economic crisis in the late 1990s, such as Dubai, Italy, and Greece.

This data needs to be treated with some caution because as we can see, some data is missing altogether. It is also to be treated with care because outbound tourism from Russia can take many forms, some of which are not simply what we would see as traditional holidays or business trips.

Exhibit 12.2 identifies the main purposes of visits for Russian outbound tourists in 1998. It is clear from this data that some 14 per cent of all of this tourism involves service staff while 33 per cent of them are involved in private travel, many visiting friends and relatives.

Exhibit 12.2 Russian outbound travel abroad by purpose of trip by leading destination 1998 (values in %)

Destination	*Business*	*Tourism*	*Private*	*Permanent residence*	*Service*
Lithuania	14.3	5.1	74.8	–	5.4
Finland	15.2	28.5	40.2	6.0	15.6
China	8.9	72.2	4.3	–	14.6
Turkey	5.0	65.5	13.4	–	16.0
Poland	8.6	65.4	2.7	–	23.3
Germany	36.5	24.8	22.6	2.9	13.1
Spain	10.0	80.5	1.1	–	8.0
UAE	3.6	67.7	10.9	–	17.7
USA	43.3	20.6	20.0	3.9	12.2
Italy	16.3	64.0	4.1	0.6	15.1
Japan	10.0	10.6	1.3	–	78.1
Latvia	28.5	21.1	38.8	–	10.9
France	39.5	42.9	6.8	–	10.9
Cyprus	9.2	76.1	7.8	–	7.0
Greece	9.7	66.4	7.5	0.8	15.7
Bulgaria	20.0	63.8	8.5	–	7.7
UK	54.5	23.2	8.9	–	13.4
Israel	20.8	30.2	31.3	8.3	8.3
Egypt	9.8	79.3	3.3	–	7.6
South Korea	16.11	21.8	9.2	–	52.9
Hungary	40.0	43.6	7.3	–	9.1
Average	16.9	31.1	37.8	0.7	13.5

Note: Figures do not always add to 100 due to effects of rounding or other reasons.
Source: Goskomstat Rosii/*Travel and Tourism Analyst* 2001.

Furthermore, some of the outbound data also includes people involved in dubious business activities and sex industry workers.

Particularly in the late 1990s, during the economic crisis, Russian tourists were also investing abroad in properties. Around the Mediterranean from 1996 onwards, Russians were buying holiday homes to which they could retreat if things became untenable in Russia.

Russian tourists have also developed a reputation as shopping tourists, wherever they are, and this helps account for their high per capita spending.

Russian outbound tourism looks set to grow further if the political and economic situation remains stable.

Domestic tourism

While outbound tourism has grown dramatically since the end of the Soviet era, albeit from a very low base, domestic tourism has undoubtedly declined from a relatively high to a relatively low level.

In 1998, according to the World Tourism Organization (WTO), 7.1 million nights were spent in hotels in Russia by domestic tourists, which represents 0.05 nights per head of population. This per capita figure compares to 0.80 for Europe as a whole, 0.96 for the Czech Republic, 0.68 in Romania, and 0.15 in neighbouring Ukraine.

Before the end of the Soviet Union and the communist system, domestic tourism was encouraged and subsidized by the state. Professional organizations, trade unions, and local government owned holiday centres in the countryside and by the coast. These were accessible to a wide range of the population, and existed across the whole Soviet Union.

Tourism was seen almost as part of a social security system, with a strong link to health and education. Some of the major tourist resources in the country were the spa and health resorts in the Black Sea region and the children's camps in rural areas, focusing on education and healthy living.

Once the communist system ended so, generally, did many of the subsidies for these tourism facilities. Funding for this quite social form of tourism then became a major problem, exacerbated by the effects of the late 1990s economic crisis.

As a result, fewer and fewer tourists could afford to visit the resorts on the Black Sea coast, for example, while at the same time, the lack of state support prevented the refurbishment of the tourist facilities so that their quality declined. Furthermore, the increasing costs of hotels and travel as a result of privatization and inflation pushed city break tourism out of the reach of many ordinary Russians.

The decline in the domestic tourism facilities has also added a stimulus for outbound tourism. Those who could afford it rejected low-quality domestic destinations and chose to go abroad in search of better quality vacations and the standards which foreign travel brings.

The final reason for the decline of domestic tourism was the break up of the Soviet Union. In the Soviet days a Russian tourist could take a domestic trip of thousands of kilometres to the mountains of Georgia, the cultural attractions of Kiev, the Islamic treasures of Uzbekistan, or the wild plains of Kyrgystan. These destinations are no longer domestic destinations; they are in foreign countries.

The future of domestic tourism will depend largely on, not only the economic situation in Russia, but also the distribution of wealth within the society and political stability. However, it may be some time before the Russian domestic tourism industry develops to the point where it can meet the needs of the majority of Russians. It may require more state intervention in the tourism industry to supplement the activities of the private sector.

Problems and obstacles facing the tourism industry in Russia

Today, the tourism industry in Russia faces massive obstacles particularly in terms of inbound and domestic tourism, although the country clearly has great, largely untapped potential. We will now examine some of these obstacles.

Quality

In the Soviet era, the state monopoly in tourism led to a low level of quality across all sectors. Now there is a more competitive market and there has been an improvement in quality standards but the decrease in government subsidies and the economic crisis have restricted the improvement in quality. Poor quality is a problem which affects all aspects of the tourism product. For example, in 2000–2001, the travel agents 'bible' in the UK, the Travel Weekly Group Gazateer, said of Moscow hotels: 'a dearth of middle market hotels and a lot of sub-standard, hazardous, dross, mean rates are exhorbitant because most foreign visitors sensibly choose not to risk hotels at the lower end of the market'. Some hotels in the city were described in the same guide in the following terms:

- 'mediocre accommodation, simply out of date',
- 'huge accommodation, looking decidedly dated',
- 'grim legacy from the communist era',
- 'awful combination of neglected hotel and rather seedy residential apartments. Unlikely to Western expectations and best avoided'.

Safety

Major concerns about tourist safety have dramatically reduced the appeal of Russia as a destination, including the following:

- *Airline safety* after the privatization, many private airlines set up in the early 1990s, often with inadequate maintenance procedures. Several highly publicized crashes harmed the reputation of the industry. Things have, however, improved in recent years but the bad reputation still lingers in the minds of tourists.
- *Crime* which has risen dramatically in recent years. The Travel Weekly Group Gazateer for 2000–2001 entry for St Petersburg, said that 'tourism growth is being jeopardized by notorious intimidation and increasing acts of violence against foreign visitors'. It goes on to note that 'more (hotels) have airport-style security to tackle increasing crime, although this has proved deficient at times'. The reputation of the country has also been harmed by the highly publicized Mafia culture of local nightclubs and the high level of prostitution in the cities.
- *Terrorism* which has risen rapidly in recent years, particularly related to the war in Chechnya. The worst such incident, perhaps, was the siege of a Moscow theatre in October 2002, in which over a hundred hostages were killed when troops stormed the theatre.

There are many other safety risks, from contaminated water in St Petersburg to unlicensed, uninsured taxis.

The coverage of such events in the media is reinforced by the advice given to their citizens by foreign governments. This advice, which errs on the side of caution, further worsens the country's reputation.

In February 2003, the UK government web site warned potential tourists of everything from pickpocketing and street crime to terrorist attacks in crowded places, from racially motivated attacks by 'skinhead' groups to theft from compartments on trains. Meanwhile, the US State Department was offering its citizens around five pages of typed advice, of which half related to safety issues. As well as advice for holidaymakers, this web site also warned business people about the problems of extortion and corruption that, it claimed, plague business in Russia.

High prices

Privatization, inflation, and the elitist nature of business of travel in Russia, has led to tourism being dominated by high-priced hotels and services, particularly in the major cities. This has made city breaks to Russia very expensive. For example, UK company Cresta offered breaks to Moscow in 2003, the price of which began at UK £628 for 4 nights and rose to UK £893 at peak times. The UK tour operator, Superbreak, offered hotel only bookings in Moscow and St Petersburg with prices starting at UK £150 per double room, including breakfast, rising to UK £319. To show how high these prices were, the equivalent figures for four-star/five-star hotels in famous tourist cities were as follows:

- Paris UK £102 to £231
- Venice UK £84 to £200
- New York UK £82 to £232

The price of other elements of a vacation experience are also relatively high including £50 for a half-day tour of the Kremlin and Armoury in Moscow, £138 for a day trip to the town of Suzdal.

However, some prices are still quite reasonable, particularly rail travel with a 3 day rail trip on the Trans-Siberia railway costing just £160 including meals, in 2003.

Reduced state funding of the arts and sports

The cash-strapped Russian government has been forced to greatly reduce its legendary high level of state funding of the arts and sport. This is very unfortunate as the arts and sport have traditionally been two major attractions for tourists. The results of the reduced funding have been a decline in the quality of the product and visitor experience at opera and ballet theatres, and major art museums, for example.

Weaknesses in the tourism industry

The fledgling Russian tourism industry still faces many challenges and is often very weak, in terms of organization. It can be very difficult to book flights, with many airlines only selling tickets at the airport in the city of departure. Most Russian tourism products are still not easy to access via Internet travel agents such as Expedia. For example, in February 2003, Expedia could not offer any flights between London and the major Siberia city, of Yakutsk, or even between Moscow and Yakutsk. Tourist information services are also very thin on the ground, and the travel agency and tour operator sectors are still rather unstable and under-developed.

Visa charges

Any trip to Russia involves the purchase of a visa, in advance, which cost UK citizens at least UK £30 in 2003. For US citizens, visa charges, effective from 1999, range from US $70 for a single entry visa. These charges can add significantly to holiday costs, as well as putting an organizational obstacle in the way of tourists.

Money exchange problems

Paying for services in Russia can be a problem with regular faults reported on automatic telling machines (ATMs), travellers cheques often not being accepted, and foreign notes regularly being rejected if they are not brand new.

Government tourism policy

The government of the Russian Federation has been through turbulent times in recent years and, not surprisingly, tourism has not been its 'number one priority'. As a result, the government has not yet developed a coherent, effective tourism development or marketing policy for the country. There is also some tension between local and provincial governments and the national administration in Moscow which further limits the impact of government in tourism in Russia.

These details need to be addressed if tourism is to achieve its full potential in Russia. Today, the outlook looks quite good, but political or economic problems could, at any moment, destroy this fragile industry.

Key issues

- Tourism in Russia has changed dramatically in recent years as a result of the momentous political and economic change that has taken place in Russia since the end of the Soviet era and communism.
- The industry has shown itself to be vulnerable to the volatility of the political and economic environment over the past decade or so.
- Inbound tourism has risen dramatically in recent years, albeit from a relatively low base.
- Outbound travel has grown even more rapidly due to the phenomenon of the 'New Russians' a very controversial element of post-Soviet Russia.
- Domestic tourism has declined substantially since the end of communism due to the poverty of most Russians and the reduced state support for domestic tourism facilities.
- Russia has great potential for many types of tourism, particularly adventure tourism, cultural tourism, and ecotourism. However, many of its best attractions lie in remote areas which, currently, are difficult to get to and which lack an adequate infrastructure.
- Russia has been successful in attracting hunters although this is a very controversial form of tourism which could harm the reputation of the country in the eyes of other potential visitors.
- The development of inbound tourism is somewhat hampered by the negative way in which the population of its former 'occupied neighbours' such as Poland, Hungary, and the Czech Republic view their former 'dominator'.
- Slowly, the many diverse ethnic groups of the Russian Federation are gaining some autonomy and official recognition of their ethnicity. Their distinctive cultures are a major potential attraction for tourists.
- As we have seen, Russia still faces great problems in realizing its potential as a tourist destination, ranging from quality and high prices to safety and the weaknesses of the tourism industry in Russia.
- The situation at the time of writing, February 2003, looks quite bright for the Russian tourism industry. The political system appears stable, the economy is doing quite well and Aeroflot, the Russian international airline, is endeavouring to improve its service and reputation.

Conclusion

Russia is an outstanding example of the impact which political and economic changes can have on tourism, whether it be inbound, outbound, or domestic. The past 15 years have been exciting but difficult years for the tourism industry as it adjusts to the new order in Russia. The inbound and outbound numbers have both grown in spite of the problems we have discussed but the domestic market has actually declined. It is to be hoped that political and economic stability in the future will help ensure that the majority of Russians will be able to enjoy vacations in their country and abroad.

Discussion points and essay questions

1. Discuss the factors that have influenced the pattern of outbound tourism illustrated in Exhibit 12.2.
2. Critically evaluate the idea that Russia is not a safe destination for tourists.
3. You should develop a tourism development strategy for the government of the Russian Federation, outlining what action is needed to help Russia achieve its full potential as an international tourist destination.
4. You should imagine that you are a foreign tourist who would like to plan one of the following vacations in Russia:
   - a trip on the Trans-Siberian railway,
   - a cultural city break in St Petersburg,
   - an adventure tourism trip in Siberia.

   You should use tour operator brochures, guidebooks, and the Internet to try to find packages or plan independent itineraries for your chosen type of vacation. You should then write a report about your investigations noting what you have discovered in terms of how easy it is to plan the trip and prices.

Section 3

Sectors of the Tourism Industry

CASE STUDY 13

Boutique Hotels

Designer lifestyles and 'designerism' are the major phenomenon in the consumer culture of much of the world today, particularly among the higher level market segments. However, until recently, the tourism and hospitality industries have not really sought to embrace and exploit this trend.

Today, the hospitality sector is attempting to catch up with this aspect of modern consumerism through the rise of 'boutique hotels'. However, like ecotourism, this seems to be a term which is increasingly used but is rarely defined precisely.

In April 2002, Mintel produced a report on boutique hotels, written by Andrew Sangster. In trying to define boutique hotels, he said:

> Boutique hotels are an enigmatic segment of the accommodation industry but also one of its sexiest. Whenever you try to stick a label on a particular grouping of properties, it is either rejected or another term is preferred.
>
> For some operators it is boutiques, for others it is townhouses, for yet more it is design-led hotels. According to industry stalwart John Jarvis, boss of the eponymous Jarvis Hotels, if he had his time again in the industry he would start a boutique operation. He describes the entrepreneurs behind these new hotels as 'fashion terrorists' and clearly envies their business proposition. For Paul Dukes, Non-executive chairman of TRI Hospitality Consulting and a Non-executive Board Member of Myhotel, the best term is concept hotel. 'Various names are bandied about such as boutique, townhouse or design-led. There are no commonly understood definitions,' he said. Certainly star ratings, the traditional yardstick of the industry, have little meaning.
>
> Deborah Griffin, a Director at Consultants Andersen, draws a parallel between boutique hotels and the clothes shop equivalent from where the name is derived. Boutique clothes shops are typically small and selling fashionable items. The hotel equivalent is thus fashionable and has some limit on its size. A key characteristic that rears its head is design. For Griffin, this can manifest itself in a number of ways with guests identifying the properties with phrases such as cool, urban, leading edge, and trendy.
>
> Yet not all operators in the boutique field see themselves in the same way, as one may expect with a group that defines itself by its differences. The key link is another of Griffin's terms – lifestyle. Gordon McKinnon, Managing Director of the Malmaison Brand Company points out, where you pigeonhole hotels such as Malmaison is essentially an industry argument, the customers simply don't worry. 'We don't regard ourselves as design hotels or boutique hotels. It is more a case of being alternative to the mainstream'.
>
> *Source:* Mintel, April 2002

Exhibit 13.1 Leading boutique operators

Operator	*Region present*	*Head office*	*Number of properties*
Ian Schrager	US and UK	New York	12
Kimpton	US	San Francisco	35
Joie de Vivre	US	San Francisco	21
Boutique hotel group	US	New York	6
W [Starwood]	US and Australia	New York	17
Malmaison [Rezidor hospitality]	UK	Glasgow	5
Firmdale	UK	London	5
Myhotel	UK	London	2
South beach group	US	Miami	6
Art 'Otel [Park plaza]	Germany, Hungary and UK	Amsterdam	5

Source: Company data, Mintel, April 2002.

Dukes of TRI Consultancy defines boutique hotels as 'a focused lifestyle product of under 100 rooms with specifically targeted niche markets, with its own personality and identity (quoted in Mintel, April 2002).

Although a relatively new element of the hospitality market, boutique hotels have grown quickly to become a major phenomenon in the industry today.

Firstly, we now already have, chains of what claim to be boutique hotel brands. Sangster, in 2002, identified the boutique hotel operators (shown in Exhibit 13.1).

As more and more established chains have sought to enter the market, and new chains have been created in this sector, the many individual independent hotels which style themselves as boutique hotels have felt the need to join together to help them compete.

A new organization, Boutique Hotels and Resorts International (BHRI) has been set up as 'an alliance of independent, genuine boutique hotels and resorts from around the globe' (BHRI web site). Implicit in the promotional material about BHRI is the idea that somehow the concept of boutique hotels is being de-valued and undermined by the exploitation of the term by hotel chains. This attitude is clear from the following extract from BHRI web sites and press releases.

'The term 'boutique' hotel has been so overused that it primarily has no meaning.'

BHRI defines in no uncertain terms what a boutique hotel is and will be under the supervision and monitoring of the BHRI advisory board, board of directors as well as management and staff. Our dedication to the superior boutique lifestyle guest-experience is paramount in our quest to provide the ultimate service to our guests and hotel members.

BHRI streamlines the process of finding an authentic boutique hotel by filtering out the hotels that call themselves 'boutique' but are truly not based on our criteria:

- great locations,
- unique architectural designs,
- abounding amenities not found at chain hotels, and most importantly
- personalized service that is second to none.

Source: BHRI web site

Exhibit 13.2 US boutique hotels performance

	1995	*1996*	*1997*	*1998*	*1999*	*2000*	*2001 forecast*	*2002 forecast*	*2003 forecast*
Occupancy (%)	69.0	68.9	71.8	69.9	69.2	71.7	70.5	70.7	71.0
Average daily rate ($)	138.82	138.59	163.47	177.81	192.38	209.45	226.90	247.30	268.03

Source: Smith Travel Research and Jones Lang LaSalle Hotels, reported in Mintel, April 2002.

Exhibit 13.3 Andersen hotel industry benchmark survey (for London)

	Average annual room rate					
	Over £200	*£160–200*	*£110–160*	*£80–110*	*Under £80*	*Townhouse/ boutique*
Occupancy 2001	67.0	70.1	71.6	77.5	74.5	65.5
Occupancy 2000	77.7	767.8	79.6	83.6	82.2	77.3
Change (%)	−13.7	−9.9	−10.0	−7.4	−9.5	−15.4
Average rate 2001	249	170	124	88	66	208
Average rate 2000	254	183	130	91	68	208
Change (%)	−2.0	−7.3	−5.1	−3.6	−2.1	0
Revpar 2001	167	119	89	68	49	136
Revpar 2000	198	142	104	76	56	161
Change (%)	−15.4	−16.4	−14.6	−10.7	−11.3	−15.6
Daily available rooms 2001	3897	3863	4815	9433	15051	873
Daily available rooms 2000	3818	3828	4809	8909	14875	859

Source: Andersen, reported in Mintel, April 2002.

The rapid growth in boutique hotels reflects the fact that the industry professionals believe they will be an important part of the future hotel market. Certainly, in the USA, they seem to be making a major impact. A study by Smith Travel Research and Jones Lang LaSalle in 2001, showed there are around 45,000 boutique hotels rooms in the USA. In general, they were performing better than in more traditional sectors of the hotel business. These experienced commentators offered the data displayed in Exhibit 13.2 on the performance of boutique hotels in the USA.

The average daily rate, and its growth from 1995 to 2000 is particularly impressive. However, it is important to recognize that the 2001–2003 forecasts were made prior to the events of 11 September 2001.

However, elsewhere the prospects for boutique hotels appeared more uncertain. An Andersen survey in London in 2001–2002 showed that while room rates were relatively high for boutique hotels, occupancy was below average and had fallen more between 2000 and 2001 than for any other type of hotel.

The full picture is given below in Exhibit 13.3.

We will now look, briefly, at a few examples of so-called boutique hotels to illustrate the diversity of properties which use this label. The first three examples are all chains and are based on the Mintel, April 2002 report.

Ian Schrager Hotels

Ian Schrager, the creator of this 'brand' of boutique hotels is an entrepreneur who does not come from a traditional hotel background. His company has set the pace for fashionable, trendy hotels where the emphasis is on style, design, and 'cool'. The hotels are clearly concept hotels which endeavour to reflect the lifestyles of their destination market segment. It is an attempt to create a truly unique accommodation option that is differentiated from other 'competitors'. To date the company has focused solely on the USA and London but the company hopes to expand into other European cities and Asia. Expansion is likely to be through partnerships with companies in the different continents. The company has traditionally had an informal structure with no formal hierarchy. It will be interesting to see if this informality can survive as the company grows.

Firmdale Hotels

Firmdale is a UK-based, privately owned, company which has been in the hotel market since 1986, and currently operates five boutique hotels in London. Set up by Tim and Kit Kemp, entrepreneurs from a hotel background, the company has both developed and purchased hotels, and has also sold some of its properties, over time. Generally the company aims to open a new hotel every 2 years and is still focusing solely on London. Their market is dominated by North Americans, which represented about 55 per cent of their market in early 2002. Again, data is not available on how they may have been affected by the events of 11 September 2001. Unlike Ian Schrager Hotels, Firmdale hotels are of a more conventional design, but they also have quirky features too.

Meridien Hotels

The Le Meridien Hotel Group is a long-established upscale hotel operator. In his Mintel report, Sangster claims that Le Meridien is 'using the approach of boutique hotels to transform the group' which has nearly 100 hotels worldwide.

The new boss of Meridien, interestingly had already developed a boutique hotel product for the major hotel operation, Starwood. The focus of 'boutiques' at Meridien will be based around high tech, with television screens and electronically adjusted beds in the rooms. These rooms will be called 'Art and Tech' and the first wholly 'Art and Tech' property opened in Minneapolis in 2001. At the same time Meridien also wants to match other boutique operators in terms of style and quality.

It is now time for us to look at a few independent boutique hotels.

The Hempel, London

This hotel, which has been around since 1980, was created by former actress turned designer Anouska Hempel. It claims to be a 'statement combining modernity with a sense of nature'. It is a true concept hotel, with a strong individual identity, and a loyal clientele.

Swiss Lodge, Bangkok

In its web site, it claims to be a boutique hotel without actually defining what this means. However, the hotel hints at what makes it different to other hotels with claims that are reproduced below:

> We provide to the most demanding travellers, What you prefer is granted with a warm and enthusiastic smile.
>
> Here is where everything works. A promise delivered.
>
> We are small enough to care and we do it well,
>
> Enter an oasis tastefully decorated in marble, granite and teak – the lobby is where you will start to feel something good and quite unexpected; experience a welcome that is unique to The Swiss Lodge.

> Here efficient Swiss management blends with the charm of Thai hospitality to provide our guests with a discrete, unpretentious and totally service-oriented hotel. The Swiss Lodge has one of the highest guest satisfaction rates in Bangkok; has the quietest guest rooms in Bangkok; has the highest safety record in Bangkok; operates with a high degree of environmental responsibility.
>
> *Source:* Hotel web site

The combination of Swiss management and Thai hospitality makes this an unusual property.

Chateau Yering, Australia

This is a nineteenth century property that has been developed as a ‘country house style hotel’. It makes a major selling point of its historic gardens and the antique furnishings in the hotel.

The Muse, New York

This hotel claims to mirror its home city, New York, in being eclectic and at the ‘cutting edge’. It says it is more than a hotel, it is ‘not a place to sleep, but a place to dream’. It differentiates itself from other hotels by being not just a place to stay but a ‘place to stay inspired!’

Its ‘Sex in the City’ package illustrates some of its approach to hospitality, as can be seen below, from the cookies and milk, to the luxury brand name toiletries and the healthy, stress relieving, massage, as can be seen from the following promotional message:

> Pyjama Party Package – ‘Sex and the City’ – $435.00 average US $/night
> Weekend Pyjama Party that is as grown-up as you are.
>
> The package includes accommodation for two in a deluxe king or two-double bedded room, milk and cookies at midnight, breakfast in bed, a gift basket filled with philosophy bath products and one en suite massage per person from healing hands. This offer is available either Friday, Saturday, or Sunday night and is based on availability. Extra person starting at $195 per night.
>
> *Source*: Hotel web site

La Puertiecita, Mexico

This hotel even includes the term ‘boutique hotel’ in its official name and claims to be ‘more than just a hotel’. It refers to itself as ‘tranquility on the edge of excitement’ and boasts that it is rated four-diamonds by the American Automobile Association. It also reports that Condé Naste Traveller said it was the only ‘true boutique hotel in Mexico’. Given the importance of boutique hotels in the American market, these two accolades are obviously particularly important to the hotel.

Villa del Sueno, Costa Rica

In its promotional material this ‘hotel’ claims to be disguised as a small resort’ and emphasizes its reasonable prices. Indeed, in 2002–2003 peak season, room only prices began at US $79. On its web site, it sells itself by describing a typical day at the resort as follows:

> You’ll wake up to a sunshine-filled morning. You’ll feel relaxed. You’ll listen to the many birds chirping their own individual songs. You’ll have fruit for breakfast.
>
> You’ll plan to go diving tomorrow.

You'll walk down to the beach and watch the monkeys playing in the trees. Maybe you'll rent a kayak and take it out to sea, be alone with the ocean in silence. You'll walk the beach and think how wonderful it is to have all this to yourself. You'll feel space.

You'll wait for low tide and cross the reefs that bookend the beach – and discover a new virgin beach. You'll swim, maybe body surf. You'll daydream, wake up and it will only be noon.

You'll watch children play soccer in the sand and smile. You'll sit under a tree and watch the sailboats make their way in and out of the bay and think, maybe I can stay one more day or maybe even retire here.

You'll read. You'll nap. You'll feel the sunset on your skin. You'll experience 'pink hour' when the waning sun casts a rosy hue across the sky and bathes the beach in a soft pink light.

You'll sit poolside and sip on of those fancy drinks and talk to the couple who just hiked the volcano and made it all the way to the waterfall. You'll feel at peace. You'll smell food and be hungry.

You'll come for a day … and stay.

Source: Hotel web site

Rydges Hotel, Dubai

Rydges Hotel claims to be Dubai's 'premier five-star boutique hotel' aimed at the 'discerning traveller'. However, it is not easy to see why it calls itself a boutique hotel. It is not particularly small, at around 150 guests rooms, and does not appear to be designed in a particularly distinctive way. Its food and beverage outlets are certainly cosmopolitan with Chinese and Italian restaurants, an Australian themed spa bar and a 'traditional British pub' styled on the famous St Andrews golf course.

Nine Zero, Boston

This hotel, opened in 2002, with just under 200 guest rooms designed in a contemporary style. Before it opened its web site claimed the hotel was a marriage of 'style and substance', 'a welcoming sanctuary from the frenetic pace' of the city. The traditional brick of the building's exterior contrasts with the use of metal and glass on the inside. The services, not the building materials, are meant to provide the warmth in the hotel. Great emphasis was placed on the high-tech equipment within the guest rooms as well as designer bath products and comforting goose down duvets.

Best Western Mikado Hotel, California

Part of the Best Western chain, this 58 room, mid-price hotel claims to be a small boutique hotel catering for a discerning market. As the name suggests, it has a strong Japanese flavour and the Japanese flavour was inspired by the hotel's Mikado restaurant which dates back to 1963.

Having looked at a variety of boutique hotels, it is a good idea for us now to say a little more about the BHRI Organization which was mentioned earlier in this case study.

Like Best Western, it is a marketing consortium or 'alliance' which markets independently owned 'boutique' hotels. Its mission is clearly illustrated by the following extra from its web site.

BHRI™ is an alliance of independent, genuine boutique hotels and resorts from around the globe.

BHRI™ has been created to provide you, the discerning traveller, with a hand-picked collection of truly genuine boutique hotel gems, and easy ways to book them.

We guarantee your genuine boutique lodging experience in three distinctive categories. The Diamond Collection features luxury hotels, the Emerald Collection includes upscale four-star, and the Sapphire Collection superior mid-scale three-star properties.

Some are hip, some historic, some elegantly contemporary, but they all are unique, in architectural style, classy interior design or decorative theme. Some are small with as few as 12 rooms, some may have as many as 180 rooms and suites, but they all provide the sophisticated amenities and personalized service that meet your boutique lifestyle. Please review the detailed description of the collections in the Tour Hotels section.

Using latest state-of-the-art technology, we invite you to talk or chat directly with the hotel of your choice, free of charge, from the reservations page; you can also choose to make an instant booking online or be connected to one of our friendly and multi-lingual guest agents. We are determined to become your premier source for boutique lifestyle experiences. On our boutique alliances page you will soon find links to exclusive travel and other luxury products for your perusal. Enjoy!

Source: BHRI web site

It is interesting that such an organization has developed so soon after the birth of the boutique hotel concept. It is also clear that a reaction to the move of major hospitality corporations into this market which one might think would be a field dominated by independent, individual properties.

Key issues

- Boutique hotels represent the hotel industry's main response, so far, to the growth of designer lifestyles which have been a major trend worldwide in consumer outline in recent years. It has to be said that the hotel sector has been relatively slow to respond to this trend.
- The term 'boutique hotels' is being widely used but is little defined. It can encompass small simple hotels, large luxury resorts or hotels where modernistic design is the main attraction. This widespread use of the term and lack of a precise definition could confuse and even irritate customers.
- The boutique hotel phenomenon is being embraced by both major hotel corporations seeking to find new markets to launch niche brands, as well as by independent hoteliers.
- One reaction to the growing involvement of hotel chains in this market has been the creation of the BHRI organization, a marketing alliance of independently owned boutique hotels.
- The target market for the boutique hotels is what McKinnon has described as the 'new consumer movement'. While a difficult concept to define, Sangster in his Mintel report offers the following explanation of the term:

> 'This again is also a grouping which is difficult to define and compromises as much as 30% of society and, given its higher than average wealth, represents an even larger portion of the hotel going public.
>
> Whatever its size and composition, the new consumer movement exhibits key characteristics that boutiques are able to tap into. Marketing jargon such as cash rich, time poor; seeking out the authentic; the death of the logo (but not the brand, claim the marketeers) and so on are used to define the grouping.
>
> 'It is the fastest sociological change happening right now' claims McKinnon.
>
> *Source:* Sangster/Mintel, April 2002

- The market is also dominated by American travellers currently. It remains to be seen if the concept of boutique hotels will prove to be as popular with European and Asian markets. However, the desire for boutique hotels in the USA may simply be a result of the domination of the US hotel market by standardized brands and chains, in contrast to Europe with its tradition of independently owned hotels.

- Entrepreneurs, without a background in the hotel industry, have been major players in the rise of boutique hotels, such as Ian Schrager. They have brought new ideas with them which have influenced the 'traditional' hotel industry, which is renowned for its conservatism and insularity.
- In most cases, the concept of a boutique hotel seems to embrace a number of product attributes, including all or some of the following:
  - an emphasis on design, particularly interior design, and making it distinctive from other hotels;
  - a focus on embracing high-tech developments particularly in terms of the bedroom environment;
  - a high level of personalized service;
  - providing a stress-free relaxing environment;
  - offering guests well-known luxury brands of complementary bathroom products;
  - giving the guest services to soothe and comfort them such as milk and cookies at bedtime.
- Boutique hotels seem to be a reaction against the standardization of the hotel product seen throughout much of the world. Some of the chains which have led this standardization process are now trying to develop brands in the boutique market. This could be a risky strategy because to sell the boutique properties they may have to implicitly criticize the standardized hotel chain product.
- To date, wherever they are in the world, boutique hotels appear to be targeting American and European tourists. It will be interesting to see if this changes in the future if, and when, other markets begin to adapt the boutique concept.
- Where we have 'boutique' hotels in regions like Asia and the Middle East endeavouring to attract 'western' tourists we can see some cross-cultural incongruities which are quite post-modern in nature. For example, the Dubai Hotel mentioned earlier has an Australian spa bar and a British pub, but nothing overtly from Middle Eastern culture. Likewise, at our Bangkok example, not only was the name of the hotel 'Foreign' – 'Swiss Lodge' but the Swiss management was promoted as a positive attribute. Maybe this is right in market terms, for one guest's main memory of their time at this Bangkok Hotel was the fondue!
- For most boutique hotels, their web site is their main promotional tool and for many of them, guest comments and feedback are prominently displayed within their web site.
- In the future, as this sector develops, it may split into several different sub-forms of hotels, each with a different flavour.
- The future of boutique or designer hotels will depend largely on factors outside the control of the industry such as changes in consumer culture and globalization, for instance.

Conclusion

Boutique hotels are a rapidly growing phenomenon within the hotel market, and represent a link between the hotel sector and consumer society, as a whole. They are not yet a clearly identifiable destination single product. Instead the term 'boutique hotels' appears to be an umbrella term for several types of hotels which are all a reaction against large-scale standardized chain hotels. Only time will tell if boutique hotels are a short-lived fashion or a permanent feature of the worldwide hotel market.

Discussion points and exercises

1. Discuss the reasons which you believe lie behind the growth of the boutique hotel concept.
2. Critically evaluate the potential role of major hotel corporations in the boutique hotel market.

3. Discuss the factors that will influence the future of the market for boutique hotels.
4. Select a hotel which describes itself as a boutique hotel. Then produce your own definition of a boutique hotel and develop a set of attributes which you believe a boutique hotel should possess.

You should then investigate your chosen hotel and analyse the extent in which it conforms to your idea of a boutique hotel.

CASE STUDY 14

Budget Airlines in the UK

The concept of budget, limited service airlines, the so-called 'no frills' airlines, was perhaps first seen on transatlantic routes in the 1970s through the 'Skytrain' launched by British entrepreneur, Sir Freddie Laker. This was a short-lived phenomenon which was eventually squeezed out by competition from the established airlines.

In the 1980s, deregulation in the USA brought a liberalization of the airline market which stimulated the rise of 'no frills' airlines. Some of them have failed but one, Southwest, has become a major player in the US domestic airline market.

Then, in the 1990s, the European Commission began to liberalize airspace within the European Union. This created the climate in which budget airlines could develop in Europe. Interestingly, in some countries, this has still had little impact and there are no budget airlines.

However, in the UK, a number of such airlines have grown up, since the mid-1990s, operating routes within Europe. Indeed, the UK appears to be the market leader in Europe for this kind of airline. This is probably because:

- The UK government has been a prime mover in the deregulation and liberalization of airspace; for example, back in the early 1980s the UK was one of the first countries in Europe to privatize its state airline.
- The outbound tourism market is large in the UK in terms of city break and coastal resort tourism as well as business travel. It, therefore, represents a lucrative potential market for budget airlines.

Budget airlines offer their passengers lower than usual fares in return for a lower level service often with no meals, or pre-arranged seats, for instance.

It is also interesting to note that the rise of the budget, no frills airlines, has happened in the UK at the same time as the application of the same concept to different segments of the tourism industry, such as

- budget hotels with brands like Travel Inn and Travel Lodge – these are often aimed at tourists staying one night on their way to somewhere else;
- 'no frills' tour operator products such as the 'Just …' concept from Thomson/Touristik Union International.

The 'no frills' customer who is prepared to accept a lower level of 'service' in return for budget prices appears to be a well established part of the tourism market now.

There seems a particular emphasis on budget, no frills service in the transport and 'transit' hotel sectors where these are not the main element of the vacation experience, but just the way of getting to the destination. It seems, therefore, that many tourists are prepared to forego service on their journey so they can have more money to spend in their destination.

There also appears to be evidence that these airlines in particularly are stimulating people to take trips they would not otherwise take.

The budget airlines in the UK

The UK has seen a number of budget airlines set-up since the mid-1990s. We will now look at some of these to gain a better picture of the sector as a whole.

Debonair

Debonair was the first budget airline to collapse. Created in the mid-1990s, it flew to mostly business-created destinations in Europe, including Paris, using BAE 146 aircraft from London Luton airport. The airline ceased operating in 1999 after it had changed the 'no frills' approach by offering an enhanced service level.

The easyJet

The airline first flew in 1995 and was created by the Cypriot businessman Stelios Haji Ioannou, who is from a Cypriot shipping family. Stelios is a high profile person with a flair for public relations. He has been a prominent advocate of the 'no frills' concept and has criticized anyone who puts obstacles in the way of free competition in the airline sector. The easyJet flies to destinations within Europe which are all-year-round business and/or holiday destinations. The company mission statement is as follows:

> To provide our customers with safe, good value, and point-to-point air services. To effect and to offer a consistent and reliable product and fares appealing to leisure and business markets on a range of European routes. To achieve this we will develop our people and establish lasting relationships with our suppliers.
>
> *Source:* Company web site

The company web site clearly sets out the easyJet concept:

> Use of the Internet to reduce distribution costs – The easyJet was one of the first airlines to embrace the opportunity of the Internet when it sold its first seat online in April 1998. Now approximately 90 per cent of all seats are sold over the Internet, making easyJet one of Europe's biggest Internet retailers.
>
> Maximize the utilization of the substantial assets – Each Boeing new 737 aircraft has a list price in the region of £35 million. Therefore maximizing utilization of each aircraft reduces the unit cost.
>
> Ticketless travel – Passengers, instead receive an e-mail containing their travel details and confirmation number when they book online. This helps to reduce significantly the cost of issuing, distributing, processing, and reconciling millions of tickets each year.
>
> No free lunch – Everybody always jokes about airline food – so why provide it if people do not want it? Eliminating free catering on-board reduces cost and unnecessary bureaucracy and management. It is also an important differentiator between easyJet and other airlines and a potent

reflection of our low-cost approach. Passengers can purchase food on-board and, ironically, we have won awards for our catering service. The concept of 'simple service model' also reflects a more general point about eliminating other unnecessary complex-to-manage and costly services, such as pre-assigned seats, interline connections with other airlines, and cargo/freight carriage.

Efficient use of airports – The easyJet flies to main destination airports throughout Europe, but gains efficiencies through rapid turnaround times, and progressive landing charges agreements with the airports. By reducing turnarounds to 30 minutes and below, easyJet can achieve extra rotations on the high-frequency routes, thereby maximizing utilization rates of its aircraft.

Paperless operations – Since its launch easyJet has simplified its working practices by embracing the concept of the paperless office.

Source: Company web site

These are approaches used by some other budget airlines, but it is fair to say that in some respects, such as airline reservations, easyJet is a real pioneer.

It has also developed a distinct type of culture as can be seen from the following example from its web site:

The easyJet favours an informal company culture with a very flat management structure, which eliminates unnecessary and wasteful layers of management. All office-based employees are encouraged to dress casually. Ties are banned – except for pilots. Remote working and 'hot desking' have been characteristics of easyJet since the beginning.

Source: Company web site

In its early days easyJet was not profitable but between 1998 and 2002 its turnover and profit grew impressively from UK £77 million turnover and £5.9 million profit to £582 and £71.6 millions, respectively. The company has now also been listed on the UK Stock Exchange.

Having led the airline from its inception, Stelios stood down as Chairman of easyJet in November 2002. It will be interesting to see how the company fares without him at the helm. One reason he stood down is to concentrate on other business ventures. A very interesting dimension of easyJet is that Stelios Haji-Ioannan has extended the 'easy' brand to other products, mirroring the actions of Richard Branson and Virgin. There are now easyInternet cafes, easyCar, easyMoney, and a new easyCruise product was announced in Spring 2003. Not all of these brand extensions have been successful but the 'easy' brand is now a major phenomenon in the UK market. The easyJet has grown rapidly in recent years and is investing hundreds of millions of pounds in new aircraft.

In August 2002, it acquired a competitor 'Go' which has greatly strengthened its marketing position in the UK. The company web site explained this acquisition as follows:

Our merger with Go

On Thursday 1 August 2002, easyJet and Go completed the merger deal to create Europe's number one low-cost airline. The airlines are now working towards operating and acting as single airline under the easyJet brand.

The £374 million transaction makes easyJet Europe's number one low-cost airline. In June 2002, the combined airline carried some 14 million people – bigger than all but a few of the Europe's largest national airlines. It is this scale that is important. Europe is a land of opportunity for low-cost airlines, and the new easyJet will be in a position to bring low-cost flights to more people on more routes more quickly. Consumers will benefit from this merger – it is the traditional airlines that better watch out.

In December 2002, both airline's inventories were fully integrated into the easyJet booking system, and the Go site ceased to operate as a booking facility, simply redirecting visitors to easyJet.com.

Another very noticeable change is the re-painting of Go aircraft. Over the coming months, the Go fleet will be painted in the orange easyJet livery, and a programme to convert the interior of the aircraft will begin.

There will also be significant network developments through the integration of existing Go routes – for example Rome, Milan, Munich, Copenhagen, etc. which will provide a wealth of opportunities to start routes from easyJet bases at London (Luton or Gatwick), Liverpool, Geneva, Amsterdam, and Paris.

Source: www.easyJet.com

At the time of writing, easyJet offers 100 routes to 36 airports from London Luton, Liverpool, East Midlands, and Bristol airports.

Ryanair

Ryanair, created in Ireland in 1980 and floated on the Irish and US stock markets in 1997, now boasts that it will be Europe's largest airline by 2010, operating flights from both Ireland and the UK.

The airline is led by Michael O'Leary, a high profile character who aggressively criticizes business opponents including Irish state airline, Aer Lingus.

The company web site is very upbeat about the airline and its prospects can be seen from the following examples from its web site:

How we are getting there

Low fares and friendly, efficient service – that is our way. And how do we do it? Superb cost management. Landing in airports that do not rip you off. Free seats when we are feeling generous. No frills on your flight – but we will sell you food, drink, and gifts. Punchy advertising that sometimes gets us in trouble. And we take on the high fares guys when they try to block our routes and airport management when they want to charge us too much.

What we have done so far

Over the past 10 years we have increased our annual traffic from under 700,000 to over 15 million passengers. (Glad to say I am not one of them.) Along the way we changed the face of air travel, broke hire (clever) fare cartels, rocked airport monopolies, and made it possible for millions to travel.

Milestones, millstones, and monopolies

Milestones for us, millstones for our competitors, and monoplies that needed to be broken. If only they taught history like this at school.

Source: www.ryanair.ie

Operating from London Stansted, Ryanair has focused on routes to France, Germany, Italy, Spain, and Scandinavia. It has also been famous for its advertising of very low fares from £1 return. They have even offered free tickets from time to time. This gimmick has brought them a lot of publicity but it has also brought them some criticism because not all tickets, of course, were available at the advertised price.

The airline has also been criticized for sometimes using secondary airports at its destinations which may be many miles from the city these flights purports to be ‘destined for’. However, the airline makes this clear to passengers.

In 2002, Ryanair announced that it would develop a new hub, in mainland Europe, at Frankfurt Hahn in Germany.

In 2002–2003, Ryanair acquired ‘Buzz’, the Dutch-owned budget airline, for a very modest price, due to the fact that Buzz was losing money. Given the financial problems of Buzz, Ryanair rationalized its operations as the merger took effect.

In April 2003, all Buzz flights were cancelled which caused major complaints from customers. Furthermore, some loss-making flights were stopped altogether such as Bergerac in France.

This led to second home owners in the region threatening legal action because they found this would make it much more expensive for them to visit their properties.

In response to this kind of criticism, Ryanair fought back with the following press release, dated 17 March 2003:

Ryanair relaunches 13 Buzz routes with increased frequencies and half-price air fares

- Core of Buzz’s loss making operation saved.
- Over 90 per cent of Buzz pilots accept new contracts with increased pay.
- Ryanair announces 1 million seats on sale for a tenner £10.
- Never before has it been so cheap to get away.

Source: www.ryanair.ie

One of the routes to be reinstated by Ryanair, with effect from 1 May 2003 was Bergerac. A day later, Ryanair issued a press release attacking its main competitor, easyJet, as follows:

Ryanair say Auf Wiedersehen as easyJet run away from competition in Germany

Ryanair, Europe’s No. 1 low fares airline, today (18 March 2003) said ‘auf wiedersehen’ easyJet … as easyJet announced it was running away from competition in Germany.

EasyJet claims ‘there has been a substantial deterioration in the financial performance of all airlines in the Germany market including dba’ – Wrong again easyJet. While other airlines are charging high fares and losing customers, Ryanair is lowering fares and growing passenger traffic by giving German consumers what they really want – the lowest fares – No. 1 customers service – No. 1 punctuality. Ryanair's Head of Communications, Paul Fitzsimmons said: 'When the going gets tough, easyJet gets going'.

Source: www.ryanair.ie

This seems to indicate that this sector is going to see tough competition in the years to come.

BMI Baby

BMI Baby is based at East Midlands airport in the UK and is a subsidiary of BMI, the new brand name for the old British Midland airline which has been around for more than 30 years.

It was formed in January 2002, and by the end of 2002 was offering more than 300 flights a week to more than 20 destinations in 12 European countries, from East Midlands and Cardiff.

It uses mainly Boeing 737 and Fokker 100 aircraft and has taken over some routes formerly operated by British Midland, such as Dublin, while it has added new ones of its own.

BMI Baby had problems with its web site in its early days, but now it is apparently doing well and launched 11 new routes in Winter 2002 and Spring 2003.

Flybe

Flybe formerly known as British European, Flybe has re-launched itself and revamped its services to become much more like a 'no frills' operation.

Go

This airline, which has now been taken over by easyJet was originally formed as a subsidiary of British Airways. When it failed to perform well financially, it was sold off to its management team who turned it into a profitable business. There is a real irony about easyJet acquiring 'Go', the airline which Mr Haji-Ioannou believed was a deliberate attempt by British Airways to force easyJet out of the market.

Buzz

This airline was launched in the late 1990s by the Dutch state airline, KLM. It was focused on France, before it was sold off, as a loss-making airline, to Ryanair.

MyTravel Lite

This airline is part of the MyTravel travel and tour operation group and in Spring 2003, offered 12 routes from its base at Birmingham airport.

Jet2

A Leeds–Bradford airport-based airline which launched in Winter 2002–2003, offering short-haul routes to largely Mediterranean destinations. It is a subsidiary of a Bournemouth-based freight and charter flight operator.

Now

It was launched in March 2003, based at London Luton airport, and was offering seven destinations from Summer 2003, with an aim of carrying 600,000 passengers in the first year.

Summary

- There has been a rapid recent growth in the number of budget airlines in the UK.
- Ryanair and easyJet have emerged as the clear market leaders, with their acquisition of ‘Buzz’ and ‘Go’ respectively.
- The most successful airlines have been led by charismatic figures with a flair for public relations.
- The rise of ‘no frills’ airlines in the UK started at London Luton and London Stansted airports but are now also based at other principal airports.
- Most destinations are places with leisure and/or business demand.
- Some budget airlines have failed and others probably will in the future.

Competition and the budget airlines

In this section, competition between budget airlines and between the budget airlines and traditional scheduled airlines are discussed.

In the UK the picture relating to competition between budget airlines is changing all the time.

Exhibit 14.1 shows the competition which existed in the UK market in Autumn 2002.

Rarely they were competing on the same routes as each other and, almost exclusively, it was clear that competition was largely price-based.

However, in the few months since Exhibit 14.1 was researched, the situation has changed completely. Due to acquisitions, only three of the airlines still remain.

In terms of the competition between budget airlines and traditional scheduled airlines, there have been some interesting developments in the UK market.

The general expectation, not surprisingly is that budget airlines are cheaper than the traditional scheduled airlines. This seems to be borne out by the data contained in Exhibit 14.2.

However, the authors’ own research and experience seems to suggest that the situation is more complex and less clear cut. Firstly, as we saw in the case study on vacation costs for independent travellers, we saw that on the Barcelona and Nice routes, the British Airways fares were lower than those offered by easyJet.

Secondly, scheduled airlines like British Airways have fought back with their own low fares.

The scheduled airlines then promote their prices by that they also offer ‘full service’ in contrast to the ‘no frills’ budget airlines.

Customer satisfaction and budget airlines

There has been criticism of budget airlines in terms of their customer services and what they do when things go wrong.

Exhibit 14.1 A Comparison of the UK Budget Airlines in Autumn 2002

Issue	*Airline*				
	BMI Baby	*Buzz*	*easyJet*	*Go*	*Ryanair*
Number of routes	20	23	16	19	46
Main base in UK	East Midlands	London Stansted	London Luton Liverpool	Bristol, London, Stansted, Glasgow, East Midlands	London Stansted
Average return ticket price	From £50 return	£43.00–172.00	£80.00–200.00	From £24	Average £33 but some very low promotional fares
Internet booking discount	£5 each way	£2.50 each way	£2.50 each way	£5 each way	None but cheapest fares only available online
Changes to ticket permitted	Yes – cost £15	Yes – cost £15	Yes – cost £10	Depends on ticket price	Some permitted at cost of £15
Cancellation refunds	No	No	No	Depends on ticket price	No
Hold baggage allowance	20 kilograms	20 kilograms	25 kilograms	20 kilograms	15 kilograms
Latest check-in allowed	30 minutes	30 minutes	30 minutes	30 minutes	30 minutes
Seating policy	Allocated at check-in	Allocated at check-in	Seat not allocated	Allocated at check-in	Seat not allocated
Catering	No food provided – snacks available on board	No food provided – snacks available on board	No food provided – snacks available on board	No food provided – snacks available on board	No food provided – snacks available on board
Liability for delayed flights	Varies with circumstances	Generally transferred to next available flight	Transfer to later flight. After 4 hours can claim full refund and free ticket	Generally no refund but depends on price of hotel	Refund if flight cancelled
Quoted comments	Subsidiary of BMI formerly British Midland	Is subsidiary of KLM	The pioneer budget airline in Great Britain	Set up by British Airways, later bought by its own management with help from venture capital	Pioneer of budget airlines originating in Ireland

Source: Time Out, Company web site 2002.

The media has often reported an individual case of customer dissatisfaction like the following ones which are taken from '*The Observer*' newspaper on 7 July 2002.

> Sarah Wyles bought her parents two easyJet tickets to Barcelona as a Christmas present. Unfortunately what should have been a cheap weekend away ended up costing them more than £400 extra after their return flight was cancelled.

Exhibit 14.2 A comparison of fares between airlines on selected routes

Venice	*Go*	*Ryanair*	*British Airways*
November weekend	£107.30	£96.09	£128.90
November weekday	£68.15	£63.09	£128.90
March weekend	£87.30	£35.09	£118.90
March weekday	£72.65	£35.09	£118.90
Barcelona	*Go*	*easyjet*	*British Airways*
November weekend	£101.30	£100	£141.60
November weekday	£69.65	£70	£141.60
March weekend	£81.30	£70	£111.60
March weekday	£69.65	£100	£96.60
Geneva	*easyJet*	*Buzz*	*British Airways*
November weekend	£40	N/A	£96.60
November weekday	£40	N/A	£96.60
March weekend	£100	N/A	£96.60
March weekday	£85	N/A	£96.60q
Milan	*Go*	*Ryanair*	*British Airways*
November weekend	£127.30	£74.34	£118.20
November weekday	£92.65	£59.34	£118.20
March weekend	£77.30	£37.34	£118.20
March weekday	£67.65	£37.34	£118.20
Glasgow	*easyJet*	*Ryanair*	*British Airways*
November weekend	£35	£59.80	£67.60
November weekday	£35	£33.06	£57.60
March weekend	£45	£25.06	£67.60
March weekday	£35	£25.06	£67.60

Source: travel.guardian.co.uk.

The airline said there was no chance of getting them on another flight for 3 days because everything was fully booked. They were offered £50 in hotel expenses between them and asked to rebook their flight via a fax number. No one from easyJet offered the couple any help or advice.

Luckily Wyle's parents met another couple who rang their daughter. She booked them easyJet flights to Liverpool the next day for £150 each. The £50 offered by easyJet did not even cover their extra night's stay at a cheap hotel and they had to fork out money for taxis (the last airport bus had gone), food, and the train ride home from Liverpool. It took them another day to get home.

'My parents will never fly easyJet again. If it is going to cost them all that extra money they might as well go with British Airways who will at least treat them properly' said Wyles, from London. So is it a case of you get what you pay for? Wyles paid £120 for her parents' ticket, substantially less than two British Airways tickets which would have cost between £131.40 and £580 return per person.

But not every low-cost airline passenger ends up picking up a bargain, and they still get the same service.

Zoe Sargasso, from London, was delayed by 5 hours on her way home from Carcassonne, southern France, with Ryanair last month. She paid £200 for her ticket, which she bought 5 days before the flight. The fact that you can pay that and then are charged £7.50 for a beer and an inedible sandwich is not satisfactory. The planes were uncomfortable, very dirty, and there was no light in the lavatory. If I had paid the advertised fare of £46 all these things would be bearable. If they charge these fares they should be providing the same service as all the other airlines.

Unfortunately, it does not work like that. Like all airlines, the no frills carriers have a range of fares.

The easyJet for instance, charges anything from £40 to £360 return from London Luton to Barcelona. Around 10 per cent of its seats are sold at the lowest quoted fare, and those are usually booked months in advance.

An easyJet spokeswoman said ‘people must understand that it is not going to be financially viable for us to carry everyone for £60 return. We have a scale of fares – that is how we make our money’.

Simon Evans, Chief Executive of Consumer Watchdog, the Air Transport Users’ Council (AUC), says the term ‘low-cost airline’ is sometimes misinterpreted by the public who believe they will always get a low fare. ‘The no frills airlines’ costs are lower because most of their bookings are taken over the Internet, they do not have in-flight catering so they do not have to employ so many cabin crew, but all those factors do not always translate into low fares’.

There is, however, still a big difference between the fares offered by no frills airlines and those sold by their scheduled rivals. ‘You can still get a £35 ticket to Rome. You are not going to get that with British Airways or Alitalia’ Evans added.

What’s your policy if I miss the last train home from the airport due to your aircraft arriving late?

BMI Baby: Will not pay for or arrange transport home.

Buzz: Will not provide or pay for alternative transport.

Go*: If flights arrive into the airport after normal public transport has closed, Go will provide coaches for onward travel. If delay was beyond Go’s control any assistance is at the airline’s discretion.

easyJet*: Ongoing transport is the passenger’s own responsibility, but keep receipts and send to customer services department, which will consider your case (unless delay is more than 4 hours when airfare is refunded and you fly free).

Ryanair: Will not provide or pay for alternative transport.

British Airways: Will usually pay for or provide alternative transport to get you home.

**Note:* Following easyJet’s acquisition of Go, the two airlines will continue to operate separately until the launch of the summer timetable in December.

If I am stranded abroad because the last flight of the evening is cancelled will you put me up in a hotel and pay my transport to the accommodation?

BMI Baby: No.

Buzz: No.

Go: If it’s the airline’s fault Go will provide hotel accommodation and transport between the airport and hotel. If circumstances are beyond Go’s control any assistance is at Go’s discretion.

easyJet: If flight is due to depart after 8 p.m. and is cancelled/significantly delayed, up to £50 offered per person. Sometimes will assist with finding a hotel.

Ryanair: No.

British Airways: Yes.

Source: The Observer, 7 July 2002

This report appears to show the budget airlines in a bad light against scheduled airlines. However, it is fair to point out that their fares are usually lower than scheduled airlines and the millions of passengers they carry seem to indicate they are meeting the needs of many people, satisfactorily.

Indeed, a report published in a newspaper in March 2002 seemed to indicate that the budget airlines are satisfying their customers:

> No frills budget airlines are continuing to outperform their rivals, according to a survey of air travellers released yesterday.
>
> Of the budget airlines, Go (56%), easyJet (54%), Buzz (54%), and BMI Baby (50%) all scored highly. Go was considered the best airline on value for money.
>
> *Holiday Which?* editor Patricia Yates said 'No frills airlines have changed the way many of us think about travel. Special deals for peanuts mean weekends in Europe can be a spontaneous purchase, in addition to our main break'
>
> *Source: The Guardian*, 11 March 2002

At the same time, customer satisfaction with many European traditional scheduled airlines is not always high.

Budget airline destinations

There are a number of interesting points to be made about the destinations of UK-based budget airlines, as follows:

- most of the destinations are places with all-year round rather than highly seasonal demand;
- some of the destinations are both leisure and business tourism destinations while others are predominantly one or the other;
- as well as international destinations, there are also domestic services such as between Luton and Scotland, for example;
- there are no long-haul destinations currently served by UK-based budget airlines.

The UK budget airlines have been a real catalyst for the growth of outbound short-break tourism from the UK. They have both:

1. Stimulated the rise of particular types of tourist trip. For example, the rise of 'stag and hen' trips – single sex male or female groups taking 'partying' trips – for example, visits from the UK to Dublin and Amsterdam have been fuelled by the cheap fares offered by budget airlines. The same phenomenon is growing in places like Prague which are starting to be served by budget airlines.
2. Created markets for city breaks to cities that have not previously attached many UK tourists. Indeed these budget airline flights have been a major factor in the growth of tourism in a range of European cities.

Indeed, in 2002–2003, the London-based 'what's on' magazine – '*Time Out*' – produced a special issue on short breaks in Europe using budget airlines. This highlights the attractions of formerly obscure cities that are now served by budget airlines such as Aarhus, Bilbao, Brest, Dusseldorf, Genoa, Gothenburg, Graz, Helsinki, Limoges, Malmo, and so on.

Some countries have become very popular destinations for these airlines, with each budget airline seeming to be attached to particular countries.

However, there are still a few European countries to which still no budget airline flies, particularly in Eastern Europe and the Balkans.

Key issues

- The 'no frills' budget concept seems to be growing in popularity in all sectors of tourism.
- The budget airline idea was first seen on transatlantic routes and in the USA but has now become a major phenomenon in Europe.
- The UK is the market leader in Europe for budget airlines, although many countries in Europe now have budget airlines from Iceland to Italy. However, some European countries still do not have a budget airline.
- Over the past 8 years the UK has seen at least 10 budget airlines set-up. Some of these have failed or been taken over.
- Two major airlines, Ryanair and easyJet now dominate the UK market.
- London Luton and London Stansted have been the two dominant airports in the UK for budget airlines but more and more are also operating from provincial airports.
- The budget airlines generally operate to short-haul European destinations with all-year-round markets.
- Ryanair and easyJet have also operated from hubs in other countries such as Germany and Switzerland.
- Very few foreign budget airlines are currently flying services to the UK.
- Budget airlines keep their prices down in a number of ways, including:
  - selling tickets directly online,
  - using less expensive UK airports,
  - sometimes using secondary destination airports,
  - providing little on board service,
  - using minimum fuel required per journey.
- While UK budget airlines have generally achieved quite high levels of customer satisfaction, they have sometimes been criticized for their service when things go wrong or for not always having seats available at the low advertised prices.
- Acquisitions and mergers have started to reduce the number of competitors in the UK market but the competition between Ryanair and easyJet still seems to be strong and aggressive.
- Schedule airlines like British Airways have responded with lower fares of their own and are now sometimes cheaper than the budget airlines.
- The easyJet has extended its brand to other products but some of these have not been as successful as the airline.
- The budget airlines have stimulated the outbound short-break market in the UK and have helped some European city destinations to establish themselves as urban tourism destinations.
- The budget airline market in the UK was not really affected by the terrorist attacks in the USA on 11 September 2001. Indeed, while scheduled airlines saw massive falls in passenger numbers on their transatlantic routes, budget airlines saw increases in their passenger traffic of up to 30 per cent. Throughout 2002, with terrorist attacks in Bali and Kenya and growing tension in Iraq, the number of passengers on budget airlines in the UK continued to grow.
- The budget airline market appears now to have become established as a permanent feature in the UK tourism market.
- It seems likely that the principle of budget airlines and 'no frills' products will be extended to outbound long-haul air services from the UK in the future, mirroring the Laker 'Skytrain' of the 1970s.
- As liberalization establishes itself more and more in Europe, a growing number of budget airlines will be created in other European countries.
- It will be interesting to see if the budget airline concept becomes as fully established in other parts of the world as it has in the UK, for example, Asia and South America.

Conclusion

The ‘no frills’ budget airline concept has grown rapidly in the UK in recent years, following the example of airlines like ‘Southwest’ in the USA. Airlines are being created all the time which is constantly changing the nature of competition in this sector. The UK budget airlines have been a major factor in the growth of tourism in some European cities. However, it remains to be seen how budget airlines will develop in the UK in the future and how the phenomenon may develop in other parts of the world.

Discussion points and exercises

1. Discuss the reasons why the budget airline market has become more highly developed in the UK than in any other European country.
2. You should interview a selection of people who have used budget airlines, and try to discover their level of satisfaction. You should also try to find out if their level of satisfaction is higher or lower than it is in relation to non-budget airlines they have used.
3. Discuss the factors that will influence the future development of budget airlines worldwide.
4. Investigate the product offered, and price charged, by a budget airline and a traditional scheduled company on routes where the two compete. You should produce a report noting differences and similarities, and the relative strengths and weaknesses of both.

CASE STUDY 15

The UK Cruise Market

The cruise industry has existed for decades and British tourists have always played an important role in the cruise market.

Cruises grew out of the use of ships as a means of transport in the pre-aeroplane world. Indeed, often, ships accommodated people taking a leisure cruise, as well as business people, colonial officials, and emigrants, simultaneously.

In the 1920s and 1930s, cruises were a popular form of travel with the economic elite and leisured classes of the developed world. The emphasis was on glamour and elegance and prices were very high. The authors have a collection of superb colour advertisements for British, American, French, and Italian shipping lines; all aimed at English-speaking travellers.

However, after the Second World War, the cruise market internationally, and in the UK, declined in the face of competition from air travel. At the same time, social change and the political climate meant that there were fewer rich, leisured people willing or able to be seen taking long cruises.

At the same time, the market could not be expanded to the lower-middle classes, because most such people did not have long enough paid holidays to take the traditional 2-, 3-, or 4-week cruise.

As a result, the cruise market went into decline in the UK and elsewhere in the world. The cruise ships were aged and a few new cruise ships were launched. The cruise market remained in the doldrums, really, until the 1980s.

Since the 1980s, the international cruise market has enjoyed a true renaissance, for several reasons, notably:

- US cruise companies pioneered new approaches to cruising including ‘fun’ cruises aimed at younger people, fly cruises for those with limited-time availability, and themed cruises.
- A reduction in real prices due to competition.
- The rise of ‘budget’ cruises, aimed at the mid- to lower end of the market, particularly in Europe. In the 1980s, these budget cruises were mainly based on Eastern European ships. Since the demise of the former Soviet Union, it has been UK tour operators who have taken over the development of the budget cruise market in the UK.

While this case study focuses on the UK, it is important to recognize that the British market does not exist in isolation, because

- UK residents also take cruises on foreign-based ships from ports all over the world,
- foreign tourists use UK-based cruise ships.

Let us now try to identify the scope and nature of the cruise sector, particularly in relation to the UK market.

Typologies of cruises

The cruise industry in general, and the UK market in particular, are too complex to be explained by a single typology. Indeed, we can provide a number of different typologies of it, when we analyse it from different points of view, as follows:

1. The type of ship	Large–medium–small. Traditional style or modern. Old or new. A ship which is used by cruise passengers but also has another function, such as a ferry or freighter. Unusual ships, such as Club Med 2 or the Gulets of Turkey.
2. Length of cruise	Short cruises of one or a few nights. Standard vacation length cruises of 7 or 15 nights. Extended cruises between 2 weeks and several months.
3. Price level	High price for all cabins. High price for premium cabins but medium prices for ordinary cabins. Medium price. Low budget price.
4. What is included in the price	All inclusive, including travel to the port, all accommodation, food, entertainment, shore excursions, taxes, and gratuities. Generally all inclusive in terms of food, accommodation, and entertainment, but exclusive of shore excursions, and gratuities.
5. Special types of cruise products	Fly cruises, where the passenger flies to a port to join the cruise ship at a port which is nearer to the eventual destination of their vacation than ports in their own country. Places like Miami, Fort Lauderdale, and Palma de Mallorca are major fly cruise starting ports. Themed cruises, which could be based on everything from gastronomy to gardening to 1960s music. 'Fun' cruises aimed at younger people. 'Singles' cruises, with a strong emphasis on romance. Cruise and stay packages, which include a cruise and a stay in a resort hotel. Cultural cruises involving the visiting of heritage sites, such as those operated by Swan Hellenic. Short cruises as an optional element of resort-based holidays, for example Louis cruises to Lebanon and Egypt from Cyprus. Cruises on lakes and rivers as well as cruises on the seas.
6. Cruise ship ownership	Shipping companies. Tour operators, such as Club Med or Thomson/Touristik Union International (TUI).
7. Target markets	Older or younger people, or a cross-section of people. Single or multiple nationalities. Couples, singles, or families. Experienced or first-time cruise passengers.
8. Geographical location of the cruise	Involves long-haul or short-haul journey from tourists home country Individual seas, such as the Caribbean or the Mediterranean, or more than one sea, such as the Mediterranean and the Atlantic.

Having looked at the nature and scope of cruises, it is now time to say a little about the UK market in terms of tourism demand.

The nature of the UK market

In March 2001, Mintel published a report which highlighted the following characteristics of the UK cruise market in 1999–2000:

- In 1999, it was estimated that more than 800,000 Britons took cruising holidays.
- The number of cruise holidays taken by UK residents rose to 16 per cent between 1998 and 1999 and an estimated 10 per cent between 1999 and 2000.
- Mintel forecasts a growth in the market to around 1 million holidays per annum by 2002.
- The vast majority of cruising holidays taken by Britons are ocean cruises but river cruising is growing fast.
- In 1999–2000, 42 per cent of UK cruises took their holidays in the Mediterranean region.
- Between 1993 and 1999, the proportion of cruise vacation taken over 55 years of age fell from 63 to 51 per cent, as the industry began to attract more younger customers.
- At the same time, cruises are becoming shorter. Between 1997 and 1999, the number of 2-week cruises fell, while the number of 5–7-day cruises doubled almost.
- In 1999–2000, only 12 per cent of adults in the UK had ever taken a cruise, but 7 per cent of them said they would like to take another cruise.
- Around 25 per cent of the UK population who have never been on a cruise said they might take one, but 50 per cent showed no real desire to take one.
- A major constraint to the growth of the cruise market in the UK appears to be a perception that it is very expensive.
- Many Britons like the idea of cruises because they think it is a way to meet new people, it is all inclusive, and it is a good way to see lots of places on the same holiday. However, many people still seem to believe that cruises are not very suitable vacations for children.
- In 1999–2000, the UK market represented around 10 per cent of the global cruise market, which is quite a high figure, given its population size.

Now we will look at some examples of the different types of cruise vacations that were on offer to British consumers in 2003.

The range of cruises on offer to the UK market in 2003

Below are some examples of cruises that were on offer to UK vacations in 2003.

Cunard QE2 'American Dream'

Cunard and QE2, the company and its flagship are iconic names in the cruise world. The QE2 crossing from Southampton to New York is still the classic cruise that dates back over a century.

In 2003, the QE2 offered 30 cruises, between April and December. These cruises were as follows:

- nine 6-night westbound transatlantic cruises;
- eight 6- or 7-night eastbound transatlantic cruises;
- three Caribbean cruises of between 11 and 20 nights;
- a 3-night 'Northern Waters' cruise;
- a 9-night cruise of the Canaries;
- a 6-night New York and Bermudian cruise;

- a 12-night USA and Canadian cruise;
- a 31-night South American cruise.

In addition between December 2002 and April 2003, the ship was on a 122-night world cruise.

The QE2 was built in 1969 and refitted in 1999, and can accommodate 1778 guests. Its accommodation is divided into four classes, each of which is linked with a restaurant, so that guests are segregated in terms of both meals and sleeping accommodation. The ship offers a nursery and children's club for family cruises as well as a wide range of leisure facilities.

Cunard in its 'QE2 American Dream' brochure offers a range of packages involving a cruise in one direction and a flight to/from the UK in the other. They also offer two-centre packages, which link New York with Florida, Las Vegas, Toronto and Niagara Falls, and New England.

The following examples give an idea of the cost of these packages:

	Minimum price (price per person in shared cabin in low season)	*Maximum price (price per person in shared cabin in high season)*
9-night cruise and 3-night hotel stay in New York	£1249	£12,299
11-night cruise and Niagara Falls and Toronto	£1649	£12,449

It is clear that there is a huge variation in prices which tends to depend on

- type of cabin,
- date of cruise.

These prices exclude 'gratuities' which are charged to the cruises account, or can be pre-paid. It was, in 2003, between £8 and £9 per day per person. This whole issue of gratuities and potentially 'compulsory' fixed ones is a conditional aspect of cruising, with many companies, not just Cunard.

Thomson TUI

Thomson, part of the German TUI Group, offered a large cruise programme in 2003–2004, which required a brochure of nearly 200 pages.

The programme was based on three ships which were quite different, as follows:

- Topaz, a traditional-style cruise ship, was retired during the 2003 season. It was registered in Panama and could accommodate 1050 guests.
- The Emerald, refurbished in Greece, joined the Thomson fleet in the mid-1990s, and can accommodate 1198 passengers.
- Thomson Spirit, is the latest addition to the fleet, registered in the Bahamas can accommodate 1254 cruisers.

The Thomson Spirit offered the following classes of cabin in 2003:

Thomson Spirit Suites

These suites will be redesigned by TVs' interior designer, Linda Barker, in time for the inaugural voyage on 15 May 2003. Why not be one of the first passengers to relax and enjoy them?

The spacious and well-appointed Suites are situated on the Mariner (7) and Bridge (8) Decks.

All suites have king size beds (over 5½ feet wide), a separate lounge area with sofa, chair and table, two full length wardrobes, en suite bathroom with bath, shower and water closet (WC), mini-bar, hairdryer, picture window*, and colour TV. The sofa, which converts to a bed can comfortably accommodate a third person.

These spacious cabins are fully air conditioned with temperature control and range in size from 279 to 294 square feet.

The Presidential Suite on Eagle Deck (9) is the ultimate cabin on the ship; why not treat yourself if you are celebrating a special occasion. It is the size of two deluxe cabins and features a CD player, VCR, two bathrooms, picture windows, mini-bar, and colour TV.

Thomson Spirit Deluxe

Deluxe cabins are situated on Promenade (6), Mariner (7), Bridge (8), and Eagle (9) Decks.

They have either a queen size bed (5 feet wide) or two single beds, occasional chairs and a table, two full length wardrobes en suite bathroom with bath, shower and WC, picture window*, colour TV, and hairdryer.

These spacious cabins are fully air conditioned with temperature control and range in size from 208 to 209 square feet.

Outside cabins

Outside cabins are located on A Deck (3), B Deck (2), C Deck (1), and Main Deck (4).

They have either one queen size bed (5 feet wide) or two single beds, which are either side by side or in an L-shaped configuration as pictured. Four berth cabins have twin beds and two upper berths which fold down. These cabins have additional wardrobe space.

All outside cabins have a porthole, two full length wardrobes, en suite bathroom with shower and WC, and colour TV. All are fully air conditioned with temperature control and range in size from 144 to 177 square feet.

Inside cabins

Inside cabins are located on A Deck (3), B Deck (2), C Deck (1), and Main Deck (4).

They have either one queen size bed (5 feet wide) or two single beds which are either side by side or in an L-shaped configuration as pictured. Four berth cabins have twin beds and two upper berths which fold down. These cabins have additional wardrobe space.

All inside cabins have two full length wardrobes, en suite bathroom with shower and WC, and colour TV. All are fully air conditioned with temperature control and range in size from 144 to 177 square feet.

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* The view in some cabins may be obstructed by lifeboats. Pre-book your cabin number to guarantee an unobstructed view.

Source: Company brochure, 2003

Thomson specializes in short to medium length fly cruises in the Mediterranean and Canary Islands, of which the following are examples:

- Thomson Spirit, in May 2003, offered a 7-night fly cruise starting from Palma de Mallorca, including visits to Tunisia, Italy, Austria, and mainland Spain. Prices started at £765 for this cruise.

- The Emerald, in November 2003, offered a 7-night 'Land of the Kings' fly cruise from Limassol in Cyprus. This cruise which cost from £549 featured visits to Egypt, Crete, Rhodes, and Turkey.
- Topaz, in January 2003, offered a 7-night cruise around the Canary islands, starting at £599.

The Thomson programme had several interesting features as follows:

- Passengers were offered the chance to add 7-night resort stays to their cruise, in places like Mallorca, Cyprus, and the Canaries.
- Specific cabins could be pre-booked at a cost of £25.
- Child prices starting at £149 for cruises were available for children up to 16 years of age.
- Specific deals were offered for solo, single travellers.
- The holiday price included gratuities.

Princess Cruises Alaska 2003

Princess not only offers cruises worldwide, but it also offers a specific Alaska programme, taking cruises to the heart of this wild area. In 2003, the company offered no fewer than 86 Alaskan cruises between May and September, which were all of 9-night duration, and originated in Seattle, Seward, or Vancouver.

The programme featured three ships with passenger capacities between 1950 and 2600 passengers.

Special cabins were available for first-time cruisers, while the company offers the chance to get in a cruise. Princess also has a brand loyalty scheme, the princess options.

A major selling point in the brochures are the 'Landtours' pre- or part-cruise tours of the highlights of Alaska, which typically last for 4–8 days.

In 2003, a basic 10-day cruise, including flights to Seattle from London, but no land tour, ranged in price from £1899 to £6549.

The Landtours started with 4-night trips from £149, but could cost over £1000. The Landtours were usually coach based, using hotel accommodation.

Although passing through a wilderness, the tours were gentle, perhaps reflecting the clientele, for in the brochure most people were in their 40s or older. No children under 8 years were offered an Alaskan cruise.

Norwegian Coastal Voyage

This 'cruise' is based on using ships which are working ships, carrying goods and passengers to more than 30 ports along the Norwegian coast. The voyage from Bergen to the Russian border and back again takes around 12 days. Prices for this trip varied between £845 and £2320 in 2003, including flights from the UK.

The company has recognized the growth in demand for shorter cruises and now offers 7-night one-way cruises. The ships stop for a while in some 34 ports and shore-excursion packages can be pre-booked at a cost of £73–203.

The fleet has three types of ships which are targeted at different markets, as follows:

- 'Mid-generation' trips, accommodating around 550 passengers. These ships are around 20-year old and are being phased out.
- 'New' ships with around 700 berths, very modern furniture, and better facilities for disabled cruisers.
- 'Millennium' ships, introduced in 2001–2003 with a passenger capacity of 1000 and good leisure facilities.

Exhibit 15.1 The Caribbean cruise offered by four leading cruise operators

Issue	*Cruise company*			
	Cunard Cruises	*Norwegian Cruise Line*	*Princess Cruises*	*Royal Caribbean International*
Has separate Caribbean brochures	No	Yes	Yes	No
Number of cruises to Caribbean 2003	6	139	119	441
Duration of cruises (from/to)	11–60	9–15	9–17	9–13
Price range for cruises (including flights from the UK)	No price available for 11-night cruises, 20–60-night cruises range from £1999 (20 nights) to £47,059 (60 nights)	£999–5099	£1329–5849	£1489–10,309
Gratuity policy	£5–9 per day per person depending on ship	£6.50 per guest added automatically to bill	£6.50 per person per day added automatically to bill	£6.95 per day per person added atomatically to bill
Ship capacity in passengers	668–1778	1504–2224	1590–2600	Not given specifically
Number of grades of cabin	Four main types plus subdivided types	4 (22 including subdivided types)	Up to seven main types depending on ship, with more subdivided types	Up to seven main types depending on the ship, with more subdivided types
Number of classes	Not given for one ship, four for the other	Not specifically mentioned	Not specifically mentioned	3
Number of ships in fleet (not just in Caribbean)	2	9 (6 in Caribbean)	11	18
Other comments	• Based in Southampton, UK • Some Caribbean cruises combined with USA, Amazon, and Canary Islands • Up to 30% early booking – discounts • British officers and currency on board	• Based in Miami • Up to 38% early booking discount and freestyle concept offering more flexibility in dining arrangements, for example • Brand loyalty scheme • Classic fully inclusive cruises on luxury • SS Norway (formerly SS France)	• Based in Miami/ Fort Lauderdale • Up to 25% early booking discounts • Specific children's programme • Company has own beach resort in Bahamas • Has 'New Waves' scuba diving programme, exlusively for its customers • Brand loyalty Scheme	• Specific children's programme • Up to 30% early booking discount • Based in Miami/ Fort Lauderdale

Until recently, there were also 'traditional' ships with wooden decks and limited facilities. Only one such vessel, the 'Nordstjernen', still sails and also, only, in the winter. Many regular Norwegian 'coastal voyagers' really miss these traditional-style ships which were often nearly 50-year old.

The Norwegian Coastal Voyage offers discounts for elderly people, single travellers, and early bookers.

River cruises – The Nile, The Rhine, and The Yangtze

River cruising is growing rapidly in popularity and here are details of three such classic cruises.

Firstly, Nile cruises tend to last 3–7 nights, and are often linked to hotel stays in Cairo or Luxor, although they are often also sold as vacations in their own right. The boats tend to be three, four, or five stars in standard. These cruises allow the tourist to be a spectator watching the life of Egyptians go by, from the comfort and safety of their own protected world on board the boat. Prices for a 7-night cruise on the Nile, from the UK, started at around £549 in 2003.

Secondly, there are the cruises on the Moselle or Rhine rivers, which are very popular with older British people. In 2003, UK tour operator, Leger, offered 7–10 night cruise packages from the UK, at prices between £399 and £799. These cruises included many shore excursions, with others available at a supplementary cost. The cruise was based on a three-star standard ship with just under 50 cabins.

Thirdly, there are cruises on the Yangtse river in China, lasting between 13 and 16 days. In 2003, these cost from £1495 for UK tourists, including flights from the UK.

Inclusions of mini-cruises

- Fred Olsen is 4-night spring and autumn cruises from Southampton featuring ports, such as Rouen, St Malo, and Antwerp, and costing from £270 to £1045.
- A 3- or 4-day cruises to Northern Spain on the ferries operated by P&O and Brittany Ferries.
- A 2- and 3-day cruises on ferries across the North Sea to Norway and Germany.

Often these mini-cruises will have a theme, such as music or dance.

Let us now compare the cruises to one region, the Caribbean, being offered in 2003, by four leading companies.

A comparative study of Caribbean cruises

The Caribbean is a major cruise destination for Britons and cruisers of other nationalities. In Exhibit 15.1, there is a comparison of the Caribbean cruises offered by four leading cruise operators.

The three Florida-based companies seem to be very similar in many ways in the products they offer and are almost wholly fly-cruise operators. Cunard, on the other hand, offers Caribbean cruises sailing directly from the UK.

Key issues

- The global cruise market has been growing for a number of years, and the UK has played a significant part in this growth.
- Growth is predicted to continue this decade, although it will be interesting to see the impact of terrorist attacks on this market.
- In the UK market, there has been particularly strong growth in shorter cruises and in river cruises.
- The cruise sector is very complex and diverse, as we saw in those typologies offered earlier in the case study.

- As the UK cruise market has developed, the growth has been influenced by, and led to, greater discounting and new methods of promoting cruises, including:
  - Discounting, as competition increases, with advertisements regularly placed in newspapers by cruise operators and travel agents, promising substantial discounts. For example, one newspaper in the UK in February 2003 was offering discounts of up to 45 per cent in Fred Olsen Cruise Line products.
  - Alliances between travel agents and newspapers to offer cruise packages exclusively to the readers of the newspaper. For instance, the *Daily Telegraph* on 8 February 2003 contained details of three 'readers' offer' cruises involving the Western Mediterranean (7 nights from £499), a 12-day cruise for single people (from £1249), and a 105-night world cruise, with prices starting from £10,467.
- There has been a growth in themed cruises with themes ranging from archaeology to gardening and jazz to gastronomy.
- A conscious effort has been made to attract more younger people and families on cruises.
- While most cruises are offered on purpose-built cruise ships, some people also take 'cruise-type' holidays on working ferries and freighters, with fewer facilities than cruise ships, but which offer more contact with 'real people'.
- The cruise market can be segmented in a number of ways, including the following:
  - Where the cruisers come from; some cruises are aimed at one nationality but some cruise ships accommodate different nationalities which can cause problems if the nationalities have different attitudes to issues such as smoking in restaurants, for example.
  - First time versus regular cruisers.
  - Singles, couples, families, groups, and corporate users.
  - Those who prefer smaller, older ships, and those with a preference for larger, more modern ships.
  - People with a preference for particular regions versus those who are happy to cruise anywhere.
- The cruise industry suffers from a number of ethical challenges, namely:
  - The fact that while cruises often describe themselves as 'all inclusive', there are often substantial 'extras' to be paid. Gratuities or tips are almost obligatory, indeed as we have seen many companies add an automatic gratuity levy of £6–10 per person per day. Given that this is supposed to be a reward for exceptional service, this seems to be an odd approach. Other extras include the standard 15 per cent service charge on on-site bar purchases, compulsory taxes, and the cost of shore excursions.
  - The alleged exploitation of people from poor developing countries in the crews, with officers often coming from developed countries while catering staff, cabin stewards, and cleaners usually coming from poor countries. In these cases, while they are paid a low wage by developed country standards, it is above what they would earn at home. There is a view, therefore, that cruise companies may be exploiting poor people, for the benefit of their profit margins. On the other hand, there seem to be many people willing to take these jobs to allow them to earn more money than they could at home.
  - Cruises are sometimes accused of being not very sustainable, and having some negative impact on their ports of call. As well as some water pollution, they are accused of having little contact with the local community and not contributing enough to the local economy because they often stay only a few hours and cruises do not use local accommodation because of sleeping on the ship. On the other hand, cruise passengers also spend significant amounts of money on taxis and souvenirs in ports of call.
  - Many cruise companies do keep down their costs by registering their ships in so-called 'flags of convenience' ports, with allegedly less rigorous safety requirements for ships.
- The price of cruises varies dramatically from a few hundred pounds to tens of thousands of pounds. Even on the same ship, on the same cruise, one cabin may cost more than ten times that of another. Understandably, most advertised lead-in prices for cruises are based on the cheapest cabin which will usually be inside with no natural light, and very different to the glamorous ones shown in most brochures.
- In recent years, the cruise sector has suffered some high-profile public relations problems with well publicized food poisoning incidents, and health and safety concerns, as well as ship refurbishments not properly completed before the ship sailed. This kind of incident does not help attract new people into the cruise market.
- The growth of the cruise market in the UK has stimulated, and been fuelled by, the rise of specialist travel agents, guidebooks, and magazines.

Conclusion

The UK has played a considerable role in the impressive growth of the global cruise market in recent years. The diversity of cruise products on offer to the British market has grown dramatically and real efforts have been made to reduce the 'snobbish' image of cruising. There have been attempts to attract more younger people and families into the cruise market. The future of the UK cruise market looks bright at the time of writing (Spring 2003) but in the uncertain tourist market today, who knows what will happen in the future, particularly, if god forbid, a cruise ship becomes the victim of a major terrorist attack.

Discussion points and exercises

1. Compare and contrast the cruises offered by UK-based tour operators, such as Thomson TUI with those offered by traditional cruise ship operators, such as Cunard and P&O.
2. Critically evaluate the impact of cruise ships on their 'ports of call' destinations.
3. Discuss the advantages and disadvantages of the gratuities system and how it operates in the cruise industry.
4. You should conduct a small-scale survey of:
   - regular cruisers, to see why they like cruises;
   - non-cruisers, to discover why they do not take cruises.

   You should then produce a report, detailing your findings and outlining the implications of your results for the cruise industry.

Case study 16

Online Retail Travel – Expedia

The Internet is now a major aspect of everyday life and consumer culture worldwide. More specifically, it now plays a rapidly growing role in the retailing of travel services. Indeed, one of the most animated debates in tourism in recent years has been the extent to which online retailing will affect the traditional high street retail travel agent.

Online retail travel currently takes three main forms today in tourism, as follows:

1. Online selling by travel agency chains which also maintain traditional high street retail outlets, such as Thomas Cook. They operate a multi-mode selling approach which also include call centres as well as their shops. These companies have decided that the best way to counter the threat of competition from the Internet is to have their own presence online.
2. Online selling of their own products by tourism organizations such as tour operators and airlines. Indeed it was airlines like easyJet that pioneered this form of selling in tourism. The Internet, and the opportunity it offers to sell directly to customers, without the need for travel intermediaries, thus cutting out travel agents and their commission, which is very attractive to these tourism organizations.
3. Online selling by entrepreneurs and organizations that have not traditionally been involved in tourism, but which see it as a good market for online selling. This category includes Expedia which is the focus of this case study.

Before we go on to look at Expedia specifically we need to say a few more words, in general, about the role of the Internet in tourism.

Firstly, the growing use of Internet in retail travel has coincided with the growth of other approaches to selling including call centres, interactive television, and dedicated travel stations on satellite television, which are sponsored by individual companies.

Secondly, the use of online travel services is not evenly spread, geographically, around the world. It is strongest in the USA and Northern Europe, perhaps but in many parts of the world it has hardly made any impression, yet! This can be because the travel market is not yet highly developed in these countries, or the Internet is not yet well established, or customers may still be suspicious of giving credit card details to online operators.

Thirdly, online travel sites are not always used for bookings by tourists. They may simply be used as a method of gaining information, after which the client will use more traditional distribution channels to make their actual reservation.

Fourthly, the Internet is also becoming increasingly used as well by destinations, particularly those with limited budgets for more expensive promotion, which are targeting specialist niche markets.

Finally, in terms of marketing the Internet is reducing the 4 P's to 3 P's for it, specifically combines the functions of promotion and place (distribution). However, many players in the tourism industry still only use it for promotion only, not having any reservation facilities. This largely defeats the purpose of the Internet which is to allow reservations to be made 24 hours a day from all over the world.

Expedia

Expedia is now a major global player, arguably the leading one in the world, in the online retail travel market. The company web site outlines some landmarks in the history of the company, as follows:

- 22 October 1996 – Expedia.com debuts on the Internet in the US. Launched by Microsoft it was the first foray into the online travel arena by a major technology player.
- 12 November 1998 – Expedia.co.uk launched in the UK. After years of development, a specially tailored site for the UK market was introduced by MSN, Microsoft's Internet arm.
- January/February 1999 – Sales quickly reached £1 million and are currently running at £2.5 million per month.
- August 1999 – Voted No. 1 travel site in Europe. Less than a year after launch, independent analysts Forrester voted Expedia.co.uk the top travel service in Europe and one of the top 10 e-commerce sites in Europe.
- 10 November 1999 – Expedia.co.uk's parent group, Expedia Inc., floated on the Nasdaq stock exchange. Microsoft spun off around 17 per cent of Expedia Inc. for £78.2 million to raise capital for further development and marketing.
- 10 January 2000 – Expedia.co.uk removes the need for customer registration on its site. Following research by Jupiter Communications which said 40 per cent of online users were put off by site registration.
- 5 December 2000 – Expledia.co.uk launches 'Expedia To Go on WAP and PDA'. Expedia.co.uk launched Expedia To Go a service which enables travellers to access essential travel information on personal digital assistants (PDAs) and web-enabled phones (WAP) while en route.
- 30 July 2001 – Expedia announced its first profit before non-cash items for the third quarter needed 31 March 2001, five quarters ahead of analyst expectations. Third quarter revenues rose 88 per cent year-over-year (on a pro forma basis adjusted for acquisitions) to $110 million and gross profit role 137 per cent to $29.1 million.
- 16 July 2001 – USA Networks, Inc. announced an agreement to acquire a controlling interest in Expedia.Inc. through the purchase of up to 37.5 million shares allowing Microsoft to sever its ownership links with the country's top online travel agency.
- 2002 – Expedia won a number of awards, including New Media Age Best airline travel site and Web User Gold award.

Source: www.msn.expedia.co.uk

Expedia offers its clients a range of services including:

- booking all types of product combinations including: individual flights, hotels and car hire; flight and car; flight and hotel; and flight, car and hotel packages to hundreds of destinations worldwide;
- travel insurance;
- information including guides to destinations and online maps.

The turnover of Expedia and its subsidiaries has grown dramatically in recent years. For example, its revenue from agency and activities grew from US $9,665,000 (July–September 1999) to $160,948,000 (July–September 2002).

To build on its success to date, Expedia claims, in its web site, to be pursuing a three-point strategy, as follows:

1. Increasing reach and distribution through awareness raising advertising and developing links with their partners, together with their newly acquired travel agency network, Classic Custom Vacations (CCV).
2. Increasing conversion, in other words, turning browsers into buyers, by making the sites easier and more satisfying to use. They are also looking to develop deeper relationships with their existing customers.
3. Increasing cross-selling through the introduction of new ancillary products such as event tickets, ground transportation, and parking.

As well as the products it offers its clients, Expedia also offers copious information about itself on the Internet, namely:

- data on the performance of its business, aimed primarily at existing and potential investors;
- media relations material, mainly copies of the press releases sent out by the actual press office. In the past 2 years there have been, literally, dozens of such stories, of which the following examples give a flavour:
  - Expedia puts the world on sale
  - Expedia.co.uk extend merchant business to cars
  - Dumbed Down British wise up on Holiday?
  - Scrooge Britons do not want Christmas at home
  - Expedia adds speciality holidays
  - Expedia Inc. reports record revenue on earnings for Third Quarter
  - Expedia and Ticket Master form wide-ranging strategic alliance
  - Expedia.com introduces the industry's first travel shopping cart services
  - Expedia and Continental enter into marketing agreement
  - Expedia Inc. completes acquisition of CCV
  - Do Americans really get more action on vacation?
  - Expedia sponsors hit TV series, Survivor

Online retail travel and traditional high street travel agents

There is no doubt that traditional high street travel agents have felt greatly threatened by the Internet, notably in terms of:

1. the rise of new online retail travel organizations such as Expedia and ebookers, for example;
2. the growth of Internet-based direct marketing by airlines, in particular.

We saw earlier that many large-scale travel agency organizations have responded with their own web sites. However, this has led them to often have clumsy, complex multi-mode operations involving shops, call centres, and web sites.

At the same time, the small independent travel agent feels threatened by both the Internet and the buying power of the traditional multiple travel agency chains.

For them, in particular, their best prospects for survival seem to be the focus on the market and products which are least suited to online distribution, including:

- complex itineraries that are very time-consuming to book online;
- people with busy lifestyles who do not have the time it takes to use the Internet to make their travel plans;
- high value, one-off products such as luxury or wedding packages where clients may want a high level of personal service from a product specialist;

- customers who do not feel happy sending credit card debits through their computer;
- tourists who do not have access to the Internet or in countries where Internet access is currently unreliable.

If many travel agents do not take the actions suggested above they may well find their future very problematic. However, some of these opportunities may be only temporary in nature, particularly the last two.

Key issues

- There has been a great growth in the use of the Internet by tourists, making their travel plans, in recent years.
- Much of the growth in online retail travel has been driven by organizations outside tourism, such as Microsoft, through its development of Expedia.
- The growth of online retail travel has not been uniform around the world, but it is growing at a rapid rate overall.
- Online travel retailing is existing alongside other distributions modes such as call centres.
- The main motivator for using the Internet, on the part of tourists, appears to be their belief that this is where to find the lowest prices for tourism products.
- Making travel arrangements online is quite time-consuming and may, therefore, be less attractive to those with busy lifestyles whose spare time is very precious.
- The availability of tourism products online is not universal. Finding a flight to a major city and a hotel there is easy but booking a vacation package or even a hotel in a remote, off the beaten track destination is not. Furthermore many tourism organizations, small tour operators, and independent hotel groups, for instance still do not have an online reservation facility.
- Some travel agents have responded to the perceived threat posed by online distribution by developing their own online operations.
- Online travel services are developing all the time and there is a danger that the market place may become saturated with operators which could confuse or even irritate tourists.
- There may be growing competition between online travel agents and tourism organizations such as airlines, which already sell online, but which are looking to add value to their offer by developing flight, hotel, and car packages.

Conclusion

The rise of online retail travel is taking place at a time when the distribution function in tourism is changing in many other ways, through vertical, integration direct marketing, relationship marketing, and call centres, for example.

It is growing rapidly and will undoubtedly develop and change greatly in the future. It has provided an opportunity for non-tourism organizations such as Microsoft in the mid 1990's to enter the tourism market, and in doing so, to create competition for traditional high street travel agents.

The phenomenon discussed in this case study is a classic example of technological causing major changes in the tourism industry.

Discussion points and exercises

1. Critically evaluate the role which is currently being played by the Internet in retail travel in your country.
2. Compare and contrast Expedia with a traditional high street travel agency chain.

3. Discuss the factors that will influence the future development and growth of online retail travel around the world.
4. You should select two online retail travel outlets such as Expedia and two local high street travel agents. You should then assume the role of a potential customer, who is interested in making the following trips:
   - city break to Paris,
   - 4-week backpacking trip around South-east Asia,
   - beach holiday at a Mediterranean resort of your choice,
   - fly-drive holiday in the USA.

   You should then endeavour to use the online operator and high street travel agent to plan your trip, using common departure airports, dates and so on, for each vacation.

   You should then produce a report highlighting the relative strengths and weaknesses of online and high street travel agents in terms of:
   - price,
   - convenience and ease of use,
   - quality of service,
   - time taken to plan the trip.

CASE STUDY 17

The Brochures of Tour Operators

In the package tour business, the tour operator's brochure is, perhaps, the key element in persuading the tourists to buy a particular package. As a service sector product, delivered away from their home area, customers cannot 'try out' the product before deciding to buy it, so they are heavily reliant on the pictures and text in brochures to help them decide which package to buy.

As a result, tour operators spend millions of pounds on producing and distributing their brochures which can be hundreds of pages in length.

Around the world, fairly or unfairly, tour operators' brochures have often been accused of misrepresenting destinations and hotels in their attempts to attract customers.

The situation was thought serious enough in the early 1990s in Europe for the European Union to introduce the Package Travel Directive, which was designed to improve brochure accuracy and customer protection in the package tourism trade.

In the UK this Directive was enshrined in 'The Package Travel, Package Holidays, and Package Tour Regulations' in 1992.

There is no doubt that, in the UK at least, the accuracy of brochures as improved dramatically in recent years.

In this case study, we will look at a number of issues relating to tour operator brochures, starting with how tour operators describe their destinations and hotels in the summer sum market.

Exhibit 17.1 shows how three different leading UK tour operators described particular resorts in their Summer Sun 2003 brochures. It also includes descriptions of these resorts in the Travel weekly Group Gazateer for 2000–2001 which is a publication designed to provide detailed information for travel agents in resorts and hotels. The authors have also added their own commentary. These few selected examples seem to suggest that:

- Many mass market tour operators' resort descriptions are very short, perhaps reflecting that for many mass market tourists the actual resort is relatively unimportant, being just a backdrop to their activities.
- The 'Britishness' of resorts is clearly seen as a positive selling point.
- Some of the recommendations of market suitability, notably lively resorts as ideal family destinations, must be seen as questionable. This is a real issue as many complaints are from tourists who feel they have been advised to visit destinations that are unsuitable for them.
- Brochure writers have used clever words to suggest implicitly things that could discourage tourists if they were said more explicitly, such as 'expanding resort' rather than 'building work may be going on'.

Tour operator 'C' appeared to offer the most detail on resorts and was rather more candid. But some of the operators, probably understandably, put in detail which could have been seen as negative, even when such detail was found in the travel agents 'Gazateer'.

Exhibit 17.2 illustrates some of the differences in brochure descriptions of hotels and apartments between the same three UK tour operators.

Exhibit 17.1 Selected resort descriptions in the Summer Sun 2003 brochures of 3 leading UK tour operators

Brochure description		*Travel Weekly Group Gazateer, 2000–2001 description*	*Authors' comments*
Qawra, Malta			
Tour Operator 'A' Qawra is a peaceful resort lying within the larger resort of St Paul's Bay on a long promenade with a very pleasant walk into neighbouring Bugibba: – Relaxed and easy going – Variety of watersports available atmosphere – Stroll by the charming harbour at St Paul's Bay surrounded by the famous Luzza fishing boats *Transfer time from airport approximately* 40 minutes	*Tour Operator 'B'* Qawra is an English atmosphere permeates this resort, with its long lively seafront and new promenade. An abundance of restaurants and shops cater for all your holiday needs, and colourful St Paul's Bay is just a short walk away. Thirty-five minutes from the airport	Qawra is combined into a St Paul's Bay description. Is described as 'highly built up' with 'blocks of look-alike apartment buildings'. There are reported to be no sandy beaches in the area, but excellent watersport facilities	Both descriptions are short. The 'English atmosphere' is clearly seen as a positive point. The apparent poor quality of the townscape is not acknowledged in the description
Bugibba, Malta			
Tour Operator 'A' Bugibba is a busy expanding resort which spreads south into the quieter resort of Qawra. Further south is St Julian's centred around a pretty fishing harbour: – A host of shops, restaurants, bars, and nightlife – Preety fishing harbours and rocky beaches – An attractive promenade linking Qawra, Bugibba and St Paul's Bay *Transfer time from airport approximately* 30–40 minutes	*Tour Operator 'C'* This large developed tourist area is made up of closely-knit string of neighbouring resorts, stretching for 5 kilometres along St Paul's Bay, around Qawra Point and into Salina Bay. Of the group, Bugibba has developed into the largest resort in the area, with good views of St Paul's Bay and its islands. Proving its popularity Bugibba has the liveliest nightlife (and perhaps also some building work) Beaches are mostly rocky on Malta and Bugibba's beach is distinguished by little coves. The nearest sandy beaches are about 8 kilometres away at Mellieha Bay and further a field in Golden Bay. The entire area is great for watersports	Combined with Qawra in St Paul's Bay description referred to above. Comments for Qawra above are also made about Bugibba generally. Also described as 'unsophisticated promenade'. Qawra said to be a little more upmarket than Bugibba, which is described as being aimed at 'budget conscious older couples'	*Tour Operator 'C'* states clearly that building work may be going on but Tour Operator 'A' simply says Bugibba is an 'expanding resort'. *Tour Operator 'A'* talks about 'pretty fishing harbours' but these are not in Bugibba itself

Port El Kantaoui, Tunisia			
Tour Operator 'A' Port El Kantaoui – Dazzling white buildings and subtropical hotel gardens are typical features of this modern resort: – Home to stylish boutiques and cafes – Take a stroll around the marina – A PGA approved golf course nearby – Nightlife is centred around the hotels *Transfer from airport approximately* 45 minutes	*Tour Operator 'C'* Port El Kantaoui is Tunisia's answer to the chic marinas found along the Spanish coast. This purpose-built resort offers a wonderfully relaxing (and affordable) holiday with an excellent beach and full range of watersports. Kantoui's two 18-hole golf courses are close by. The restaurants, shops, and cafes in the busy marina are a focal point here. This is not the place for hectic nightlife. The old port of Sousse is a bustling. colourful town with a strong Muslim tradition, which means you will find just a few bars – but plenty of cafes, shops, and stalls. Sousse's long fine beach of pale sand shelves gently into the sea. For evenings out there are discos in the town, a smart casino often featuring international shows, and some quality French-style restaurants	Built in 'flat landscape' 'Compact purpose-built resort'. Motley collection of cafes, accommodation, etc. built-in sanitized modernTunisian style	The Tour Operator 'C' description is much more detailed than that of Tour Operator 'A' although this is partly because they have combined it with Sousse. 'C' also acknowledges this as a purpose-built resort with 'limited nightlife'. It also stresses the affordable nature of the resort
Magalluf/Palma Nova, Spain			
Tour Operator 'B' Magalluf, Majorca's liveliest resort, with a fantastic beach, plenty of watersports, activities, and entertainment and a vast selection of restaurants, shops, bars, and discos. Particularly suitable for those looking for a lively time in high season.While families would probably prefer the low season; 45 minutes from the airport. Palma Nova, traditional non-stop sun and	*Tour Operator 'C'* Popular, friendly Palma Nova is a great choice for an active family holiday. Its curving sand and shingle beaches are very well kept with lots of watersports, and there are scores of shops, bars and restaurants. A good bus service makes it easy to explore ocal attractions like Marineland and the waterparks. You might call Magaluf the 'San Antonio of Majorca'. That it also	'Part of continuing built-up area, with Palma Nova, Magalluf is boisterous and noisy'. 'Palma Nova is 'more restrained than Magalluf'. 'Investment has improved the seafront in recent years'	Tour Operator 'B' stresses the British feel of the resort of Magalluf, as does Tour Operator 'C' with its description of 'scores of English pubs' Tour Operator 'C' does not suggest that these resorts may be more suitable for couples and single people rather than families in contrast to the description of Magalluf by Tour Operator 'B'

(*Continued*)

Exhibit 17.1 (*Continued*)

Brochure description		*Travel Weekly Group Gazateer, 2000–2001 description*	*Authors' comments*
fun and a strong British influence make everybody feel at home in this lively resort which is also located close to Torrenova. The two sandy beaches offer lots of watersports, while restaurants, cafes, bars, and discos ensure plenty to do; 40 minutes from the airport	has an outstanding sandy bay – complete with umbrellas, sunbeds, watersports galore, even a glass-bottom-boat-trip – is just an added plus. It has everything – from shops to sights to good transport – for those who want fun, sun and to party til dawn. The scores of English pubs, discos, cafes, cocktail bars, and nightlife make this one of the liveliest resorts in Spain		
Playa De Las Americas, Spain			
Tour Operator 'A' *Playa De Las Americas* with a huge selection of things to do, this purpose-built resort won't leave you wanting. – Hectic nightlife centres around Veronicas sunset strip – Mix of volcanic sand and golden beaches – Selection of quality shops and restaurants – Great base for Tenerife's numerous excursions – Open-air Octopus Aquapark	*Tour Operator 'B'* *Playa De Las Americas –* Party capital of the Island, offers lively nightlife (particularly during July and August) with nightclubs, floor shows and a casino. Ideal for families and couples there are a variety of restaurants, watersports, a waterpark with slides and pools and a wide selection of shops; 25 minutes from airport	'A product of the age of package holidays'. It is 'custom-built for sun worshippers and pleasure seekers'. 'Pleasant promenade and impressive modern architecture?' 'Popular with the British; also, sadly, with low-lifers and drug peddlars' 'Most hotels are good quality and well appointed'	Again, the descriptions are very brief, and focus on the nightlife, although Tour Operator 'B' suggests the resort is 'ideal for families' as well as couples
Albufeira Area, Portugal:			
Tour Operator 'A' *Albufeira Region –* A popular beach resort where a traditional fishing village atmosphere can be found in the Old Town: – The largest resort on the Algarve – A variety of bars and	*Tour Operator 'B'* *Albufeira/Praia Da Oura* – No less than seven beaches backed by cliffs, plus a good collection of restaurants, discos, and bars, makes this growing, hilly resort one of the Algarve's finest. It still has a fishing village atmosphere and there's a zoo	'Has retained its charm.' Most areas are 'well planned unlike many others resorts in the Algarve' 'Very little of historical interest to see' 'An abundance of bars, many British owned'	Two short descriptions again, with a significant discrepancy in airport transfer times claimed. Only Tour Operator 'B' warns potential visitors that this is a hilly resort. Both operators claim it has a 'fishing village atmosphere'

restaurants to sample – A haven for many repeat guests Transfer from airport approximately1 hour 20 minutes	with marine park nearby; 60 minutes from the airport		
Ayia Napa, Cyprus:			
Tour Operator 'A' Once a small fishing village, Ayia Napa has developed into a modern and energetic resort: – Outstanding beaches – Excellent watersports facilities and a water park – An attractive harbour fringed with tavernas – An endless number of lively bars and vibrant clubs – A superb choice of restaurants to suit all tastes	*Tour Operator 'C'* Ayia Napa is a friendly resort that delights young sun-worshippers and sports enthusiasts. It is a fun, often noisy, resort thanks to the world famous nightlife focusing on nightclubs and umpteen bars, many with karaoke and big screen sport, and the restaurants ranging from tavernas to Thai. It is not the place for a quiet cultured holiday. By day the large main square is a good place to people watch, at night stalls sell jewellery and copper goods. The small harbour is busy with fishing and tour boats heading for Cape Greco peninsula. The town beach, Grecian Bay, is a crescent swathe of golden sand, chock-a-block with watersports	'In high season, almost exclusively taken over by young singles' 'Water sports are plentiful' 'A huge clubbing scene has grown almost out of control'	Both operators describe this place as a fun resort with an emphasis on nightlife Only one watersport facilities while Tour Operator 'C' says, 'its not the place for a quiet cultured holiday Tour Operator 'A' is much less explicit in its resort description
Bodrum, Turkey:			
Tour Operator 'A' The town of Bodrum is one of the prettiest in Turkey, with white-washed houses leading down to a thriving yachting marine: – Undisputed nightlife capital of Turkey – Fantastic array of restaurants offering every conceivable type of cuisine – Great shopping and full of colourful history – Boats depart regularly from the marina, headed for the sandy bays of Bodrum Peninsular	*Tour Operator 'C'* East meets West in a beautiful setting in Bodrum, Turkey's most exciting and vibrant resort. A lively and cosmopolitan town, there are countless bars and restaurants serving traditional and international cuisine. Bardaci Bay Beach is two kilometres from the centre of Bodrum and there are other good beaches to the west. Shops range from the traditional to contemporary while the weekly market at Turgutries is a great chance to barter for local bargains	'Its development has been strictly controlled'. 'Good shops in the narrow streets of the centre'. 'Full marks' for the nightlife. 'Restaurant choice is the most extensive of all (Turkish) resorts' 'It is important to check prices before being coerced or hustled; some are inclined to over charge'	Both descriptions emphasize the beautiful setting and prettiness of the town, together with the vibrancy of the resort

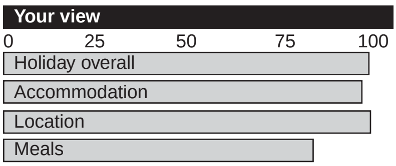
Exhibit 17.2 Selected hotel and apartment descriptions in the Summer 2003 brochures of Airtours, First Choice, and Thomson TUI

Brochure description – Hotel A
Hotel Aloe, Cyprus
Tour Operator 'A'
A family-run hotel with a friendly atmosphere, the Aloe Hotel is well located to enjoy all the facilities that this resort has to offer. The hotel provides a relaxing setting, with a small selection of shops and restaurants nearby.

Around and about: The beach is a short 100 metres stroll away, while the harbour centre, with its restaurants and impressive nightlife is 1.5 kilometres away. A short taxi ride will take you into central Paphos.

Accommodation: Bed and Breakfast – meals are waiter or buffet service. Twin rooms sleep up to 3 adults and have bath, shower, WC, telephone, satellite TV (Pay TV channels) mini-bar, hairdryer, safe, air conditioning, and balcony. Single rooms, rooms side and full seaviews and family rooms that sleep up to two adults and two children are all available at a supplement as well as half board and full board upgrades. Free cots. Daily maid service, with towel and linen change. The hotel is ISO 9002 registered.

Official rating: Four star – 272 rooms, four floors, four lifts, Tel : 00 357 269 64000



Facilities:

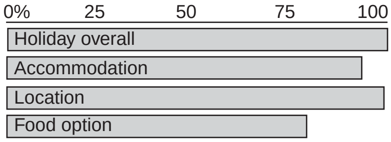
- Two outdoor pools
- Children's paddling pool
- Two restaurants – the 'Mediterraneo' and the 'Cafe Paradiso'
- Grill terrace, bar
- Moonlight cocktail bar
- Lounge, TV lounge, sports lounge
- Poolside snackbar
- Two tennis courts (floodlit and payable locally)
- Table tennis
- Health club featuring indoor pool, sauna, jacuzzi, massage (all payable locally), and free gym
- Games area
- Three 18-hole golf courses 14 and 15 kilometres from the hotel (bookable locally)
- Watersports
- Weekly Cypriot folklore show, live music; five times a week, occasional cabaret show, various theme nights and disco
- Souvenir shop
- Hairdresser
- 24-hour reception
- Diving facilities with instructor and free try dive in the hotel pool
- High chairs
- Splash pool
- Java Cafe

Note: Charges may be made for some facilities in addition to those highlighted above

(*Continued*)

Exhibit 17.2 (*Continued*)

Hotel Aloe
Tour Operator 'C'



A modern friendly hotel close to the beach for daytime and near to bars and restaurants for night-time

Is it for me? – Suits couples looking to explore

Location – On main road into Paphos; 30 kilometres to bars and restaurants; 150 metres to sandy beach; 600 metres to local nightlife; 1.5 kilometres to Paphos harbour

Swimming pool – Two outdoor pools, one is a large lagoon pool. Sun terraces. Indoor pool. Two poolside bars serving snacks

Meals – three restaurants, one open air (weather permitting). One has no smoking section. Buffet breakfast. Main meals waiter service three to four times a week. Theme buffet nights three to four times weekly. Java terrace café

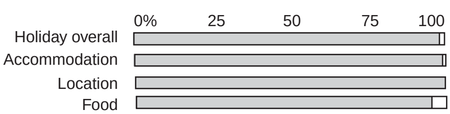
Entertainment – Bar, lounge, sports lounge with TV; disco night; live band four to five times weekly; occasional pianist in the restaurant; Karaoke and occasional cabaret night; Weekly Cypriot or Greek folklore show

Activities – Two floodlit tennis courts; keep fit; sauna; whirlpool bath; massage, aromatherapy and reflexology; table tennis; billiards; games room; diving facilities with experienced instructor (weather permitting); watersports may be booked at hotel; two golf courses (Tsada and secret valley golf clubs) are 14–15 kilometres away; free gym

For families – Two, three or four beds; air conditioning; minibar; Safety deposit box; satellite/pay-per-view TV' hairdryers; Single and family rooms available
Hotel bedrooms 272
Lifts 4
Official rating – Four star

Authors' comments
Tour Operator 'A' offers much more detail than 'C'
Tour Operator 'C's clients were clearly a little less satisfied with this hotel than those of 'A'
There is a slight discrepancy between the two in terms of the distance from the beach
Most of the detail on facilities is very similar but Tour Operator 'A' is the only one to note that the hotel is ISO 9002 registered. It is also the only tour operator to give the hotel's phone number so clients can call the hotel with queries if they wish

Brochure description – Hotel B
Grand Hotel Capodimonte, Italy
Tour Operator 'B'



(*Continued*)

Exhibit 17.2 (*Continued*)

Couples in search of a relaxing, well maintained holiday base in a secluded yet convenient location will enjoy this quality hotel. The hotel is set in an elevated position with 5 minutes walk of the resort centre and offers great views of Sorrento

Location – Situated 500 metres from the beach, 400 metres from the resort centre, and 250 metres from the nearest supermarket

Facilities – Rooftop outdoor pool with five levels, furnished sun terrace, sunbeds, two lounges, and gardens. Table tennis

Food and drink – Buffet breakfasts and waiter service main meals are served in two restaurants. There is a weekly buffet, light bites are available from the snack bar and there are two drinks bars

Entertainment – Various live music events in the evening

Accommodation – Feature air conditioning (available between 15 June to 15 September) telephone, satellite TV, radio, safety deposit facility, bathroom with hairdryer and balcony or terrace

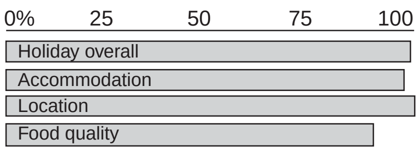
Size – 131 rooms on 11 floors, five lifts

Board basis – Half board (full board at a supplement)

Official rating – Four star

Grand Hotel Capodimonte, Italy

Tour Operator 'C'



A large friendly hotel which guests return to year after year

Is it for me? – Those looking for luxury and excellent service in beautiful surroundings

Location – At bottom of hillside, set back from main road; 600 metres to Piazza Tasso; 300 metres to shops, bars and restaurants; A steep 500 metres walk takes you to a fishing harbour; Private lift to rocky Tonnarella Beach, 400 metres away; Due to the layout of the hotel it is not suitable for the less mobile

Swimming pool – Five tiered pool (from April to October); Pool with hydromassage; Sunbeds available; Pool bar serving snacks and barbecue meals at lunchtime; free deck chairs

Meals – Two restaurants (one opens only when busy); Continental buffet breakfast; Dinner waiter service 6 days a week; Weekly gala buffet (high season)

Entertainment – Bar with dividing doors to create separate lounge; TV and card room; Live music twice a week; Pianist once a week (high season)

Activities – Table tennis; Solarium

For families – Free cots

Other facilities – Porterage

Room facilities – Two or three beds; satellite TV; radio; telephone; hairdryer; minibar; safety deposit boxes available; Air-conditioning (available June to September)

Note: Standard and single rooms are cliff facing, seaview rooms have limited sea view. Room types/sizes vary due to interconnecting buildings

Hotel bedrooms 131

Lifts five

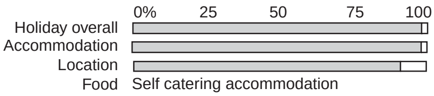
Official rating – Four star

(*Continued*)

Exhibit 17.2 (*Continued*)

Authors' comments
Tour Operator 'B' and Tour Operator 'C' are not agreed on the grade of this hotel; one sees it as four star in their own classification, while it is a five star for the other
The clients of Tour Operator 'B' seem a little less impressed with the hotel than those of Tour Operator 'C'
Only Tour Operator 'C' acknowledges that 'room type/sizes vary due to interconnecting buildings
Tour Operator 'C' uses stronger adjectives to describe the hotel such as 'luxury'
However only 'C' says that 'due to the layout of the hotel, it is not suitable for the less mobile'

Brochure description – Hotel C
Alfagar Apartments, Portugal
Tour Operator 'B'



A number one choice for families. Being family run, the focus of this apartment complex is fun for all, with separate pool and play area for children, low rise buildings and plenty of spacious grounds make it ideal. The apartments are well equipped and cared for to ad comfort and quality to a perfect family holiday

Location – 300 metres (via private access with a steep decline) to the long beach in Albufeira's Santa Eulalia area, 5 kilometres to Albufeira's atmospheric old town and 2 kilometres to the lively nightlife in the new town

Facilities – Two swimming pools in attractive landscaped gardens and a supermarket on site. Tennis courts. Games room

Food and drink – Waiter service restaurant with local and international menu, snack bar and bar

Entertainment – Daily evening entertainment, folklore live music, and karaoke

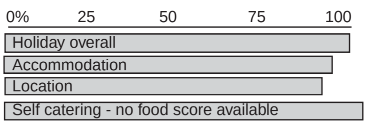
Families – Large children's pool in garden area with playground

Accommodation – One and two bedroomed apartments with double sofa beds have safety deposit box, kitchenette with cooking rings, oven/grill, kettle, toaster and fridge plus a bathroom. Most apartments feature a furnished balcony or terrace

Size – 210 apartments on three floors

Board basis – Self catering

Official rating – Three star
Alfagar Apartments, Portugal
Tour Operator 'C'
These stylish apartments command a stunning cliff-top perch above the shores of Santa Eulalia Beach. The apartments combine two holiday essentials – an outstanding location and comfortable accommodation.



Is it for me? – Suits families with children and young couples wanting to be away from the main tourist areas but near the beach
Location – Just 150 metres from the beach which is reached via steps built over the cliff face; Set in large gardens in a quiet location; 2 kilometres from shops, bars and restaurants and 2 kilometres from Sao Joao; Courtesy bus to resort centre twice daily (not on Sundays or public holidays)
Swimming pool – Two pools; Poolside snack bar serving food all day

(*Continued*)

Exhibit 17.2 (*Continued*)

Entertainment – Lounge bar; live music nightly including folklore and karaoke

Activities – Two tennis courts; Games room with electronic games, table tennis, pool table, snooker and internet connection

For families – Large children's pool; playground; Games room; Cots

Other facilities – A *la carte* restaurant open for dinner serving international and regional cuisine; Supermarket

Apartment facilities – All apartments have kitchenette (four rings, electric oven, kettle, coffee-maker, and toaster); a shower or bath; wc; and balcony or terrace; bedrooms have twin beds with a double sofa bed in the lounge; Maid service is five times a week
No. of apartments – 208
Lifts – None
Official rating – second category

Authors' comments
Operator 'C' says it is good for families and couples but 'A' only recommends it for families. The two operators do not agree on the official description of the hotel or on the distance of the beach from the apartments

However, in addition to the question of resort and hotel descriptions in brochures, there are a number of other issues relating to tour operator brochures that are worth discussing, as follows:

1. Questions about the extent to which brochures give tourists advice relating to the risks involved in taking some vacations. This has become an ever more important issue with the rise of long-haul travel and adventure tourism, together with the growth of terrorist attacks on tourists.
   Travellers clearly need advice about:
   - health matters, notably the need for certain vaccinations. Often tourists are not clearly advised of the facts to help them make a choice about vaccinations or they are simply told to consult their doctor. Many travellers are visiting destinations without the necessary vaccinations, and yet at least three vaccinations or immunizations are required or advised for major destinations such as Belize, Brazil, Egypt, Gambia, India, Kenya, Malaysia, Mexico, South Africa, Turkey, and the UAE. It could particularly be argued that tour operators should take more responsibility for advising tourists on immunization and health precautions, especially in relation to malaria, although some are doing much more now than they used to;
   - hotel safety and general safety of guests in the resorts. More has been done in recent years in the resorts by tour operators. This is purely as a result of the desire of tour operators to avoid legal liability for accidents occurring to tourists. Many operators now include standard advice for tourists such as this taken from one tour operators brochure in 2002:

> Personal safety: Most resorts are generally safe, but holidaymakers are advised not to talk alone at night in unlit areas or display jewellery or valuables.
> Health and Hygiene: We promote good hygiene practices within hotels, but the hygiene standards in some foreign countries, particularly developing destinations, are generally much lower than in the UK. Care should be taken to minimize the risk of holiday sickness, especially among pregnant women, infants, and the elderly. Heat and humidity abroad, combined with alcohol and new foods, can cause minor upsets so bring remedies from home. Taking simple precautions can also help to avoid problems. Care should be taken when choosing to eat outside the hotel. Drink bottled water and avoid ice in drinks and desserts. Ensure that raw fruit

and vegetables are thoroughly washed or peeled. Food should be properly cooked and served piping hot or chilled accordingly. Avoid food and buffets that have been left for long periods.

Your General Practitioner can also provide up to date health advice and we recommend that you consult your doctor well in advance before travelling.

Safety standards: It is important to remember that safety standards in many foreign countries differ from those taken for granted at home. While our hotels and facilities should meet local safety regulations, these rarely match UK standards which are among the highest in the world. Only a minority of hotels and apartments meet European Commission recommendations on fire safety, even within Europe, as well as more exotic destinations. We nevertheless seek to raise standards in all our destinations by working with suppliers and lobbying for higher local and European legal standards.

First for accommodation: By working together with accommodation owners, we strive continuously to improve general safety in all the hotels and apartments we feature. Always familiarize yourself with the fire safety arrangements and exit routes at your accommodation. In some resorts, local regulations aimed at preserving the historic nature or aesthetic beauty of the property may prevent hoteliers providing levels of safety with which we are familiar. As always, we ask you to take extra care while on holiday.

First for pools and beaches: Please remember that most pools in your holiday accommodation will not have a lifeguard. It is therefore important to remember, especially when travelling with children, to take a few minutes to familiarize yourself and your party with the pool area on arrival. Children must always be accompanied by an adult in the pool are including children's pools and surrounding areas and at all other times. Familiarize yourself with flag warning systems that may be in operation on local beaches and take into account local conditions.

First for fun in the sun: Working with the Department of Health, we provide expert safety in the sun tips. You will find these in the Essential Information Guide sent with your tickets. Do make sure you take an adequate supply of any medicines needed and keep these with your hand luggage, as equivalent prescriptions may not be available in your holiday area.

First for children: We take advice from childcare organizations in the UK on child safety issues. Our children's representatives carry out regular checks to ensure that all of our clubs provide a suitable environment. Parents should check that they are happy with hotel operated clubs and children's facilities including playgrounds.

Customer information: Although all Thomson holidaymakers are required to purchase appropriate holiday insurance, preventing accidents before they happen is better than a cure. Do read Health Advice for Travellers (T6) available from your travel agent, local Department of Health office or the Health Literature Line on 0800 555 777.

Guidebooks are another useful source of information. The latest Foreign Office Advice notifications are also available on CEEFAX – BBC2, pages 470 onwards or on the Internet under the address http://www.fco.gov.uk/. You can contact the ABTA Information Department on 0901 201 5050 (calls charged at 50 per minute).

Source: Thomson TUI Super Family 2002 brochure

In fairness, it should be noted that tourists also should take, perhaps, more responsibility for their own safety rather than putting all the onus on the tour operators. However, brochures do still contain very little information on topical concerns such as terrorism and deep vein thrombosis (DVT).

2. Allegations that brochures are often too complex, particularly in relation to prices. The 'lead-in' prices which are quoted on brochure covers and promises of 'free child places' are clearly designed to tempt people. However, the reality of the price the tourist will actually pay often bears little

resemblance to these 'special prices' once the supplements contained in the small print are taken into account such as accommodation under-occupancy supplements and the conditions which often apply to the so-called 'free child places'. While there is nothing illegal about these they can leave an impression in the customer's mind that tour operators are trying to mislead them.
3. Sometimes brochures featuring travel at off-peak times such as winter sun in the Mediterranean can appear to be written as if the tourist were travelling in the peak season. Pictures of clear blue skies, people in swimming pools, and busy streets packed with shops and restaurants can seem very misleading when the reality is likely to be cloudy skies, empty swimming pools, and closed restaurants and shops. Even where attempts are made to offer factual advice, on climate for example, there can be significant differences in the data offered by different tour operators, for the same destination. The authors have noted major differences in this respect in terms of temperatures, rainfall, and sunshine hours. Again, this can cause real dissatisfaction among tourists.
4. Suggestions that brochures, particularly those for long-haul destinations in developing countries, portray these destinations in a stereotypical, superficial manner. They focus on quaintness and the picturesque and ignore poverty and political controversy. Every destination is packed with smiling, welcoming people, colourful sites, and wonderful photo opportunities.

Key issues

- Brochures continue to be at the heart of marketing in tour operations, and are more important than they are in any other sector of tourism and hospitality.
- For many years, tour operator brochures have been criticized for their lack of candour about destinations, accommodation, and the packages on offer to tourists.
- Pressure from consumers at the media, and the European Commission, has led to improvements in this respect in recent years, most notably in Europe.
- It may be naive however, to expect commercial organizations to say a lot about the negative aspects of their products in brochures which are designed to encourage people to buy these products.
- It is also probably unfair to put all the onus on tour operator brochures to make sure tourists make appropriate purchase decisions. There is also a responsibility on the tourists themselves to inform themselves about issues such as health while travel agents should also provide impartial advice for tourists.
- Nevertheless, much of the text in brochures is rather banal, and there are still too many questionable standards pertaining to factual information.
- Some tour operator brochures offer very little information about destinations and little guidance about which resorts are more suitable for which types of tourist.
- Still, too much information is 'hidden' in small print at the end of brochures.
- Brochures tend to regularly be written in a language which is not altogether transparent, as in the case of 'expanding resort', sometimes meaning 'a building site', and 'popular' meaning 'noisy'.
- From the authors' own experience, there are also national differences in the quality and accuracy of tour operator brochures. Those in the UK, for instance, are now at the better end of the spectrum compared to some in other parts of Europe which often exclude compulsory taxes from prices for example.
- The real or perceived weakness of tour operator brochures, together with the rise of long-haul and independent travel, are one reason behind the growth of the 'new' generation of guidebooks such as the 'Rough Guides' and 'Lonely Planet'.
- To protect tour operators from being sued by aggrieved customers in future, as the phenomenon of civil litigation grows worldwide, tour operators may have to include more advice in their brochures to warn tourists of all kinds of potential risks.

Conclusion

Tour operator brochures continue to be, both, a crucial element of their marketing mix, and a matter of great controversy. Tour operators have to balance the need to provide full information for customers with their desire to sell holidays to what may be rather unattractive destinations. Growing legislation, litigation, and consumer pressure will make tour operators have to focus in more detail on exactly what they say in their brochures. In spite of the progress made in recent years, it appears there is still considerable scope for improvement.

Discussion points and exercises

1. Discuss the role of tour operator brochures in the:
   - marketing of package holidays by tour operators,
   - purchase of package holidays by tourists.
2. Discuss the problems which can occur as a result of resort descriptions like those displayed in Exhibit 17.1.
3. Critically evaluate the role which legislation can play in ensuring that tour operator brochures are honest and accurate, and helpful for tourists.
4. You should analyse the brochure of a major tour operator in terms of the issues raised in this case study, noting both its strengths and weaknesses. You should then suggest how it could be improved to ensure that it better meets the needs of customers.

Case study 18

Wildlife Tourism in Southern Africa

Wildlife watching is one of the fastest growing sectors of the tourism market, but it is not a homogeneous sector. Wildlife tourism comes in many forms as we can see from the typologies shown in Exhibit 18.1.

The earliest form of wildlife tourism was probably the big game safari in Kenya but today it is a phenomenon seen in many parts of Africa, and elsewhere. For example, in recent years, wildlife

Vacations featuring all types of wildlife such as a safari	Vacations which focus on one type of wildlife only such as butterflies or orchids
Vacations which are completely focused on wildlife	Wildlife side trips as part of more general vacation experiences
Land-based wildlife tourism	Marine wildlife tourism
Touring vacations	Single centre vacations
Luxury wildlife vacations with all modern conveniences	Single wildlife vacations with basic level facilities only
Largely passive vacations	Active vacations
Vacations which focus on wildlife as a tourist attraction to be viewed and photographed	Vacations with an emphasis on conservation or learning a lot about wildlife

Exhibit 18.1 Typologies of wildlife tourism

tourism has grown greatly in the whole of Southern Africa. For most Southern African countries it is the major product which they promote to foreign tourists. Even in South Africa, which has a broader-based tourism industry, wildlife tourism is a key element in the country's tourism offer.

Millington, in his 2001 report on adventure tourism in *Travel and Tourism Analyst* suggested that Africa as a whole had 'the best big game variety in the world', although he acknowledged that East Africa is currently the most popular region of Africa for wildlife watching.

The World Tourism Organization estimates that around 30 million tourists are nature or wildlife tourists (Millington, 2001) and the number is growing all the time.

It is clear from the following, taken from various Travel and Tourism Intelligence reports, that wildlife tourism is very important to the countries of Southern Africa:

- In 1998, the Kruger and Natal National Parks received over 1 million visitors each. While most of these tourists were domestic, the number of foreign tourists is rising all the time.
- Wildlife watching is the 'number one attraction' for tourists to Zambia where tourism was worth US $85.2 million in 1999.
- Furthermore, at least 3000 people in Zambia, 30 per cent of the country's tourism employment, was in accommodation used by wildlife tourists.
- In 1997, there were 140,693 paying visitors to national parks and reserves in Botswana, most of them overnight staying visitors.

These figures have all increased significantly since the late 1990s the period to which this data refers.

There seems little reason to doubt that wildlife tourism has contributed to the growth in tourism statistics for Southern African countries, in recent years, as follows:

- a growth in foreign visitors to Botswana from 740,000 in 1998 to 995,000 in 2000 (WTO, 2002);
- an increase in tourists going to Namibia from 560,000 in 1998 to 850,000 in 2001 (WRO, 2002);
- Zambia achieving a 13 per cent growth rate in international arrivals from 1999 to 2000 (WTO, 2002).

The growth of wildlife tourism has been spearheaded by organizations which have grown up, by bringing together national tourism boards and the private sector. Interestingly, many of these organizations are regional, not just based in one individual country, and such organizations are developing all the time. Details of two such organizations are given below.

Regional Tourism Organisation of Southern Africa. This represents a major new initiative in regional tourism, as can be seen from the following:

In a major, multi-national initiative, 14 countries in Southern Africa have got together to promote and develop the region's wonderfully diverse tourism attractions.

They have formed the Regional Tourism Organisation of Southern Africa (RETOSA), an association which involves both national tourist offices, the private sector and local communities.

While recognizing that each country has its own unique, environment and culture to promote, RETOSA believes there is much to be gained from a co-operative approach. In particular, the creation of multi-country itineraries will be encouraged – so providing an exciting 'holiday of a lifetime' experience for the travelling public.

In the UK, RETOSA will be working closely with the Southern Africa Travel Organisers Association (SATOA) to further its aims. RETOSA, as the official Southern African Development Community (SADC) tourism body, combine for the first time the full spread of stakeholder interests in the region – public and private sectors as well as the community – into one focused organization. Member countries, through regular board meetings, networking and co-ordinated marketing, systems and policy actions, will be able to focus their interests when required, through RETOSA's regional umbrella strategies. RETOSA will also assist the tourism co-ordinating unit in co-ordinating tourism, human resources and skill development and responding to the needs for sound services already in the industry.

The organization is also aware that tourism growth cannot be sought regardless of its impact. With this in mind, the organization will be working actively with the broad range of conservation and environmental bodies to retain and safeguard the region's heritage for future generations.

In more specific terms, RETOSA's marketing will include:

- activities at travel fairs worldwide;
- a travel industry strategy involving briefings, seminars, road shows, themed campaigns, point of sale support, media tours, and publications;
- corporate promotions aimed at stimulating conference, sports, and incentive business into the region;
- development of tourism data bases accessible to any inquirer;
- information services (including publications, direct mail, electronic, newsletter, and other media);
- market research and customer attitude surveys;
- intensive 'networking' with overseas marketing bodies.

Within the broader development arena, RETOSA will target a number of ongoing 'projects' including:

- encouraging the region's tourist suppliers to develop and expand regional packages;
- forging closer links with both regional and international airlines flying into the region to develop more synchronized timetables as well as pool promotional and marketing services;
- development of a regional image'.

Source: SATOA Brochure, 2001

The UK-based Southern Africa Tourist Organisers Association (SATOA)

SATOA was formed in 1982 by a group of specialist operators to the region to promote, as a professional body, all aspects of tourism to Southern Africa and the Indian Ocean Islands of Comores, Madagascar, Reunion, and Mauritius.

Currently, SATOA has more than 60 members including major tour operators, ground handlers, car hire companies, hotel groups, national tourist boards, airlines, and shipping companies, based both in the UK and in Southern Africa.

SATOA members are an unrivalled source of information about travel and tourism to the region for both travel agents and the public. Their commitment to professionalism, coupled with their enthusiasm for this wonderful part of the world, help to ensure the very best holiday experience both for first time travellers to the region and the considerable numbers making return trips.

Source: SATOA Brochure, 2001

These organizations are clearly valuable in trying to co-ordinate tourism development in a region which has been through turbulent times. However, it is important to recognize that much of the growth in Southern African wildlife tourism has been driven by foreign tour operators who see it as a lucrative market. There are literally hundreds of wildlife tourism packages in Southern Africa. Details of a few of those on offer in 2003 to UK tourists are outlined below:

1. Botswana and Zambia

Okavango and Sambezi Lodge Safari
15 days Hotel/Lodges/Houseboat – Wildlife, Wilderness, and Waterfalls

This easy paced safari is mostly accommodated in comfortable lodges and features extensive game viewing in the Okavango Delta, Moremi Game Reserve, and Chobe National Park. We include a relaxing 2-day cruise on board our privately chartered houseboat. There is also time to enjoy the raging 'smoke that thunders' Victoria Falls.

Fly into the Okavango Delta
To begin we take a scenic flight deep into the watery heart of the Okavango Delta – a green paradise in the midst of desert. Hundreds of species of animal and bird are attracted to this fertile, freshwater basin. We will spend 3 memorable days exploring the channels and reedbanks by boat and safari vehicle, and take a guided game walk on an island, red lechwe, hippo, crocodile, and a great variety of birdlife are normally easy to spot.

Moremi Game Reserve and Chobe
During the next few days we shall explore the beautiful wildlife parks of Moremi and Chobe, a lush landscape of forests and flood plains. Giraffe, buffalo, and large herds of elephant are commonly sighted, as well as predators like lion, leopard, jackal, and hyena. Bird watching is also superb, particularly along the banks of the Chobe river. Both Savuti and Kasane provide our bases for exploring and game viewing in this wonderful wilderness area.

Zambezi River Cruise and Victoria Falls
Next, into Zambia to board a specially chartered houseboat on the Upper Zambezi for a 2-night cruise down the mighty river.

Cruising on the river, there's a good possibility of seeing more game, while bird life is prolific. There is a chance to ride *mokoros* (dug-out canoes), take island walks and cruise at sunset. Finally we reach Livingstone, the adventure capital of Zambia, and visit the raging 'smoke that thunders', Victoria Falls.

Factfile

Itinerary day. 1. Fly London/Maun. 2. Arrive Maun; free afternoon. 3. Fly into Okavango Delta; game viewing. 4&5. Boat safari and game drives in Xaxanaka area of Okavango Delta. 6. Via Moremi to Savuti in Chobe N. Park; game drive. 7. Game drives around Savuti. 8. Drive through Chobe to Kasane; game drive. 9. Game viewing in northern Chobe; optional boat safari. 10. Drive Kazungula; ferry to Zambia and join houseboat; cruise Zambezi. 11. Full day on the Zambezi. 12. To Livingstone; view Victoria Falls. 13. At leisure in Livingstone. 14. Fly London via Jo'burg. 15. Arrive London.

Accommodation and meals. Hotel BB (1 night); Lodge BB (4 nights) FB (5 nights) Houseboat FB (2 nights). See p. 156.

Mode of travel. 4WD Safari vehicle/ferry/Mokoro/shared cabin on houseboat/motor boat in delta/on foot.

Comment. All lodges are located in wonderful wilderness settings, generally overlooking a river and ideal for more relaxed wildlife watching. Designed to blend carefully into the natural surroundings, most have a small plunge pool for cooling off in the midday heat.

Tour staff and support. Local explore leader/driver/guide plus various boat crew.

Group size. Approximately 9–12.

Source: Explore Worldwide Brochure, 2003–2004

2. Great Botswana Safari

This tour offers the ultimate in luxury safari experiences, staying in the best available accommodation and visiting some of Africa's finest game viewing destinations. The journey begins with a visit to the Victoria Falls, one of the greatest natural wonders of the world, where the mighty Zambezi River thunders over 100 metre drop. Crossing into Botswana, you visit Chobe National Park, home to some of the largest concentrations of elephant in Africa. From Chobe, you continue to Moremi, whose woodlands are a habitat for lion, leopard, cheetah, buffalo, antelope, and hippo. The journey concludes with a visit to the exceptionally beautiful Okavango Delta, a vast area of shallow islands, lagoons, and waterways covered with papyrus, palm trees, and water lilies, and a habitat for some 200 species of birds.

Itinerary at a glance. 8 nights/11 days from £2695

Victoria Falls/Chobe/Moremi/Okavango Delta

Day 1. To Victoria Falls. Fly from London to Victoria Falls via Johannesburg (N).

Day 2. Victoria Falls. Transfer to the Victoria Falls Hotel for 2 nights. The Victoria Falls Hotel is set in extensive grounds with views over the Batoka Gorge and Zambezi River. Afternoon at leisure (B).

Day 3. Victoria Falls. At leisure or optional excursions. The Victoria Falls were 'discovered' and named by David Livingstone in 1955. The local African tribe referred to the falls as the 'smoke that thunders' on account of the terrific noise and huge plume of spray resulting from the Zambezi crashing into the ravine far below (B).

Day 4. Chobe. Morning drive to Kasane in Botswana. Fly by light aircraft to Savute Elephant Camp and stay for 2 nights. Located in the rugged semi-arid wilderness of Chobe, each luxury tent has en suite bathroom, electricity, and a private viewing deck. The camp is situated in lush grassland, famous for its elephant and lion. Afternoon game drive (B, L, D).

Day 5. Chobe. Full day game viewing (B, L, D).

Day 6. Moremi. Morning game drive then fly by light aircraft to Khwai River Lodge for a 2-night stay.

Khwai has magnificent tends under thatch, with superb views of the Khwai River. There is a heated swimming pool and each tent offers air conditioning and electricity. The area has an abundance of big game and a tremendous variety of birds (B, L, D).

Day 7. Moremi. Full day game viewing (B, L, D).

Day 8. Okavango Delta. Morning game drive then fly by light aircraft to Eagle Island. Camp for 2 nights. Eagle Island is a water-based luxury camp situated in the Central Delta. There are over 200 species of birds and on the islands, there are elephant, lion, buffalo, and giraffe. The camp is sheltered by a canopy of indigenous trees offering a cool retreat from the African sun. Activities include cruises and guided game walks (B, L, D).

Day 9. Okavango Delta. Full day exploring the delta (B, L, D).

Day 10. To London. Morning game activity then fly by light aircraft to Maun. Fly to London via Johannesburg (B, L).

Day 11. London. Early morning arrival (N).

Source: Cox and Kings' Africa Brochure, 2002

3. Kruger and Mpumulanga

Extend your stay in South Africa with a 6-day guided tour of Kruger National Park and the Mpumalanga Panoramic routes.

Prices from £865 (based on twin share)

From Johannesburg we drive to Ingwe Game Lodge, nestled in the heart of the vast private Korongwe Game Reserve, for a memorable day of wildlife viewing accompanied by experienced guides. The word 'Ingwe' is Shangaan for leopard, the most fascinating of the area's predators, which we hope to see as well as lion, elephant, and giraffe.

We travel onwards via the Abel Erasmus Pass and into the Mpumalanga Escarpment, a well-known panoramic route with stunning views of mountain, forest, and waterfalls. We stop at Bourkes Luck Potholes, the Blyde River Canyon, Gods Window, and the Pinnacle, just a few of the wonderful sights to see. All day is spent in the world-renowned Kruger National Park, one of the world's most famous wildlife sanctuaries. Among its 147 different mammal species are the 'Big Five' – elephant, rhino, buffalo, lion, and leopard, which we will be looking for during our game drives. Kruger is also known for its fabulous bird life including colourful kingfishers, bee-eaters, rollers, hornbills, starlings, sunbirds, and over 50 raptor species. We travel back to Johannesburg via the Long Tom Pass, Lydenberg, and Dullstroom, visiting a traditional African Ndebel village on the way.

Tour itinerary *This is an extension tour from Cape Town.*

Day 1. Fly to Johannesburg and from here, stop briefly in Pretoria and then take the scenic route through the mountainous region of Magoebaskloof and Tzaneen to Ingwe Game Lodge, situated in a private game reserve.

Day 2. Early morning and late afternoon game drives with good chances of seeing lion, elephant, giraffe, or perhaps even leopard or cheetah.

Day 3. Depart the lodge and travel via the Abel Eramus Pass on to the Mpumalanga escarpment with its magnificent scenery and quaint towns, including Pilgrims Rest, the old gold diggers relic from years gone by. Stop at Bourkes Luck Potholes, the Blyde River Canyon, Lisbon, Mac Mac, and other falls, Gods Window and the Pinnacle, stopping for lunch en route. Eventually, we descend from the escarpment, down to Hazyview on the edge of the Kruger National Park.

Day 4. A day in the air-conditioned tour bus on safari in the famous Kruger National Park, which offers prolific plant and bird life, as well as a great variety of game including the 'Big Five'.

Day 5. Travel back to Johannesburg via the Long Tom Pass, Lydenberg, and Dullstroom, visiting a traditional African Ndebele village en route. Rest of the day at leisure.

Day 6. At leisure until your onwards flight.

Extension price includes: Accommodation in rooms with private facilities/all breakfasts and one lunch plus all meals at Ingwe Game Lodge/Game drives and excursions as described in the itinerary/transport by minibus/services of local guides/UK airport taxes.

Extension price excludes: travel insurance/expenditure of a personal nature (such as souvenirs, gratuities, film laundry, and drinks), three lunches and four evening meals/porterage.

Note: This extension will operate for a minimum of two people.

Source: Wildlife Encounters Brochure, 2002–2003

4. Kruger Hotel Safari – Touring by Minibus Classic Safari Tour
3 Days Johannesburg to Johannesburg

Day 1. Johannesburg – Kruger National Park
Depart early from Johannesburg and travel East over the plains of the Highveld to the world famous Kruger National Park. Once at the hotel, you will have time to freshen up before setting out on an open safari vehicle for your first game viewing in the Kruger National Park. Return to the hotel in time for dinner, which is served under the stars in a traditional African boma.
Overnight: Protea Hotel Kruger Gate (D)

Day 2. Kruger National Park
Search for the 'Big Five' on an early morning game drive. Enjoy breakfast en route before returning to the hotel for lunch (not included) or time to relax around the magnificent pool. Early afternoon depart on another game drive, accompanied by your well-qualified field guide.
Overnight: Protea Hotel Kruger Gate (BD)

Day 3. Kruger National Park – Johannesburg
Another early morning, as you depart on your final game drive before leaving the Park. Travel via Hazyview, Long Tom Pass and quaint Dullstroom before arriving back in Johannesburg early evening. It is recommended that clients do not book connecting flights on this evening (B).

Prices include:
* Pick up from Sandton or Johannesburg Airport hotels.
* Travel by air-conditioned minibus.
* Game drives and accommodation as featured in the itinerary.
* Meals as shown B = breakfast; L = lunch; D = dinner.

Source: Travel 4 Brochure, 2003

5. South Africa – An Endangered Species Safari

This safari is designed to provide rare insights into the places, people and animals that together create a land that will capture your soul. In the push for development many of these wild places and the creatures that inhabit them are threatened, and all funds raised from this trip will go towards supporting the Endangered Wildlife Trust of South Africa.

Itinerary

Day 2. Met by your hostess at Johannesburg and transfer to a comfortable guesthouse. Visit the Endangered Wildlife Trust HQ.

Day 3. Travel to the Magaliesberg, one of the world's oldest mountain ranges. Meet Prof. Gerhard Verdoorn, Southern Africa's leading raptor and vulture expert. Visit one of his successful vulture colonies and their associated 'restaurants'.

Day 4. Meet Dr Bartels, Head of the Wildlife Breeding Research Centre and tour these fascinating facilities. Overnight at the supbert Walkersons Country Manor.

Days 5&6. Visit the threatened grasslands, the preserve of an incredible variety of wild flowers, birds, and animal species with Dr Warwick Tarboton, President of BirdLife. The following morning he will take you on a birding adventure that will include rearing of the critically endangered Wattled Crane.

Day 7. A spectacular journey and game drive into the Kruger National Park. Look out for elephant, prides of lion, hyena, herds of zebra and wildebeest, and spectacular bird life including the large gregarious ground hornhill. Book into Skukuza Camp.

Day 8. As the sun rises go in pursuit of wild dog moving over large distances with Dr Gus Mill, the world's leading expert. Drive to Sabi Sabit, an exclusive bush camp in a private reserve adjoining the Kruger.

Day 9. In the 1930s, the Makuleke people were evicted from their traditional homes in the north of Kruger. Today the successful Makuleke community land claim has been a major success as part of an integrated land-use policy. In between fabulous game drives visit one such pioneering initiative. In the evening Jonathan Swart will take you tracking pangolins.

Day 10. Fly via Johannesburg to Plettenburg Bay on the Western Cape. Overnight at a lovely hotel with spectacular views of the Bay.

Day 11. Join Director of the Centre for Dolphin Studies, on a boat to study dolphins. Then visit the Knysna lagoon, enjoy a sundowner on the beach and freshly caught fish at a local restaurant.

Day 12. Travel down the coast, stopping en route at various spectacular places. South Africa has 8600 plant species, 5800 of which are endemic. The Cape Floral Kingdom has been designated as one of the earth's six 'plant kingdoms'. Explore the Koegelbert Reserve then overnight at a guesthouse in a quaint coastal village.

Day 13. Journey to Cape Town and book into a hotel on the waterfront. Take the cable car up Table Mountain with a top botanist to enjoy the splendid sights and flora of this new National Park.

Day 14. Explore Cape Peninsular, with its colony of Jackass Penguins. Visit the Cape Point Nature Reserve and lunch at Hout Bay Harbour. A final farewell banquet.

Day 15. Transfer for flight home.

Strictly limited group size of 12 people.

Source: Discovery Initatives, Worldwide, 2003

These few examples of the many packages on offer, in the UK alone, illustrate some interesting points about the nature of wildlife holidays in South Africa, as follows:

- The range of wildlife tours is great, from luxury coach and lodge-based trips to overland trips based on trucks and tented camps.
- Trips can vary from a 2- or 3-day extension to a 'general' vacation to a 2-week specialist safari.
- Most of the tours are quite passive, with relatively little physical activity on the part of the tourist.
- Prices for wildlife tours or safaris are at the higher end of the spectrum. It is not unusual for prices to be more than UK £2000 for a tour including flights from the tourist's own country. Even a tour which just includes the safari itinerary can easily average out at more than UK £100 per day

- Most safari tour operators focus on the most famous ‘honey-pot’ destinations such as the Kruger National Park in South Africa and Okavango Delta in Botswana.
- Many tours have very limited capacities per departure, such as 10 or 12 people, for example.
- The majority of tour itineraries make little or no mention of the indigenous population; they just focus on wildlife and landscapes.
- Not all wildlife trips are simply about tour operators making profit – some have more social objectives such as the discovery initiative package ‘An Endangered Species Safari’.

Given that, by definition, wildlife tours involve travel into wilderness areas, accommodation standards for visitors can be surprisingly high as we can see from the following examples:

Londolozi A member of the Relais and Chateaux group, these four elegant camps in the Sabi Sands game reserve are a favourite of the many celebrities that have stayed here. Londolozi lies in the Sabi Sands on the edge of the Kruger National Park and each of the camps is small and luxurious with their own distinctive style. The personalized service of the game rangers, the fabulous game viewing opportunities and the luxurious accommodation all ensure an outstanding safari experience. Each camp is completely self-contained, featuring elegant air-conditioned rooms with the Tree Camp Suites also featuring private plunge pools.

Prices from £745 pp sharing, based on a 2-night stay and including return airport transfers, all meals, and game activities.

Nagala Located in the Timbavati region adjacent to the Kruger National Park, Ngala’s two lodges are members of the small luxury hotels of the world. The area offers excellent game viewing and is renowned for its concentrations of lion and elephant. Accommodation at Ngala is either in the colonial-styled thatched cottages of the main camp, with its candlelit courtyard for romantic evening meals, or in the stunning new tented camp on the banks of the dry Timbavai River, with its luxuriously appointed tents and impressively chic public areas featuring classic elements from the 1950s to the 1970s.

Prices from £375 pp sharing, based on a 2-night stay and including return airport transfers, all meals, and game activities.

Source: Cox and Kings’ Brochure, 2002

Exeter

Location Blending a mixture of African culture, together with colonial style and elegance, the lodge overlooking the Sand River has a wonderful relaxed atmosphere. Located in the northern part of the Sabi Sand Game Reserve here you will experience Africa at its finest – accommodation, cuisine, and wildlife.

Accommodation Nestled in the shade of a grove of Ebony trees eight twin-bedded standard rooms are all individually designed and decorated. The rooms are very generous in size, with air conditioning and en suite bathrooms with large baths and separate showers, while the colours and textures of the modern African decor create a very luxurious atmosphere. The two luxury suites each have their own wooden deck with private plunge pools. Great for honeymoon couples.

A magnificently positioned lounge and dining area overlook the perennial Sand River and the savannah beyond. Teak dining furniture, deep sofas covered in the finest linens and ornaments from the furthest corners of Africa create a welcoming and relaxed ambience. The cuisine, complemented by the finest selection of wines lends itself to an experience as exciting as any game drive. Depending on the weather dine in the open-air boma.

Other facilities include a swimming pool and small curio shop, while during the day enjoy game drives in open vehicles and bush walks accompanied by experienced rangers and trackers.

Children over 6 years old welcome.

Entabeni Game Reserve

Location With 10,000 hectares of wild bushveld, a 200 feet sheer escarpment, unspoilt ravines, dramatic cliff-sides and spectacular waterfalls, Entabeni's breathtaking scenery truly lives up to its name – beyond comparison. Malaria-free and home to the Big Five, the reserve has five unique lodges, catering for all tastes and budgets – Wildside, Ravineside, Lakeside, Eagle's Nest, and the luxurious Kingfisher.

Accommodation and facilities:

Wildside Camp A casual and relaxed camp 10 spacious walk-in tents on wooden decks, unique open en suite bathrooms (shower only) and hurricane lamps (no electricity) provide an authentic safari feel. The tents are situated away from each other allowing for maximum privacy and an informal dining and bar area under the stars creates a magical atmosphere at night.

Lakeside Lodge 28 well-appointed thatched rooms overlook the 1.7 km long Lake Entabeni. All have private patios, en suite bathrooms, hairdryers, ceiling fans and tea/coffee-making facilities. Other facilities include a swimming pool, children's play area and boma. Helicopter trips over the reserve are available on request and are highly recommended. Rates for other lodges available on request.

Children Welcome

Source: Travel 4 Brochure, 2002–2003

Again, we can make a number of interesting points based on this very selective sample of accommodation for wildlife tourists, as follows:

- most of the more up-market accommodation has all the modern conveniences such as en suite bathrooms, tea/coffee-making facilities, air conditioning, hairdryers, and swimming pools;
- some establishments offer different levels of accommodation – such as the Entabeni Game Reserve – with more basic accommodation;
- as the Londolozi shows, some accommodation can be very expensive.

Other tours, such as those offered by Explore Worldwide, an adventure tourism operator, tend to use less luxurious accommodation, to keep costs down and help give the traveller a more 'authentic' experience.

It is important to recognize that Southern Africa is not a homogeneous region but rather a region of different sovereign countries with different levels of development and standards of living.

In general, most of the most luxurious packages tend to be located wholly or partly in South Africa which has, probably, the most developed infrastructure in the region.

Having looked at the scope of wildlife tourism in Southern Africa, it is vital to point out that the field of wildlife tourism is very competitive and Southern Africa finds itself, in the market, in competition with:

- East African destinations, notably Kenya and Tanzania, in the safari market specifically;
- specialist wildlife destinations such as Brazil, Costa Rica, and Sabah;
- whale watching and marine wildlife destinations like New Zealand, Iceland, and New England;
- self-styled 'ecotourism' destinations such as Belize.

At the same time, there is competition within Southern Africa between countries like South Africa, Botswana, and Namibia who are all competing against each other for wildlife tourists.

Furthermore, while safari tourism has become well developed in the region, Southern Africa has so far not really fully developed other fashionable forms of wildlife tourism including ecotourism, and nature holidays in terms of bird watching and botany, for instance. This is a weakness in an increasingly competitive marketplace.

It is now time to look at the various ethical issues posed by wildlife tourism in Southern Africa, and beyond.

Ethical issues in wildlife tourism

1. The development of wildlife tourism requires an infrastructure which is expensive to develop and elitist in nature. It could be argued that this is inappropriate in developing and recently developed countries which have other pressing projects such as health and education.
2. Wildlife tourism, like all tourism development, requires political stability. In some countries this stability results from the heavy-handed actions of governments which are sometimes far than 'democratic'.
3. It is often said – with some truth – that wildlife tourism is a good thing because it gives governments an economic rationale for conserving wildlife. However, it can also lead to wildlife being given priority over the needs of the indigenous population. Organizations such as Tourism Concern, in the UK, have for years highlighted the plight of indigenous people who have often been moved off their traditional lands to make way for national parks and wildlife tourism facilities. Some of these forced migrations have been partly reversed in recent years but the damage has been done.
4. This issue also raises questions about the rights of local people versus foreigners. Much of the conservation work has been encouraged and partly funded by international organizations outside the country itself. The idea seems to be that local people are supposed to accept that their ecosystem is of importance to the world as a whole and should therefore be conserved, even if this is against their short-term economic interest. Too often this can seem like people from the so-called developed countries telling local people to conserve their nature, whatever the cost, so it can be enjoyed by foreigners and their own elite.
5. One of the reasons that local people can be treated unfairly and marginalized in the development of wildlife tourism is that often they are not seen as an integral part of the ecosystem at all. Apart from pictures of cute children or picturesque traditions the host community is either ignored or seen as decorative background for the wildlife watching. Again, efforts are being made to create community tourism programmes in wildlife tourism in different parts of the world, but it is difficult to change attitudes that have built up over years.
6. Ecotourists know that every creature is a vital part of the ecosystem but most tourists and tour operators are only interested in some types of animals. Brochures for Southern Africa packages often talk about 'The Big Five', the 'sexy' animals like elephants, buffalo, rhinos, lions, and leopards. Everything else is 'second class' by comparison. This leads to the value of other animals and their role in the ecosystem being underestimated.

7. To meet the needs of the tourism industry, wildlife can often, artificially be moved to places which are closer to airports to make it more convenient for tourists. One commentator for an East African country, for instance, noted that a small number of mountain gorillas had been moved to a place that allowed tourists to visit them on 1-hour long trips. This kind of action is clearly at odds with the concept of conservation and the respect of ecosystems, and treats wildlife simply as a tourist commodity.
8. Wildlife can become even more of a tourism commodity when dead animals, or parts of them, are offered as souvenirs to tourists. This happens in many wildlife destinations in spite of regulations which usually exist forbidding the practice.
9. It is often suggested, logically, that wildlife tourism is good because when the tourists return home they are more likely to become involved in wildlife conservation, having seen the wildlife themselves at first hand. However, this experience could also lead to the tourist wanting to import wild animals legally or illegally, into their own country, as 'pets', another practice which is hardly in keeping with the concept of conservation.
10. Interestingly, Africa rarely describes its wildlife tourism as 'ecotourism' as is the case in other regions of the world, such as Central America. It instead uses the rather 'old-fashioned' term of 'safari'. This is perhaps, wise, because it recognizes that much of its wildlife tourism is not driven by tourists who are concerned about wildlife conservation, but rather by those who see wildlife as sights to be photographed just like old buildings and beautiful sunsets. This may also be true of course of 'ecotourists' but perhaps, one could suggest mischievously, it means that the industry is simply more honest about their clients motives than those in other parts of the world. It is also probably, a recognition that ecotourism, which is often taken to mean small-scale tourism, would be inappropriate in a region where much wildlife tourism now takes place on a large scale. The lesson that small-scale wildlife tourism can quickly become large-scale tourism that may well be learnt by the 'ecotourism' destinations in due course.
11. The pricing of wildlife tourism packages is usually high and encourages the view that they are elitist. The overland tours using basic accommodation tend to cost a minimum of UK £1000 while others can cost more than UK £5000. This can lead to accusations that wildlife watching is the preserve of the rich. However, in many markets such as the UK, mass market tour operators have increasingly become involved in the market in recent years. As a result prices of safaris in East Africa, for instance, have come down and more people have been able to take such vacations. While seen as a good thing this has simply added to the pressures on 'honey-pot' sites.
12. Tour operators offering wildlife holidays have often been accused, sometimes unfairly, of holding back important information from potential clients, including:
    - health risks from diseases such as Malaria;
    - levels of crime;
    - the potential disruption to itineraries which can occur during the rainy season;
    - the actual chance of seeing particular types of wildlife. Most whale-watching companies, for instance, often now give customers an actual figure of how often whales are sighted on their trips. Land-based wildlife tour operators in Africa and elsewhere rarely seem to give this important information.
13. Often tour operators use foreign guides instead of local guides which clearly reduces the economic benefits of tourism for the local community, and may also lead to a less authentic experience for the tourist. However, this situation is changing with more local guides not only being used but being seen as a positive selling point by some operators.
14. Some packages can be accused of insulating the tourists from reality, with air conditioning and luxury coaches. However, a growing number of packages are targeted at those who want to get as 'close to nature' as possible.
15. Wildlife tourism can take forms which many people disapprove of, such as hunting. However, in regions such as Africa, this is a form of tourism that has a history dating back decades to the

colonial era. It can also be a lucrative form of tourism for destinations all over the world. Hunting, which may also be part of local culture, is one of the most controversial areas of tourism.

Key issues

- Wildlife tourism is not new; it has a long history through the 'adventures' and recreation of the colonial period of big game hunters. It could be argued indeed that Africa is where large-scale wildlife tourism, and certainly the safari, was born.
- Today, wildlife tourism has become much more diverse than the safari tourism of East and Southern Africa. The fashionable forms of wildlife tourism today are, perhaps, ecotourism, special interest tourism, such as bird watching, and marine nature tourism, such as whale watching. These are all areas where Africa has lagged behind in recent years.
- Traditionally, wildlife tourism was a way in which developing countries sought to enter the tourism market to gain economic benefits. Today, wildlife tourism is also being developed by some of the richest nations on earth to pursue their idea of environmental responsibility, such as Iceland, New Zealand, and the USA.
- At a time when cultural tourism is growing in popularity it is ironic that many African wildlife tourism destinations still under-value, not only the rights of their indigenous population, but also their potential contribution to attracting and welcoming tourists. Yet, the host community is treated badly or even moved from their homes for the benefit of the wildlife, losing their valuable traditional values and lifestyles forever in the process.
- In the past, wildlife tourism has been a very elitist activity but slowly it is becoming democratized by mass market tour operators, particularly in Africa. This has brought pressure on major wildlife habitats that now need to be managed.
- In many places watching wildlife has replaced shooting wildlife as a leisure activity. Wildlife now often has a greater economic value alive than dead. However, as countries devote resources to conserving wildlife as a tourist resource, there is always the danger that we will try to conserve too much wildlife and that we may disrupt nature and the natural development of ecosystems by our intervention.
- Wildlife tourism looks set to continue to grow as world tourism in general grows, and more and more people become interested in wildlife.
- Wildlife tourism has undoubtedly brought economic benefits to Southern Africa but there is still great potential to develop it further and spread the benefits more widely and fairly around the communities.
- As wildlife tourism grows and becomes more popular it puts ever greater pressure on the environment which is the very core of the tourism product.
- Within the region of Southern Africa as a whole, there are a number of individual countries with different strengths as destinations and varying levels of economic development. They have made real efforts to work together as we have seen in the example of RETOSA but it will be interesting to see if such co-operation can be sustained over time.

Conclusions

Southern Africa has established itself as a major global wildlife tourism destination. However, it now faces competition, as the traditional safari in which the region excels is eclipsed in fashionability by new forms of wildlife tourism and the concept of ecotourism. The future success of the region will depend on its ability to exploit trends in the wildlife market and resolve some of the ethical issues that seem to beset all wildlife tourism. If they can further develop co-operation within the region, and if the region enjoys political and economic stability over a period of time, then the future of wildlife tourism in Southern Africa could be very bright.

Discussion points and exercises

1. Discuss the reasons why you believe wildlife tourism has grown, around the world, in recent years.
2. Compare and contrast wildlife tourism in Southern Africa with wildlife tourism in East Africa and Central America.
3. Discuss the ways in which wildlife tourism in Southern Africa could be made more sustainable.
4. You should carry out a small-scale survey of people who have taken wildlife vacations, anywhere in the world, to discover the following:
   - the motives of the tourists;
   - how they chose where to go for their wildlife vacation;
   - whether they bought a package or travelled independently, and why?
   - how satisfied were they with their trip, and why?

   You should then present your results in a short report.

CASE STUDY 19

Hong Kong Disneyland

The fifth Disney Park – to add to those in Orlando, Anaheim, Tokyo, and Paris – is due to open in Hong Kong in 2005 or 2006.

The cost of building the park will exceed US $3 billion. However, Disney itself is only investing around US $314 million, for which it will receive a 43 per cent share in the park (*Far Eastern Economic Review*, 23 January 2003). In other words, it will not have a controlling interest in the new park.

The development of the new park comes at a difficult time for the Disney Corporation. Attendances at its US theme parks fell substantially in the wake of the September 11 terrorist attacks, and the general economic downturn in the USA.

The Hong Kong park is planned to be followed by another park in Shanghai, China. However, this project has suffered setbacks and will not open now until after 2008. Until a deal is actually in place, doubts may remain as to whether this park will ever be built.

While Hong Kong is an important first step into the Chinese market for Disney, it is not the only country where the company is looking for new projects. It is also interested in the lucrative market potential of India.

Hong Kong seems to be an obvious choice for a theme park as a leading destination in Asia. However, the company is looking for most visitors to come from Hong Kong and mainland China rather than relying on inbound foreign tourists. Data from the *Far Eastern Economic Review* in January 2003 seems to indicate that this may be correct. For example, it states that

- 6.5 million mainland Chinese tourists visited Hong Kong in 2002, compared to 4.4 million in 2001, a growth rate of nearly 50 per cent;
- 50 per cent of mainland Chinese tourists in Hong Kong visited the destinations' existing theme park, Ocean Park;
- 42 per cent of the mainland Chinese tourists to Hong Kong came from the neighbouring province of Guangdong; these people would be unlikely to visit a Shanghai-based park instead;
- mainland Chinese tourists spent, on average HK $5169 in 2001, more than any other market.

However, it is interesting to note that Ocean Park made a large loss in 2000–2001 and even with the rapid growth of Chinese tourists in 2001–2002 only managed a very modest profit.

Furthermore, other theme park operators looking for new projects have ignored Hong Kong in favour of Shanghai. Vivendi Universal Parks and Resorts is due to open a new movie theme park in Shanghai in 2006.

Disney appears to be modest in its ambitions for its Hong Kong park. It expects to earn around US $100 million per annum from its involvement in the park, around 3 per cent of all the revenues of the corporation (*Far Eastern Economic Review*, 23 January 2003).

If Disney is being prudent and cautious with its new Hong Kong park, its partner, the Hong Kong Government is very enthusiastic about the whole project. It has its own web site promoting the new park, and it is investing much more in the project than the Disney Corporation itself.

According to this web site, the government is investing some HK $22.45 billion in the project, as follows:

- $3.25 billion in equity in the project;
- $5.6 billion loan to be repaid over 25 years with interest;
- $13.6 billion in land works and infrastructure costs.

Source: www.info.gov.hk/disneyland/eng.htm

Furthermore, the government provided a site for the park, some 180 hectares of land at Penny's Bay on Kowloon Island, near the new airport.

The government seems very happy to be making this level of investment in a commercial venture by a foreign corporation. Its web site explains some of the benefits the government expects Hong Kong to receive that justifies this level of public investment, as follows:

1. It has been estimated that the project will inject around HK $148 billion into the local economy over a 40-year period, including all the multiplier effects such as salaries, employees spending, extra business for local enterprises, and so on.
2. Around 6000 jobs will be created directly by the construction of the park at a time when Hong Kong's unemployment rates were reaching relatively high levels.
3. Once open, it is believed that the park will employ around 18,000 people directly and indirectly, again a major contribution to employment in the area.
4. The forecast is that Hong Kong Disneyland will attract around 3.4 million inbound tourists in its first year, of whom 1.4 million will be additional tourists who would not otherwise visit Hong Kong. It is suggested that after 10 years these figures will have risen to 7.3 million and 2.9 millions, respectively.

At the same time it is clear that the Hong Kong Special Administrative Region (SAR) Government believes that having a Disney theme park in the area will have broader benefits for Hong Kong. In 1999, the Hong Kong Tourism Commission noted some of those other benefits, including the following:

1. The idea that Disney's reputation for creativity and customer service could have a beneficial effect on other local enterprises and thus raise the quality of customer service in the area as a whole.
2. Hong Kong Disneyland will not just be a benefit for tourists but will also, the government suggested, add to the quality of life for Hong Kong residents. It will give them the chance to experience a world-class leisure experience without having to travel.
3. To quote the official web site 'Hong Kong Disneyland will no doubt enhance the international image of Hong Kong as a vibrant cosmopolitan city, and specifically enhance the status of Hong Kong as a key tourist destination in Asia'. This is important in a region with many competing destinations such as Singapore and, increasingly, Shanghai and Beijing. There is a general feeling, too, that Disney will make Hong Kong a stronger leisure tourism destination to complement its reputation as a business tourism destination. As the web site, again, stated in 1999, about the Disney park, 'One thing missing has been an attraction that would make families sit down together to plan their holidays, think of Hong Kong as a good destination. We will now be filling that gap in our tourism product'.

4. The reputation of Disney for staff training would hopefully focus the attention of many enterprises in Hong Kong on the importance of this aspect of human resource management and encourage an increase, and improvement in the quality of staff training throughout Hong Kong.
5. Disney's emphasis on high environmental quality on its sites, it is thought by the government, would raise environmental awareness throughout Hong Kong which should ultimately lead to environmental improvements throughout the area, in due course.
6. Finally, the government thought, its deal with Disney sent an important message to the global business community. It showed that Hong Kong could do deals with commercial operators. This was an important message just after the return of Hong Kong to China from UK control, when foreign investors had feared the new government might not be business friendly. With this deal the Hong Kong SAR Government proved it could be trusted by investors.

Due to its desire to win the project for Hong Kong, the government has provided an excellent deal for Disney. In addition to the financial contribution noted earlier, the government has also helped Hong Kong Disneyland in a number of other ways, including the following:

- providing the land on a 50-year lease on reasonable terms, plus a right to renew the lease for a further 50 years;
- an option for 20 years to buy the adjoining site in case the park should wish to expand with a second phase of development;
- a right of 'first refusal' on a third site adjoining the second site, in case even further growth was envisaged;
- a restriction on the height of new buildings developed around Hong Kong Disneyland to ensure that the site was not overlooked by any other developments, thus reducing its visual impact;
- agreement in principal to restrictions on flights over the site or the mooring of vessels in the waters around the site;
- a new rail shuttle from the nearest existing 'Mass Transit' rail station to the site;
- new roads to make the site accessible;
- the creation of a new police post to ensure any major incidents at the park are handled effectively; however, on-site security will remain the responsibility of Disney's own security staff.

There is no doubt that the Hong Kong SAR Government has done an enormous amount to ensure the future success of Disneyland in Hong Kong.

Key issues

- Disneyland in Hong Kong will be the company's fifth park worldwide and its second in Asia.
- Disney clearly wants to gain a foothold in the rapidly growing Chinese market and Hong Kong is a first step in this strategy. However, it has also been pursuing a site in Shanghai, so it clearly believes there is the potential for at least two Disney parks in China.
- The company believes that the new park will not affect visitor numbers at the Tokyo Disneyland. This may be because the company states that around 92 per cent of visitors to the Tokyo park, in fact, come from the Tokyo area.
- The Disney Corporation financial involvement in the new park is relatively small, at around 10 per cent. It will focus on managing the attraction and licensing of merchandise from which it will receive up to US $100 million per annum.
- Most analysts believe that the return on its investment for Disney in China will be modest compared to those received from the Tokyo park. This is partly because Disney movie and television products are less well established than in Japan, and the pirating of merchandise may be a real problem in China.
- Unlike Disney, the Hong Kong SAR Government is making a massive contribution to the project in terms of an equity stake and infrastructure.
- The government has given Disney such a good deal because, as we have seen, it believes that having a Disney park in the area will bring many wider benefits to the economy and business culture in Hong Kong.

- It also believes that the park will help keep Hong Kong ahead of its Asian competitors as a tourist destination, by broadening its product portfolio.
- Interestingly, these are similar motives to those which underpinned the assistance given by the French Government in the development of Disneyland Paris, through the building of road and rail links for instance. There are other similarities between the two projects in tourism terms, for both Paris and Hong Kong are major tourist destinations but both have not been seen as family oriented destinations, generally. Still, many would argue, Paris and Disneyland Paris are two separate adjacent but different destinations with parallel, mutually exclusive markets. It will be interesting to see if the new Disney park in Hong Kong becomes fully integrated into the city and makes it a more child-friendly destination, or not.
- Within China, Hong Kong must be pleased that it has managed to do a deal with Disney for a new park ahead of Shanghai, its major rival. However, Shanghai could still overtake Hong Kong if Disney eventually opens its park there and Universal opens its new Movie theme park, as planned, there in 2006.
- An interesting dimension of this project has been the long-term perspective the government has taken about its investment in this project in terms of benefits over a very long time period. This is in contrast to most commercial organizations that are primarily concerned with only the current financial year, usually.
- Finally, all reports of the new Hong Kong park reflect a subtle shift of emphasis in terms of the parks name, compared to Disneyland Paris. The new park will be known as Hong Kong Disneyland, reflecting, perhaps, the relative contributions of the two partners, the Hong Kong Government and the Disney Corporation.

Conclusion

Hong Kong Disneyland is being developed during one of the most difficult periods in the history of the tourism industry, with the effects of terrorism, war, and the SARS virus, still evident every day. It is an interesting joint venture between a major corporation and the government of Hong Kong in which the greatest risk is being taken by the latter. It is a milestone, whether it be successful or not ultimately, in the development of tourism in Hong Kong specifically, or in China as a whole.

Discussion points and exercises

1. Critically evaluate the reasons why the Hong Kong SAR Government has been prepared to invest billions of Hong Kong dollars in the Disneyland project.
2. Discuss the arguments, for and against, locating a new Disney park in Hong Kong.
3. Discuss the extent to which the new Disney park in Hong Kong will help the destination attract more leisure tourists.
4. Discuss the potential risks for the Disney organization of entering into a joint venture with the government to develop the new park in Hong Kong.

CASE STUDY 20

The Guggenheim Museum, Bilbao, Spain

The opening of the Guggenheim Museum in Bilbao in 1997 was one of the most significant cultural events of the decade in Europe. It was also a cornerstone of the regeneration of Bilbao, the capital of the Basque region of Spain, which has also included a conference centre and performing arts centre, a new urban railway, and increasing the size of the port.

The initiative for the museum was taken by the Basque authorities, who approached the Trustees of the Soloman R. Guggenheim Foundation. This suggestion fitted well with the strategy of the Foundation which had just launched its development plan which featured a commitment to developing Guggenheim centres at various locations around the world.

Less than a year after the original approach was made to the Foundation, the formal agreement to develop the museum was signed in Bilbao. From then on the main milestones in the development of the site went as follows:

1992: Consortium set up to build the museum.
1993: Architect Frank O'Gehry presented his design for the museum.
1994: Work began on building the museum.
1996: Strategic Management Plan for the museum presented.
1997: The museum was opened to the public on 19 October 1997, by the King of Spain.

The design of the museum is spectacular and memorable. According to the museum web site in 2002, it was meant to be 'an international landmark of artistic excellence'. The lavish praise of one web site, describes the design like this:

> Gehry's huge sculpture-like building is fashioned from a surprising array of materials and endowed with an extraordinary, unmistakable silhouette. Under the apparent chaos caused by the juxtaposition of fragmented volumes with regular forms finished in stone, curved forms covered with titanium and huge glass walls, the building revolves around a central axis, the atrium, a monumentally empty space crowned by a metal dome. Daylight floods in through the glass walls and the skylight set high up in the dome. Leading off from this central space, a system of curved walkways, glass lifts, and stairways connect 19 galleries that combine classical, rectangular spaces with others of unusual proportions and forms.

The museum appears to have the following two main aims:

1. to present and interpret a collection of representative art of the modern period;
2. to foster artistic education and public interest in the arts.

The museum is also a showplace for some of the Guggenheim Foundation's world renowned art collection which is also displayed in museums in New York and Venice.

The museum has 11,000 square metres of exhibition space in 19 separate galleries. Its permanent collection focuses on works of art produced in the last 40 years, including Pop Art, Minimalism and Abstract Expressionism. At the same time the museum is home to a number of works of art specially commissioned for the museum in Bilbao. The museum also displays Basque and Spanish contemporary art.

The museum is open 363 days per year, 6 days a week, for between 10 and 12 hours per day.

In 2002, the general admission charges were, €7 for adults and €3.50 for senior citizens and students. Children under 12 are admitted free. The rate for groups offers a 10 per cent discount on the normal admission fee. Special charges apply for admission to temporary exhibitions.

Tickets can be purchased in advance by individuals by telephone and group reservations can be made beforehand via the museum's web site.

The museum offers visitors a range of services, including:

- free guided tours in Basque, Spanish, and English, with up to 24 tours being provided each week;
- 'family visits' to the museum every Saturday evening;
- audio guides to allow visitors to enjoy a tour of the museum individually at their own pace;
- a library that is open to everyone;
- a café-restaurant offering everything from a snack to a full meal.

There is also a major museum retail outlet which the museum web site describes as a 'signature line of exclusive products'. Products on sale include jewellery, scarves and accessories, and clothes, as well as more than 2000 different books.

The museum also has an Education Department which offers a range of programmes and materials for both educational groups and families.

It appears that the museum has become a popular attraction in a region lacking in major tourist attractions. Within less than 1 year of its opening it had already attracted more than 1,300,000 visitors.

Key issues

The case of the Guggenheim Museum in Bilbao raises a number of interesting issues including the following:

- Its opening has helped Spain as a whole to further its strategy of developing other forms of tourism so as to reduce its dependence on mass market coastal tourism.
- The new museum has put Bilbao on the international tourist map as a short break destination for cultural tourists.
- The museum has helped to improve the image of the city which was previously seen as a rather economically depressed and unattractive place.
- The development of the Guggenheim is an example of a partnership between the regional government of an area with a distinctive culture and an international charitable foundation.
- The motivation for attracting the Guggenheim Museum to Bilbao was clearly wider than just the desire to develop tourism in the city. It was also about projecting an image of a modern, dynamic region to the wider world.
- The design of the museum was deliberately intended to be unforgettable, to make a bold artistic statement about both the Guggenheim Foundation and the city of Bilbao.
- Modern art appears to be very popular with today's tourist rather than older more traditional art. In recent years major museums of modern art have opened in many cities so it is now quite a competitive market.
- The museum follows the fashion of many such institutions by placing a great emphasis on income from retailing and on merchandising in general.

- The city of Bilbao, having now entered the tourism market, will have to continue to develop new attractions so that it can maintain its position in the market once the novelty of the Guggenheim Museum has worn off.
- As the museum evolves it will be interesting to see what percentage of the visitors are local people and how these local people view the museum.
- It will be interesting to see how visitor numbers develop over time and to see if the Guggenheim will be able to continue to attract first time visitors.
- It will also be fascinating to find out the extent to which the museum brings benefits to the city as a whole or whether it will remain an isolated phenomena.
- The museum appears to have been successful in spite of being isolated in a region which has experienced terrorist attacks over a period of time.
- Much of the success of the museum probably stems from the fact that it has a famous 'brand' name that is world renowned in the art museum world.
- The success is also partly due to the fact that the Guggenheim organization is well funded and highly experienced in managing museums.

Conclusion

The Guggenheim Museum, Bilbao, is a bold attempt to rejuvenate an area with a formerly depressed economy, a strong regional culture, and a disturbed political scene.

Only time will tell if this success can be sustained in the future and if the museum can contribute to the generation of the city of Bilbao.

Discussion points and exercises

1. Discuss the potential role of major new tourist attractions in urban regeneration, using examples drawn from different countries.
2. Evaluate the potential problems involved in the development of a joint venture, such as the Guggenheim Museum, between a US-based charitable foundation and a regional government in Spain.
3. Compare and contrast the Guggenheim Museum in Bilbao with two other major modern art museums in other countries.
4. You have been engaged by the Guggenheim organization to find a location for a new Guggenheim Museum, anywhere in the world, to add to the existing ones in New York, Venice, and Bilbao.

You should produce a report containing your recommendations and outlining the reasons behind your choice, and the factors you took into account when making your decision.

Section 4

Issues in Tourism

CASE STUDY 21

Airline Frequent Flyer Programmes

Today, brand loyalty and relationship marketing are both highly fashionable marketing techniques in many industries. Rewarding loyal customers is a major weapon in the modern marketing armoury. This concept has been developed to a particularly high level in the airline sector, through the frequent flyer programmes, which nearly every airline now seems to offer. A recent brief Internet search by the author revealed details of 70 separate schemes, featuring airlines from six continents.

Frequent flyer programmes are of three main types, as follows:

1. Schemes featuring one airline alone, simply giving benefits relating to that airline.
2. Schemes featuring one airline, which offer benefits on the airline, together with other partners, such as hotels and car hire operators.
3. Schemes linked to strategic airline alliances, where travellers can generate and spend their frequent flyer points or 'miles' with any partner airline in the alliance.

Let us look at the characteristics of several specific schemes to see if we can identify some general comments about the nature of frequent flyer programmes today.

Aeroflot Bonus

In this scheme, and others, passengers primarily gain points by travelling on Aeroflot services.

In Spring 2002, every flight earned the passenger at least 500 points, primarily it was on a ticket at a fare which qualified for the scheme, that is not a very big promotional force. So not every flight earns bonus points. Business class flights gave twice the number of points of economy flights and first class flights three times as many.

In general, the points awarded depended on the length of the flight, with seven points per kilometre (not miles) in economy class. The points can be spent either on a free flight or an upgrade of the class of travel.

In 2001, a passenger wishing to use these points to obtain a free economy class return ticket from Moscow to Paris would have required 50,000 points. Normally, this would have been travelled 50,000 kilometres on economy class tickets to generate these bonus points. This is the equivalent of more than three return trips from Moscow to New York.

The scheme also has a limited number of partners with whom travellers can earn or spend points, including:

- Novotel, Moscow, airport hotel.
- Aerostar Hotel, Moscow.
- World of Aeroflot, the airline's own travel company.
- Valena hotel, Nizny Novgorod, an historic town in Russia.
- Kempinski Hotels, the upgrade hotel group.

Points have a ‘life’ of 2 years, after which they are no longer valid. The scheme is quite complicated; the web site has its pages of rules and regulations governing the scheme.

Aeroplane – Air Canada

This scheme does not directly carry the name of the airline, it has its own brand identity.

It is also a scheme in which members can also gain, and spend, points with the other 13 members of the Star Alliance, of which Air Canada is a member. Points can also be earned and spent with a range of domestic airlines in Canada.

The scheme has four levels of membership, namely ‘Ordinary’, ‘Prestige’, ‘Elite’, and ‘Super Elite’.

The benefits of scheme membership include:

- free air tickets in exchange for ‘miles’ collected,
- ‘exclusive’ gifts when particular numbers of miles are accrued,
- ‘exclusive’ to members special offers,
- dedicated telephone reservation number.

The scheme has three, increasingly, common factors:

- there is a special frequent flyer programme for children,
- a facility whereby people can buy miles to ‘top up’ their account,
- the scheme allows miles to be purchased as gifts for other people.

Flying returns – Air India

This is a joint programme between Air India and the state-owned domestic airline, Indian Airlines. It also includes benefits for members on the services of its foreign partner airline, Air France, as well as other code-share partners. The scheme also includes non-airline partners, including credit card providers, car hire operators, and hotels. These non-airline partners can give miles, which are called add-on mileage points (AOMPs).

The scheme appears to be, naturally, primarily aimed at Indian residents, but it also claims to have ‘special offers’ for the residents of the UK, the Gulf States, USA, Thailand, Hong Kong, Malaysia, Singapore, and Indonesia.

Free flights require a minimum account balance of 20,000 miles.

Tickets for flights starting outside India carry a surcharge of 20 per cent, except for students travelling for studies, who are exempted from this surcharge.

Air Points – Air New Zealand

Air Points is the airline’s own scheme, but it is also part of the Star Alliance scheme.

Indeed, in Summer 2002, it was promoting a special offer to celebrate the fifth birthday of the Star Alliance. If a passenger flew business or first class with five or more Star Alliance partners over 55 days in Summer 2002, they would earn 55,555 Air Points.

Otherwise, the scheme is comprehensive and similar to any other schemes.

It has several levels of membership including silver, gold, and gold elite.

The web site contains an instant calculation to show the traveller how many points they will earn from a particular route and ticket types, and how many points they will need to earn a particular free ticket.

Like all schemes, the airline advises passengers that ‘there are times when there may not be seats available on flights, and therefore, Air Points rewards may not be available’.

Flight Fund – America West

It is, perhaps, in the USA that brand loyalty schemes in general, and frequent flyer programmes specifically, have reached their zenith. These programmes often involve a huge range of problems. The America West Flight Fund programme, for example, links the following partners:

- 6 airlines,
- 33 hotel brands,
- 3 credit card companies,
- 5 car hire providers,
- 17 miscellaneous agencies including a golf club and a car parking provider.

The web site offers on-line reservations for free tickets, claimed as 'awards' by members. It also identifies 'black-out' dates, popular times when reward benefit flights are not available.

In 2002, economy tickets on America West for domestic flights within the mainland USA were priced at 20,000 miles, with higher class tickets 'priced' between 40,000 and 80,000 miles.

The web site included special offers of 'domestic' miles and 3000 bonus miles, for particular travel operators or routes. One of these offers in May 2002 was to promote new routes between Phoenix and Las Vegas, and Raleigh.

The web site also promoted the America West Club, giving access to airport lounges around the USA. Members of the Flight Fund scheme received a discount of $125 on the $375 fee for one year's membership of the club in 2002.

The web site in Spring 2002 still outlined a letter to Flight Fund members from the airline's Chairman, dated December 2001. This was written in the wake of the terrorist attacks of 11 September 2002 in the USA, and told members that:

- in the light of the adverse effects of the terrorist attacks on the US airline business, mailings to members will be reduced to cut costs, with the web site becoming the main source of information for members;
- the airline was donating another 20 million miles to its Miles of Hope programme, a charitable programme; members are also able to donate unwanted miles to this scheme.

Seventh heaven – Air Jamaica

This imaginatively named scheme is unusual in that it rewards trips rather than the distance plan. If a passenger makes seven round trips on a route, they earn a free ticket on the same route. The scheme also boasts that it has no 'black-out' periods, unlike the case of America West and most other frequent flyer programmes.

As usual, business class and first class travel earns the passenger extra benefits.

The Air Jamaica scheme has a range of partners, including:

- airline partners, notably Delta, Virgin Atlantic, and Air Canada;
- non-airline partners, such as hotels and car hire companies.

Marco Polo Club – Cathay Pacific

This well-established scheme is also part of the One World Alliance programme.

Interestingly, the Hong Kong-based airline terms its scheme as a 'club', rather than giving it a single brand name.

It offers four classes of membership, namely green, silver, gold, and diamond. The web site shows the benefits available to each category of member clearly. For example:

- Silver members can check in for an economy flight at a business class check in counter, but green members cannot.
- Gold members travelling business class can take a guest into a One World Alliance Airport Lounge but silver members cannot.
- Diamond club members can have 20 kilograms of excess baggage allowances compared to 15 kilograms for gold members.

The airline also promotes its scheme on the web site by telling travellers that

- it offers a 24 hours, 7 days a week multilingual 'Global Members Service Centre';
- there are competition with free vacations to be won;
- benefits for these may take Citibank Cathay Pacific Visa Opportunity Card.

Cathay Pacific is also a member of an innovative scheme for travellers in Asia, Asia Miles™. This involves 60 partners and is aimed specifically at people living in Asia, India, the Middle East, Africa, and New Zealand.

Finnair Plus

Finnair offers its own Finnair Plus programme, as well as being part of One World Alliance scheme.

Finnair Plus is unusual in the world of frequent flyer programmes because points are valid for up to 5 years.

In May 2001, Finnair was promoting a number of new initiatives to improve the scheme for members, including the following:

- Silver, gold, and platinum category members can now use their points for one-way rather than just return flights.
- Junior members of the scheme will now receive a 50 per cent discount on award flights.
- Passengers booking award flights via the Internet will receive a bonus of between 1000 and 3000 points on Finnair flights.
- An increase in benefits for members travelling with partner airlines.

As part of the One World Alliance scheme, members can also use over 2000 airport lounges worldwide.

Falcon – Gulf Air

Gulf Air claims that its Falcon programme, launched in 1994, was the first fully fledged passenger loyalty scheme from a Middle East airline.

The scheme, conventionally, has three levels of membership – green, silver, and gold – and includes both free flights and free upgrades.

Gold membership, for example, offers the following benefits:

- a guaranteed seat, normally, in other words if your own preference first is fully booked, the airline guarantees to find you a seat in economy on a higher class of partner;
- passengers can be redirected up to four changes before the proposed flight;
- priority waiting list on fully booked flights;
- first or business classes check in even if travelling economy;
- automatic seat;

- access to first and business class lounges, even if travelling economy;
- an extra 20 kilograms baggage allowance;
- priority baggage handling on arrival;
- advance seat selection.

The scheme also has a range of partners including mainly brand names, such as Hertz, Hilton, Le Meridien, Radisson SAS, and Virgin Atlantic.

Safer Flyer – Royal Air Maroc

This scheme gives passengers a 'bonus cheque' for every 5000 miles of credit in their account. These can then be exchanged for free air tickets, free upgrades, or an extra 30 kilograms baggage allowance.

The bonus cheques can also be used for 'open jaw' returns allowing passengers to return from a city other than the one they flew into, providing that they are in the same 'zone'.

There are three categories of membership – bronze, silver, and gold. To qualify for gold membership, travellers must accumulate at least 35,000 miles within a year.

In response to customer feedback, the airline also introduced a junior frequent flyer club in March 2002. Young members receive their own package of potential benefits, including discounts on electrical goods and sports equipment.

As of January 2002, all members earned a minimum of 500 points, an important issue for travellers on the airline's domestic routes within Morocco. At the same time, the airline extended the validity of the bonus cheques from 2 to 5 years.

The scheme has a range of foreign partners including members, such as Delta, together with hotel chains.

Repay on the membership category members can request rooms with free child accommodation, for instance, with the hotel partners.

Car hire companies also give discounts of up to 35 per cent for members.

Key issues

- This random survey of 10 airline frequent flyer programmes in Spring 2002 allows us to make some general observations about the nature of such programmes worldwide, as follows:
- Most airlines now have a loyalty programme, wherever in the world they are based.
- Many of the benefit packages of the different schemes are similar in their core elements.
- A growing number of programmes is also linked into the schemes operated by the major strategic airline alliances.
- Schemes are not exclusive and travellers can join as many as they like. This raises questions about the extent to which loyalty schemes they are, in the true sense of the term.
- Schemes are based on a range of criteria for earning benefits including class travelled, fare paid, distance, or number of journeys.
- Many schemes have complex rules and regulations that can be difficult for travellers to understand.
- Many programmes have 'peak periods' or 'black-out' periods when reward flights cannot be booked. While understandable, this can cause frustration among members.
- Most schemes offer different categories of membership with higher levels of benefits at the 'gold', 'platinum', and 'elite' levels.
- Most bonus points have a limited lifespan, although many airlines are increasing this period, perhaps, because of customer dissatisfaction with short-term durations.
- The range of other airline and non-airline partners can offer members an increasingly important way in which airlines seek to differentiate their scheme from others.
- Many programmes have brand names which are often different to the name of the airline itself.

- Programmes often made special offers available to their frequent flyer programme members only, as a tactical marketing ploy and to enhance the programme in the eyes of members.
- The Internet is playing an increasing role in communication between members and the programmes.
- Many airlines are seeking to develop closer 'richer' relationships between themselves and their frequent flyer programme members.
- In the business travel sector, some companies feel aggrieved that loyalty programmes still tend to reward the employee traveller rather than the employing organization which pays the bills.
- There seems to be a growing integration between airline schemes and those of other travel and hospitality organizations, such as hotel chains and car hire companies.

Conclusion

Virtually every airline now offers a frequent flyer programme to encourage brand loyalty. They have proved very popular but do not seem to have made customers, particularly brand loyal, with many belonging to a number of schemes simultaneously. However they have now become an established part of the airline industry and travellers now expect every airline to have one.

Discussion points and exercises

1. Select two frequent flyer programmes and gather full information about both. You should then compare and contrast them, identifying the differences between the schemes.
2. Critically evaluate the value of frequent flyer programmes in terms of:
   - tactical marketing,
   - achieving brand loyalty,
   - relationship marketing.
3. Discuss the factors which you believe are likely to lead to passengers becoming either satisfied or dissatisfied with an airline's frequent flyer programme.
4. Discuss the suggestion that airlines only offer frequent flyer programmes because everyone else does and customers expect them.
5. Suggest ways in which an airline could seek to differentiate its frequent flyer programme from that of its competitors.
6. Discuss the positive and negative impacts of frequent flyer programmes, on yield management on airlines.

Case study 22

All-Inclusive Resorts

There is nothing new about the concept of all-inclusive resorts; they have been with us for decades, from the holiday camps in the UK to the 'western dude ranchers' of the USA. Club Med about which there is a detailed case study elsewhere in this book pioneered the all-inclusive concept in the Mediterranean as long ago as the 1950s.

However, in recent years we have seen a massive increase in the development of new all-inclusive resorts, and the adaption of older traditional hotels into all-inclusive properties, notably in the Mediterranean.

The growth of all-inclusive resorts has been stimulated by both demand and supply factors.

Firstly, there is the fact that tourists like the idea of paying one price and not having to worry about what 'extras' they will have to pay, for that will inflate the total cost of their holiday. Secondly, because all drinks, activities, and entertainment are included in most of the all-inclusive packages, customers believe that they are receiving good value for money. Thirdly, with the growth of long-haul travel to unfamiliar destinations, many tourists do not feel confident about travelling off site to buy meals in countries, whose language they do not understand. Fourthly, on the supply side, in many of the new long-haul developing country destinations, the infrastructure may be little developed, so that tourists who are willing to venture out of their hotel grounds may find very few restaurants or other products and services. Penultimately, many coastal destinations, where the main appeal is the beach and sun, are in relatively poor developing countries. Often tourists fear – rightly or wrongly – that if they leave their hotel grounds, they will be attacked and robbed because they are richer than their hosts. Finally, in traditional Mediterranean destinations, many established hotels have converted to the all-inclusive formula to help them differentiate their offer from that of their competitors, and to satisfy the tour operators who want to exploit this growth market.

As we will see now, all-inclusive resorts come in many different forms and many different levels in the market.

1. **Sandals** Sandals is an upscale operator who limits access to its resorts to 'mixed sex couples over 18' only, so it discriminates against gay and lesbian couples and does not accommodate families. The company operates four resorts, solely in the Caribbean, with five being located in Jamaica.

   Given the growing competition in the all-inclusive market, Sandals, one of the earliest movers in the field, seeks to sell itself on the basis of the following strengths of its product:

   > Many hotels offer all-inclusive holidays, but it is important to look at what you are being offered during your precious holiday time. Sandals provides unlimited premium brand drinks with meals throughout the day and night. As well as sumptuous buffets, Sandals offers a world-beating choice of gourmet restaurants, from oriental to Italian and French a *la carte* dining with no hidden surcharges. Among an array of activities, watersports include sailing and windsurfing, waterskiing (at most resorts), and even scuba diving, equipment and instruction is all part of the service included.

The list goes on and on … Sandals and Beaches Resorts, voted 'The World' Leading All-Inclusive Company' at the World Travel Awards 8 years in a row.

Source: Sandals/Kuoni brochure, 2002

The same brochure outlines what guests receive for their money at each resort, as shown below, where 'x' means 'yes'.

	Sandals Royal Hicacos	*Sandals Negril*	*Sandals Dunn's River*	*Sandals Ocho Rios*	*Sandals Montego Bay*	*Sandals Royal Caribbean*	*Sandals Royal Bahamian*	*Sandals Halcyon Beach*	*Sandale St Lucia*	*Sandals Grande St Lucian*	*Sandals Antigua*
Accommodation											
Total rooms and suites	193	280	327	170	405	190	245	237	250	223	404
Concierge service in selected room categories	x	x	x	x	x	x	x	x	x	x	x
Swimming pools											
Main freshwater pools	5	4	3	2	3	4	4	3	2	2	3
Whirlpools	5	4	4	3	6	5	4	2	3	2	4
Food and drink											
All meals and 24-hour food service	x	x	x	x	x	x	x	x	x	x	x
Unlimited premium brand drinks	x	x	x	x	x	x	x	x	x	x	x
Gourmet speciality restaurants	4	5	6	3	8	4	5	4	4	4	4
Swim-up pool bars	1	1	2	2	3	2	1	1	2	1	1
Full room service (in selected rooms)	x	x	x		x	x			x	x	x
Dine at neighbouring Sandals or Beaches resorts		x	x	x		x	x	x	x	x	
Entertainment											
Daily organized activities including pool games	x	x	x	x	x	x	x	x	x	x	x
Discotheque/nightclub	x	x	x	x	x	x	x	x	x	x	x
Nightly entertainment	x	x	x	x	x	x	x	x	x	x	x
Indoor activities											
Fitness centre, sauna, and/or steam baths	x	x	x	x	x	x	x	x	x	x	x
Spa facilities (treatments payable locally)	x	x	x	b	x			c	x	x	x
Beauty salon (treatments payable locally)	x	x	x	x	x	x	x	x	x	x	x
Indoor games	x	x	x	x	x	x	x	x	x	x	x
Pool/billard tables	x	x	x	x	x	x	x	x	x	x	x
Watersports											
Scuba diving (for guests aged 12 and over) and snorkelling	x	x	x	x	x	x	x	x	x	x	x
Sailing, windsurfing, Hobie Cats	x	x	x	x	x	x	x	x	x	x	x
Canoes, kayaks, and/or paddle boats	x	x	x	x	x	x	x	x	x	x	x
Waterskiing	x	x		x	x	x	x	c	x	x	x
Landsports											
Tennis courts (including floodlit]) plus equipment	2	2	5	2	2	3	4	2	4	4	3
Golf		b	x	b				d	d		a
Table tennis, volleyball, shuffleboard, croquet, and horseshoes	x	x	x	x	x	x	x	x	x	x	x
Basketball	x		x	x	x	x	x	x	x	x	x
Lawn chess	x	x	x	x	x	x	x	x	x	x	x

Source: Sandals/Kuoni brochure, 2002

The letters a, b, c, and d reflect more detailed comments, which space does not permit us to reproduce here.

And the prices are not low, for Sandals is aimed at an upper-scale clientele. In Summer 2003, prices for adults for vacations to Sandals resorts, offered by Kuoni, from the UK, ranged from £967 in Cuba and £1225 in Jamaica to £4151 for a 7-night all-inclusive vacation, to the most expensive resort.

Sandals has also developed a successful area of business and weddings where guests are offered a free wedding and the chance to spend at leave 5 nights at a resort.

In response to customer demand, Sandals has launched ‘Beaches’, an all-inclusive resort given to singles, couples, friends, and families Sandals itself has traditionally avoided markets.

2. **Hedonism III, Jamaica** Following on from the success of Hedonism II, we now have Hedonism III, an all-inclusive resort, devoted to hedonistic pleasures. The following extracts from its web site give a good indication of the resort’s main features:

> Hedonism III Tucked away on Jamaica’s sultry North Coast, Hedonism III enters the millennium with everything that made Hedonism II the world’s most notorious resort and more! You will find swim-up rooms. A Roman tub in every room. And a see-through slide that snakes through the disco. At Hedonism III, you will find that famous uninhibited spirit where just about anything goes. For couples and singles 18 years and over. Set on 15 acres of beautifully landscaped gardens on the eastern end of Runaway Bay, Hedonism III features expansive ocean views and offers total escape for a truly active (and slightly wicked) vacation. Hedonism III is 42 miles or approximately 1 hour and 20 minutes from the Montego Bay Airport.
>
> The apple does not fall far from the tree – good news for Hedonists around the world, as the newest hedonism resort, Hedonism III takes the pleasure principle to new extremes. Quaint, Victorian architecture, and soft pastels conceal a sinister soul, like a black teddy under a housecoat.
>
> A few days here are more than enough to make up for a lifetime of ordinary vacations. Of course, when things like a water slide through the disco and a pool table actually in the pool start to seem ‘normal’, well it may just be time to go home. So, do whatever you want, whenever you want. We suggest you try everything once, and the really bad things as frequently as you can. But there is more to Hedonism III than a wet and wild non-stop party. Like award winning cuisine at a variety of unique restaurants, free flowing liquor at bars never close.
>
> An endless array of land and watersports. Live entertainment and plenty of shaded hammocks where you can recover from too much of the above. This wicket sister of legendary Hedonism II is a spectacular launching pad for a new millennium of decadence. And it is alive and thriving on Jamaica’s sultry north coast. Hedonism III. Is the world ready? Two beaches, one Au Natural. Three Jacuzzis, one Au Natural and the world’s only see-through Jacuzzi.

Weekly theme parties

Night	*Themes*	*Dress code*
Tuesday	Battle of the Sexes PJ Party	Silks and satin, leather and lace, anything naughty (sleepware mandatory for entrance in disco up to 1.00 a.m.)
Wednesday	Blast from the Past Oldies Party	1970s Minis and Bell Bottoms
Thursday	Talent and Toga Teaser	Togas are required (sheets will be provided) for entrance into the tropical terrace for the Toga Parade

Source: Company web site.

Hedonism III is a reflection of the current growth of hedonistic tourism, among most age groups.

3. **Karmina Palace All Suites Resort, Mexico** The all-inclusive resorts in Mexico are focused largely on the American market. This property has 324 bedrooms and offers a fully inclusive package which includes the following:

- Room, accommodation, tax, and gratuities
- 24-hour room service
- All meals
- Concierge for tee-time reservations
- Daytime activities programme
- Fitness centre use
- Kids' club
- Nightly live music
- Nightly shows
- Non-motorized watersports
- Theme nights with buffet
- Unlimited drinks
- Wedding co-ordination

Source: Expedia, 2003

The resort offers suites varying in size between 990 and 3019 square feet (the use of feet not metres is further evidence of the focus on the US market).

Interestingly, the description of its services, emphasizes the availability of non-smoking rooms and children's facilities.

4. **Iberostar Punta, Dominican Republic** This resort is owned by a Spanish chain, showing that the all-inclusive concept does not just appeal to the English-speaking market in the Caribbean. This unit is aimed at a family market with a children's club and a jungle walk/mini zoo for children. Accommodation only prices in 2003 varied between US $512 and $700 per adult, per week.
5. **Voyager Beach Resort, Kenya** This is a 230-bedroom property on the Kenyan coast, near Mombassa. Its all-inclusive package includes meals, entertainment, and sport facilities. It also offers unusual activities, such as glass-bottom boat trips. However, with companies like Sandals, the alcoholic drinks included in the package are not premium brands but are locally produced. Furthermore, the all-inclusive concept is only available between 10.00 and midnight.
6. **Les Pavillons, Mauritius** Like a number of resorts, Les Pavillons offers both halfboard and all-inclusive concepts. The price differential between the two varied between £135 per adult per week to £147 in 2003. The extra money brought guests the following benefits:

- All meals, breakfast, lunch, dinner, and snacks.
- All drinks, local beer and spirit, soft drinks, house win by the glass, and tea and coffee.
- Watersports as detailed in hotel description.
- All taxes and tips (excluding overseas airport departure tax).

Source: Kuoni brochure, 2003

7. **Hotel Fortina Spa Resort, Malta** A four-star seafront hotel in Sliema, Malta, that has changed to the all-inclusive format and has also added a spa centre to further differentiate

itself from other hotels in the area. In 2003, a week's all-inclusive stay at the hotel cost between £270 and £406 per person.

8. **Hotel Santa Susanna Club, Costa Brava, Spain** This is a mid-range property aimed at a family clientele. Its low prices reflect the fact that the hotel offers fewer sports facilities than many other all-inclusive resorts. There are also restrictions, such as snacks are available only from 10.30 to 12.30 and 15.00 to 18.30, and children's soft drinks and ice cream are not available until 11.00 hours.

These few examples show the diversity of the all-inclusive resort complex around the world, but also some of its similarities. Let us now look at how tour operators market the all-inclusive resort products.

Tour operators' all-inclusive programmes

Tour operators have quickly seized on the rising popularity of all-inclusive resort vacations and have developed their own all-inclusive holiday packages. In the UK market, for example, some tour operators have developed whole brochures devoted to all-inclusive hotels, such as Cosmos. In 2003, the company stated in this brochure that the all-inclusive holiday package was as follows:

Under every accommodation description in the 'All-Inclusive' means, section we have listed the All-Inclusive facilities included in your holiday price.

You can normally expect the following:

- Buffet-style breakfast, lunch, and evening meal.
- Snacks and/or ice cream throughout the day.
- Unlimited locally produced alcoholic drinks and soft drinks.
- A regular variety of daytime and evening entertainment.
- Sports and activities, such as tennis, volleyball, and aerobics.
- Watersports including sailing, windsurfing, and pedalos (availability subject to season).
- Pool sports as appropriate to each hotel, such as water polo and water aerobics.

Naturally, activities and facilities vary from hotel to hotel; so, to be certain that you select the right holiday for your needs, be sure to check individual accommodation descriptions.

Note: All-Inclusive guests are normally required to wear or carry identification to ensure they receive the All-Inclusive benefits. This is provided by the hotel and consists of an identity bracelet or ID card.

Source: Cosmos All-Inclusive brochure, 2003

Meanwhile, other tour operators mix all inclusive with other formats in the same brochure. For instance, Thomson/Touristik Union International (TUI) offered three different forms of all-inclusive products in its main 2003 Summer Sun brochure, as follows:

- Sandals and Beaches resorts.
- Thomson All Inclusive.
- Thomson All-Inclusive Select.

As the all-inclusive market has grown, more and more travel agents and travel web sites have become involved in selling such tour operator packages, often at heavily discounted prices.

For example, in February 2003, the 'Holiday Warehouse' web site was offering the following all-inclusive packages, inclusive of flights:

- 14 nights in four-star hotel in the Dominican Republic in May and June from £889.
- 14 nights in a three-star hotel in Kenya in March and April from £864.
- 14 nights in a three-star Mexican resort hotel from £769.

Key issues

- The all-inclusive resort concept is more than 50 years old, but it has grown very rapidly in popularity in recent years.
- In certain destinations, such as the Caribbean, all-inclusive resorts are almost the norm while in other regions, such as South-East Asian, they are relatively rare.
- All-inclusive resorts exist at many different levels in the market from medium to very expensive.
- Even within the Mediterranean region, some countries, such as Turkey and Tunisia, have a lot of all-inclusive properties while there are relatively few in countries like Greece and Portugal.
- All-inclusive resorts have grown up particularly in relatively new destinations with limited non-hotel-based infrastructure, and where tourists may perceive there to be security risks for themselves.
- Many people believe that self-contained, all-inclusive resorts may grow more in popularity if terrorist attacks increase in frequency. Others think however that such resorts may well become targets for such attacks.
- All-inclusive complexes are criticized on a number of fronts in terms of their social, economic, and environmental impacts. Socially, they are accused of creating ghettos, which segregate tourists and locals, and do not encourage the mixing of the two. Economically, it is argued that while lucrative for the hoteliers themselves, they generate little spin-off expenditure on meals, drinks, and shopping, outside the resort complex, thus minimizing the opportunities for local small-scale entrepreneurs to make a living. Finally, in terms of the environment, such complexes are often on a very large scale and as well as harming the visual amenity of sites, they often use valuable water and damage wildlife habitat. Due to these negative impacts, some developing countries' governments oppose such complexes. Indeed, in 1999, the development of new all-inclusive resorts in the Gambia were banned, although the policy has since been relaxed.
- In the Mediterranean, especially, many all-inclusive resorts are simply hotels that have adopted this format. In many cases, they have done so under pressure from foreign tour operators who dominate their market. They may, therefore, be unwilling and unenthusiastic, and offer a less than first class service.
- In the lower/middle market, as opposed to the upmarket operators, such as Sandals, the all-inclusive concept gives the hotelier a captive market and may, therefore, reduce the motivation to strive for ever greater quality.
- Tourists are often dissatisfied with aspects of these mid/lower-range all-inclusive resorts in terms of food quality, alcoholic drinks quality, and the restrictions that are often placed on alcohol consumption, for instance. After all, there is no universally accepted definition of what 'all-inclusive' actually means.
- There are clearly different types of all-inclusive resorts for adults only and hedonistic resorts to family-oriented ones.
- All-inclusive resorts may appeal to the same motives as cruises for instance, given that both are sold on the basis of pay one price and everything is included.
- It is interesting that all-inclusive resorts are growing at the same time as we see growth at the opposite extreme, such as room only in hotels and self-catering accommodation. Clearly, there are different segments and market trends driving both developments.
- All-inclusive resorts may be a permanent feature in destinations or they may prove to be a transitionary phase which new destinations go through until their local infrastructure has developed to the point where it is on a par with the quality of the all-inclusive hotel. Tourists may then reject the all-inclusive complexes to enjoy the diversity of the local area. Alternatively, as tourism develops in a place, the resentment of the tourist by the locals, and fears of terrorist attacks may encourage even more tourists to seek the cocoon-like atmosphere of the all-inclusive resort.

Conclusion

While not new, all-inclusive resorts have been proving more and more popular in recent years, possible in newer long-haul destinations with limited tourist infrastructure. They clearly appeal to a large number of tourists but they also face criticism about their negative impact on the host community and local environment. It remains to be seen if they will grow or decline in the future, or if they can evolve in ways that make them more compatible with the principles of sustainable tourism.

Discussion points and exercises

1. Critically evaluate the impact of all-inclusive resort complexes on the destination's economy, society, and environment.
2. Compare and contrast Club Med, Sandals, and Hedonism III in terms of their product, market, and main selling points.
3. Discuss the factors that will influence the future development of the all-inclusive resort market.
4. Devise a new concept for an all-inclusive resort complex in a location of your choice. You should produce a report for your concept which covers the following:
   - core concept,
   - main elements of the product,
   - the size of the property,
   - target market(s),
   - pricing policy,
   - site requirements,
   - preferred location.

CASE STUDY 23

Clubbing and Party Tourism in the Mediterranean

One of the strongest growth areas in the European tourism market in recent years has been the rise of 'clubbing and party tourism' in the countries of Northern Europe. This phenomenon consists of large numbers of young people from Northern Europe taking vacations in Mediterranean destinations in the summer to 'party'.

It has taken the old 'sun, sand, sea, and sex' tourism and added new elements to this experience, namely:

- music and dance culture,
- heavy consumption of alcohol,
- drugs,
- daytime activities, notably watersports.

This form of tourism is now an established part of popular culture in Northern Europe. It has even led to the growth of its own forms of music such as the 'Ibiza sound'. It has been stimulated by several factors, most notably:

- the growing independence of young people in Northern European countries, who are able to take holidays on their own, or with friends, from a relatively early age;
- the changing role of women in Northern Europe and the fact that young women can now behave in the same way as young men in terms of drinking and casual sex;
- the development of clubbing and dance culture in Northern European countries, which has become part of the everyday life of North European young people in their home countries;
- Northern European entrepreneurs have developed nightclubs in Mediterranean destinations which are designed to attract tourists from the entrepreneurs own country;
- once party tourism has started to develop in a destination, other ancillary services such as bars grow up to exploit the market. This in turn facilitates the further growth of party tourism in a destination;
- the existence of tour operators such as Club 18-30, and the creation of new tour operators in this field, which packages this form of tourism for the tourist.

It is important to recognize that clubbing tourism is not a tourism phenomenon; it is a case of tourism following developments in popular culture in the tourist's own country.

Some destinations have established a clear reputation for themselves as places for particular tourists, within the Mediterranean. The following extracts from the *Travel Weekly Group Gazateer* for the Mediterranean for 2001–2002, makes this clear in the following entries:

- *Ayia Napa, Cyprus:* A huge clubbing scene has grown almost out of control since the mid-1990s. Masses of young people gather in the central square before starting their late night revelry. Drunkeness and drugs are evident. San Antonio and Kavos now have a serious competitor for the 18-30 market.
- *Kavos, Corfu, Greece:* At night, neighbours compete between who has the loudest sound system. The emphasis is on drinking anything from draught beer to knockout cocktails. It can get out of hand.
- *San Antonio, Ibiza, Spain:* This is Ibiza's liveliest popular resort with non-stop fun day and night. Very little for those seeking peace. British dominated. A youngster's paradise.

Source: Travel Weekly Group Gazateer, 2000–2001

However, there are a number of important points to be made about the destinations for clubbing tourism as follows:

1. Some destinations appeal to an international market while others are mainly targeting a single nationality.
2. Clubbing destinations are based on fashion and trendiness so they can rise in popularity and decline in popularity relatively quickly, for no apparent reason, other than fashionability.
   For example, on the island of Crete, Aghios Nikolaos was the first to develop a reputation for clubbing and nightlife. Now it is Malia that perhaps has become the leading party destination on the island.
3. Once destinations have become established as clubbing destinations, it is difficult for them to re-position and move into new markets, because their reputation takes a long time to change.
4. There are often difficulties between market segments in clubbing destinations because the lifestyles of young hedonists conflicts with that of older couples and families.
5. Northern Europeans have also began to visit destinations on other continents for party tourism, such as Goa in India.

In Northern Europe, the UK has been a prime mover in the growth of clubbing tourism in the Mediterranean, partly because of its highly developed music industry. However, party tourism is also a major phenomenon in the tourism industries of Germany, the Netherlands, Ireland, and Scandinavia.

On the other hand, relatively few Southern Europeans visit the party destinations, they also seem to share the shock of their parents at the behaviour of young Northern European party tourists.

However, party tourism is not just a Northern European phenomenon. For example:

- US college students descend on coastal resorts for wild weekends at certain times of the year.
- Australian young people have traditionally travelled to Indonesian islands such as Bali for a party vacation.

Nevertheless, Northern Europe generally, and the UK specifically, is the main market, currently for this form of party or clubbing tourism. Shortly we will look at two tour operators active in this field, starting with the pioneer, Club 18-30, but firstly we should know a little about the current market leader destination in party tourism, Ibiza.

The Ibiza phenomenon

Ibiza has become a major 'brand name' or label in European popular culture, with its own style of music and dance culture, which attracts tourists from all over the continent.

However, tourism in Ibiza really got under way back in the 1960s when it was a fashionable place with 'hippies'. It also was a peaceful place favoured by a few celebrities for their holiday homes. By the mid-1970s, Ibiza was a playground for the jet set with its sophisticated discos and clubs.

However, in the 1980s this began to change. In 1987 there were only a few thousand British visitors to the island every year. From the late 1980s, British music entrepreneurs began to run 'party nights' in Ibiza in the summer, while others started new clubs on the island. A major step in the development of party and club tourism in Ibiza was the arrival of the club, Manumission, run by club owners from Manchester. Since then Ibiza has gone from strength to strength, largely through the efforts of Britons, although local entrepreneurs have also been involved. The Ibiza scene is a mixture of clubs and themed events within venues, together with the ancillary attractions of bars, beaches, and watersports.

The clubs are huge – some can accommodate up to 10,000 people, and they represent millions of Euros of investment in decor, sound, and lighting systems. Competition is high and each venue tries to outdo the others.

Ibiza has become such a phenomenon today that whole guides are being written just about Ibiza as a nightlife destination. For example, in 2001, the London-based club which has developed into a major international dance entertainment empire, Ministry of Sound, published a 160-page guide. This guide featured:

- 22 pages on the Ibiza 'sound, clubs, and party venues;
- 42 pages of recommendations and ideas on things to do on the island;
- 14 pages on travel industry package tours;
- 6 pages on where to stay on the island with information on the nature of each area within the island;
- 38 pages of 'listings' for food and fun;
- 36 pages of practical information covering everything from climate to health, police to telephones.

The guide also contains sections entitled 'A history of hedonism', 'the island reputation' and 'living the dream'.

In the late 1990s, the island developed a reputation for bad behaviour by 'lager lout' tourists and the opposition to clubbing tourism locally is growing, particularly as much of the economic benefits of tourism leave the island and go to Northern Europe. The local industry is making efforts to encourage better behaviour to safeguard the future of their businesses and relations with local people.

Many visitors are young women, travelling with friends, and the nature of clubbing tourism on the island can be seen from the following advice given to women tourists in Ibiza by a web site: Ibiza-spotlight.

Ladies first

Safety

We can assure you that Ibiza is a safe island. Rape and mugging are almost unheard of. However, just like at home, there are a few rules to bear in mind:

Ibiza is a party island, people are here to have fun, and it is quite safe for girls to venture out without a man in tow. However, flirting is a very popular summer pastime, especially for the hot-blooded latinos who are a bit more enthusiastic than their northern European counterparts. In July and August, there are many Italians on the island, but don't be put off by a cry of 'Ciao Bella' – it's a compliment! Generally speaking, a firm 'No Gracias' (no thank you) should be enough. There are enough pretty girls here on Ibiza, so our prospective Romeo should soon be off on his next flirt.

Unfortunately Ibiza does have a reputation as a rather easy place to pick up girls. Don't be surprised if you are invited for a night-time stroll along the beach, and then are expected to .... Remember, a clear and firm 'no', and the situation should be diffused.

One often hears rumours of people dropping drugs into glasses of unsuspecting girls in the discos. We have never, ever heard of this actually taking place – one of those infamous Ibiza rumours!

Very popular here, although we don't recommend hitchhiking if you are here alone. There are excellent public transport facilities, and the disco bus is a very cheap and effective way of reaching the discos, wherever you are staying. Taxis are also many and cheap.

If you are determined to hitchhike, please only during daytime, and try and make sure that there is a female drive, or at least one other female in the car.

What shall I take with me? Don't be afraid of packing your most outrageous and colourful clothes. On Ibiza, anything goes.

Topless is quite normal here, either on the beach or by the hotel pool. There are only two official nudist beaches: Es Cavallet in the south, and Aguas Blancas on the North-east coast below Cala San Vicente.

I think I can safely say for us girls, nothing is more fun than going for shopping for clothes in the many boutiques and shops for which Ibiza is famous. The Port of Ibiza is famous for its outrageous fashion and styles. Sorry to be boring, but just take a minute to stop and think about those clothes before getting out the boyfriend's Visa card.

Are you really going to wear these clothes at home? Are they worth the price for just one evening out on the town?

It is not advisable to bring babies younger than 2 years in the months of July and August – it is quite simply, too hot. For older kids, we cannot stress enough about the importance of suncream.

Babyphones do work over here, although you might need to buy an adapter from a local supermarket. Many hotels offer a babysitting service at the reception.

The contraceptive pill is very cheap here, and freely available in all chemists. Ask your doctor what your brand is called, and buy the equivalent over here.

Source: www.ibiza-spotlight.com

Ibiza is more than just a holiday destination; it is part of European popular culture, an almost mystical place. With 'Ibiza Sound' often topping the summer charts all over Europe, Ibiza is an integral part of many Northern European lives.

Finally, in spite of the club tourism culture that seems all pervasive on Ibiza, there are still luxury hotels and celebrity hideaways on this mass market party tourism island.

Club 18-30

In the UK, Club 18-30 has become a byword for party tourism. Starting life as a sub-brand of a mass market tour operation, it has now developed a strong brand identity on its own, even though it is owned by Thomas Cook Holidays.

It has constantly re-invented itself to stay abreast of developments in the market.

In 2003 Club 18-30 offered a programme with the following characteristics:

- It featured 13 destinations, 10 of them islands, and all in the Mediterranean.
- Prices for a 7-night self-catering holiday varied from around £200 to £500. However, Club 18-30 advise their clients they will need on average £300 to £500 per head for spending money, a very high figure, reflecting the amount which is spent on alcohol and nightlife.

- The ‘club representatives’ are a major selling point. The company claims in its brochure that ‘unlike ordinary tour operators, we do not recruit just on qualifications and experience; we recruit on personality, common sense, and … balls … They are in the resort to help you with anything you may need and basically be your mate. They are there so that you have the best holiday ever’.
- The text and the photographs in the brochure are highly suggestive and make it clear that the holiday is about partying, clubbing, dancing, and sex. For example, their offer of a discount if clients book more than one holiday was worded as ‘Come Again …! … Wouldn’t we all love to’!
- Brochure descriptions of destinations focus on the things that are of interest to party goers, with an emphasis on bars, clubs, and the music scene.
- Club 18-30 places a great emphasis on ‘excursions’ which are themed ‘events’ and ‘gigs’. Booking all of these cost around UK £110 per person per week in 2003.
- 3 and 4 night short breaks are available to Ibiza for those wishing to take a short break from work.
- The Club 18-30 web site which has a facility for members, remains online.
- The accommodation package is adapted to the needs of British party tourists, with, for example, a full English breakfast served until midday.
- ‘Reunions’ were held in 2003 at a holiday centre in the UK, which were party weekends for existing customers.
- The brochure contained advertisements for customers who might want to be models for the photographs in the next brochure.
- There were advertisements for products aimed at a similar target market to Club 18-30 such as a tabloid newspaper and a cheap, snack food.

Club 18-30 is a major success story with a strong market position. It focuses on group-based activities and a club atmosphere. It is relatively inexpensive and not particularly sophisticated. Finally, it is part of a major tour organization’s product portfolio.

Let us now look at a newer, different kind of operation in the party tourism field, Cultura.

Cultura

This company is also owned by Thomas Cook Holidays, like Club 18-30, but it appears to be aimed at a different market. It is a new product which is sold through a brochure that looks very different to the usual brochure. On its cover it describes itself as ‘Designer Trips for a Progressive Culture’. The main characteristics of the programme are as follows:

- It has been developed by people who are not all involved in the tourism industry, including journalists, music industry figures, advertising executives, and technology specialists. They describe themselves as ‘mavericks’ offering a new concept based on quality and convenience.
- The emphasis is on flexibility and the idea of travelling as an individual not as part of a homogenous group, organized and regimented.
- The brand web site also includes information on fashion, music, and clubbing.
- Unlike Club 18-30, Cultura focuses on just four destinations, namely Ibiza, Mallorca, Cyprus, and Rhodes.
- The accommodation offered is more up-market than that of Club 18-30, with an emphasis on three- and four-star hotels, and much less self-catering accommodation.
- Prices are higher than Club 18-30, although it is difficult to compare because Club 18-30 offers a package price while Cultura pricing is such that one buys separate elements to construct one’s own package. Nevertheless, in Mallorca, for example, the lowest price with Club-Med for 7 nights bed and breakfast started at UK £215 while the lowest price for flight and accommodation to Mallorca in the Cultura brochure started at UK £300.

- Instead of tour representatives, Cultura has ‘personal advisers’. There is no welcome meeting where all guests get together and the representatives try to sell excursions.
- The brochure allows a huge amount of detail on the destinations in terms of news about their clubs and bars. There are also pages about the nightlife scene on each island. There are also detailed articles on issues such as:
  - the ‘hippie’ scene in Ibiza;
  - individual activities on the different islands;
  - personal histories of the club owners;
  - recommendations for beaches, restaurants, bars, and cafes;
  - the phenomenon of ‘sunset bars’;
  - shopping facilities;
  - the gay scene on the four islands.
- Customers tailor-make their own packages from the individual elements, including:
  - accommodation, with prices per night, per person, from £23 to £109;
  - flights from the UK, from £109 to £299;
  - resort transfers would cost between £24 and £45 per person in Cyprus and Rhodes, per couple;
  - car hire, from £145 to £419 per car in the peak season;
  - private boat hire, from £385 to £1631 per day;
  - tickets to clubs can also be bought via Cultura from £12 to £22.

Interestingly, both brands are owned by Thomas Cook and are clearly designed to appeal to two different segments of the party tourism market.

The impact of party and clubbing tourism on the destinations

Party and clubbing tourism has a major impact on the major destinations for this kind of tourism in the Mediterranean including the following:

1. There is no doubt that this form of tourism brings huge economic benefits to the destination. However, in general these benefits go to bar, club, and fast food outlet owners rather than accommodation suppliers or cultural activities because this is where these tourists spend the bulk of their money on.
2. Much of the income from party tourists is probably lost to the destination, particularly the island, because many of the clubs and bars are owned by foreign-based companies and they employ labour from their own country who are is in tune with the customers own culture.
3. The host community tend to face some extra costs because of this form of tourism, because of the extra burden which the influx of tourists places on the local police and medical services.
4. Being a destination for party tourism, it can have appalling costs for resorts because the phenomenon of young party tourists deters other people from visiting the destinations. This can be costly, particularly for those who run more up-market accommodation establishments.
5. Given that most party tourism in Europe takes place in Southern Europe it can create conflict between different cultures. The culture of Southern Europe with its strong religious influences and its emphasis on the family, finds party tourism, with its excessive drinking and casual sex, offensive.
6. The presence of young foreign tourists can cause conflict with local families if their children are tempted to join in with the party and develop ‘romantic’ links with some of the tourists.
7. Party tourism can cause environmental problems in destinations, most notably litter and noise pollution. However, this problem is not just caused by tourists, as both litter and noise are indigenous problems in some Mediterranean destinations.
8. The presence of relatively affluent tourists who are often ‘off their guard’ encourage criminals to travel to the destination to peddle drugs or mug the unwary. This is a problem for the local population too.

The impacts of party and clubbing tourism on the tourists and their own country

The effects of party and clubbing tourism are not just felt in the destination; they are also experienced in the tourist's own country.

Firstly, it has the following impacts on the tourists themselves:

- On a positive note, these holidays seem to offer great fun for the participants, and are memorable experiences for them.
- Many of the tourists develop friendships and relationships which may continue after the holiday.
- Some of the tourists' lives are changed for ever by this experience; they may, for example, become tour representatives or go to work in the destinations.

On the other hand, it can be harmful to the tourist, as follows:

- The emphasis on casual sex can lead to tourists suffering sexually transmitted diseases including HIV infection.
- The ready presence of drugs can lead some tourists into drug use although it is important to recognize that drugs are also readily available in the Northern European countries.

It is also important to note that, increasingly, the partying and clubbing holiday is not a break away from the tourist's normal routine as holidays used to be; it is an extension of their everyday lifestyle at home.

For their home country as a whole the rise of party tourism has helped create new business opportunities for tour operators and music industry entrepreneurs.

However, it has negative impacts on the country too, including:

- Leading to their country having a negative image in the destination countries because of the behaviour of their young people;
- Reinforcing national stereotypes of other countries;
- Reinforcing social problems such as heavy drinking among young people, and violence;
- As young people go on these holidays with friends rather than relations, these holidays further undermine the role of the family in the national society, which many people think is a problem in some Northern European countries. Furthermore, going on these holidays can often be a source of tension between young people and their parents.

Key issues

- Party and clubbing tourism is a form of hedonistic tourism, where pleasure-seeking is the main motivator.
- There are many different forms of such tourism from lager lout pub 'crawl' type tourism to serious dancing at exclusive clubs.
- Party and clubbing tourism is not just seen in the Mediterranean. Some cities in Northern Europe also attract such tourists, notably Dublin, Berlin, Amsterdam, and Reykjavik.
- British people are probably the leaders in European party and clubbing tourism but other young Northern Europeans also take part and there are equivalent markets in the USA and Australia.
- Ibiza is the current market leader for this form of tourism in the Mediterranean but this is a very fashion-conscious market and new destinations are arising all the time.
- Party tourism for most tourists is not a chance for them to escape from their daily life and do things they cannot do at home; in general, it is about tourists doing in the sun, around the Mediterranean, the same kinds of things they enjoy doing at home.

- Party and clubbing tourism is not a tourism industry phenomenon; it is an extension of popular culture in Northern Europe and its growth has been led by music and dance industry entrepreneurs.
- However, the tourism industry has exploited the growth in this form of tourism, not only with well-established brands but also with new brands such as Cultura, and other brands with names like Club Freestyle and Ibiza Trips, the latter a partnership between the Manumission Organization and a tour operator.
- Party and clubbing tourism brings a lot of economic benefits to a destination, more so in the bars and clubs sector rather than the accommodation sector given the tourists spending priorities.
- On the other hand, a lot of the tourist expenditure leaves the destination because many bars and clubs are owned by foreigners from the tourist's own countries. This can cause real conflict with the local community.
- For accommodation operators, particularly at the higher end, clubbing tourism can be a real problem because the presence of young clubbers often discourages visits by older people who will spend more on hotels and eating out.
- Clubbing tourism can cause social tensions and problems including:
  - conflict between the young hedonistic tourists and the local community who do not approve of the tourist's behaviour;
  - rivalry between young people of different nationalities within resorts which can result in fighting;
  - arguments in the host community between parents and their children who may wish to visit the clubs against the wishes of their parents;
  - clubbing tourism tends to attract criminals, notably drug dealers and muggers;
  - tension in the tourist's own country between parents and their teenage children who want to go on such vacations.
- Given the negative image clubbing tourism can give a destination, some places may wish to 'de-market' segments such as the so-called 'lager louts' to allow them to attract other 'better quality' markets, although this will be difficult to achieve.
- There is evidence that the market may be changing from the regimented hedonistic package tours to more emphasis on individual, independent clubbing tourism. However, it is likely that both markets will live alongside one another.
- In the future, it seems likely that:
  - Northern European hedonists may look increasingly outside Europe for new destinations for their vacations.
  - The desire for party and hedonistic tourism will grow among other age groups in Europe.
  - The trends towards clubbing holidays among young people may spread from the USA and Northern Europe to other parts of the world.
- Finally, it is salutory to note that the Bali bombing in Autumn 2002 was on a club used by hedonistic clubbing tourists from Australia and elsewhere. In places where 'western-style' clubbing tourism develops in places where the prevailing culture disapproves of this type of tourism, the venues and tourists could become terrorist targets in the future.

Conclusion

Party and clubbing tourism is a major phenomenon in the young person's tourism market in Northern Europe, as well as the USA. For the Northern Europeans the major destination is the Mediterranean region and places like Ibiza in particular. The development of this form of tourism in the region has often been led by foreigners from the tourist's own country. While the tourists have a great time, party tourism has become a very controversial issue with concerns over its impacts on the destinations and the tourists themselves, and their home countries. There is also, at the time of writing, in the current climate of uncertainty and fear, a concern that these hedonistic young tourists could become targets for terrorist groups who disapprove of their lifestyles. Given that they crowd together in clearly identified venues they would be truly a 'soft' target for terrorists.

Discussion points and exercises

1. Discuss the factors which you believe have led to the growth of party and clubbing tourism in the Mediterranean.
2. Critically evaluate the impacts which party and clubbing tourism has on destinations.
3. You should carry out a small-scale survey of people who have taken a clubbing and party holiday in the past 2 years. You should endeavour to discover what motivated them to take such a vacation and how they chose their destination. You should then present your findings in a short report.
4. You should obtain copies of several mainstream tour operator brochures, together with those from several party and clubbing tourism operators. You should then compare the brochures in terms of the:
   – text about resorts and accommodation,
   – prices,
   – packages on offer and what they include,
   – type of language and visual images used.

   You should then prepare a report identifying any differences between the two.

Case study 24

Corporate Social Responsibility in Tourism

Corporate social responsibility (CSR) is one of the 'buzz' phrases of the modern business world. The concept of responsibility in business has risen up the corporate and political agenda due to the numerous business scandals seen around the world in recent years. These scandals include everything from corruption and false financial reporting to use of child labour to dis-honest marketing practices to the environmental impacts of industry. These scandals have all received widespread media attention and both whole industries and industrial corporations have felt threatened that they may be adversely affected by the impact of these scandals on consumer behaviour.

At the same time, some companies have believed that this climate provided an opportunity for those organizations which can present themselves as being more ethical than their competitors. In other words, CSR has begun to be seen as a potential competitive advantage tool.

Furthermore, whole industries, which may feel threatened by the growing interest in business ethics, seem to see CSR as a defence mechanism. In other words, if they are seen to take action as an industry, governments will not feel the need to regulate industries, which could be seen as a potential threat by industries.

Indeed, some governments, such as that in the UK, have actually been encouraging the rise of CSR, as the following extract from a UK Government web site illustrates:

> An increasing number of companies of all sizes are finding that there are real business benefits from being socially responsible. CSR has become a core issue for many large businesses.
>
> About 80 per cent of FTSE 100 companies now provide information about their environmental performance, social impact, or both.
>
> And these trends are not confined to big business; a recent MORI survey of small- and medium-sized enterprises found that 61 per cent were involved 'a great deal' or 'a fair amount' in the local community. This is not happening by accident. There is a sound business case for social involvement. The UK is fortunate to have excellent support helping companies to become involved. And government is assisting with relevant information on a wide range of issues, as well as through many other specific initiatives across the whole spectrum of the nation's biggest issues.
>
> *Source:* www.societyandbusiness.gov.uk/about/index.html, 2003

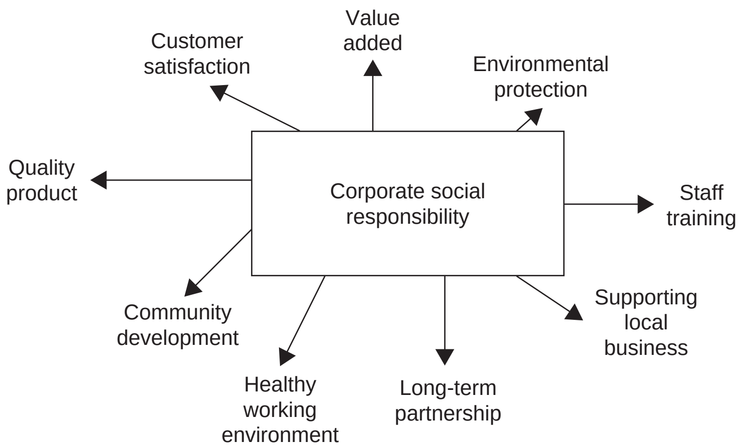


Exhibit 24.1 The scope of CSR. (*Source:* TOI web site, 2002/2003)

Before going any further, however, we should perhaps define the CSR more closely. Here are two well-known definitions:

> Operating a business in a manner that meets or exceeds the ethical, legal, commercial, and public expectations that society has of business.
>
> *Source:* Business for Social Responsibility

> Human rights, employee rights, environmental protection, community involvement, supplier relations, stakeholder rights, and monitoring CSR are the continuing commitments by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
>
> *Source:* Business for Social Responsibility

In spite of this definition, one problem is, however, that CSR is still quite imperfectly understood and is clearly very wide ranging. The Tour Operators Initiative (TOI), an international tourism industry CSR Initiative, illustrates this when it defines as CSR all the elements shown in Exhibit 24.1.

The history of CSR in tourism

The term CSR is relatively modern, but the ideas which underpin it have been around in tourism for a very long time. However, in general, they have focused on the 'environmental protection' issue identified in Exhibit 24.1, through, for example:

- airline environmental policies, such as the pioneering work of British Airways;
- tour operators environmental policies, like Touristik Union International (TUI) which is discussed in a separate case study;
- the International Hotels Environmental Initiative, which again, is the subject of another case study in this book.

At the same time, the concept of sustainable tourism has been perhaps the greatest debate in tourism management in recent years. It embraces many of the elements of CSR as defined in Exhibit 24.1.

However, the sustainable tourism goes far beyond the idea of CSR in that it does not just put responsibility for action onto companies. It also recognizes the responsibility of consumers and governments in the creation of more sustainable forms of tourism.

Current initiatives in CSR in tourism

As in other industries, CSR has now become a major issue in tourism, as can be seen from the following initiatives and developments.

The British Airways Code of Conduct

As a pioneer in environmental management in the airline industry, British Airways also has a strongly developed CSR policy. This includes a Code of Conduct, part of which is provided below:

> Commercial success is important to us. The way in which we achieve it is equally important.
>
> People relationships
> *Aim: Employees who feel respected, well managed, understood, and able to do their best*. Our commitment to health and safety at work underpins all of our practices and procedures. We will:
>
> - Treat our employees fairly, respecting their individual and collective rights.
> - Promote direct communication and consultation as a means of establishing honesty and respect.
> - Promote equality of opportunity and encourage diversity in our workforce.
> - Support the rights of the child and will not employ anyone under the age of 16 years.
>
> A fair deal for consumers
> *Aim: To build a relationship of trust, value, and affinity with our customers.*
>
> Safety is of absolute importance to all of us
> We will:
>
> - never compromise safety for commercial reasons and will maintain policies and procedures at leading edge standards.
>
> Business conduct
> *Aim: To be recognized as an organization which is law abiding, accountable, and responsible.*
> We will:
>
> - Abide by the law and ensure that our practices comply with relevant legislation and regulations.
> - Ensure our decisions are taken by people duly authorized and accountable.
> - Consider social, ethical, and environmental implications of decisions which will promote shareholder value.
> - Aim to uphold and support human rights wherever we operate, respecting local laws and regulations.
> - Trade and compete fairly, working in partnership with our suppliers and business partners to improve social, ethical, environmental, and economic performance.
> - We do not tolerate bribery or corruption.

Citizenship

Aim: To succeed in partnership with the communities in which we work, not at their expense.

We will:

- Engage in constructive, open dialogue with our stakeholders, working to balance our needs, and achieve solutions for mutual benefit.
- Consider and respect the environment, seeking to protect it in the course of our activities.
- Seek opportunities for positive impact on society and the environment, promoting sustainable development.
- Work with local communities to develop skills and increase employment through education, training, and shared knowledge.
- Respect local, cultural, and religious needs and consider them in determining our local conditions of employment and product offerings.

Source: British Airways web site, 2003

The Tour Operators Initiative (TOI)

This is a network of tour operators from different countries who are committed to integrating sustainable development into their business practices. It is supported by UNEP, UNESCO, and the World Tourism Organization.

In the UK, TOI has developed well, and in November 2002, it issued a briefing document aimed at UK-based tour operators. This briefing is also endorsed by the Association of British Travel Agents and Tear Fund, a Christian charity.

This briefing firstly made a strong case for why tour operators should embrace CSR, as the following extract shows:

Once there was just the financial bottom line. Now companies recognize they must be accountable for their social, environmental, and economic impacts – the new triple bottom line. They recognize the need to preserve the environment, to look after their workforce, and to give something back to communities.

All this need to be done while running a profitable business.

This whole approach is CSR. It is about customer satisfaction, environmental protection, and a positive contribution to development. It means developing quality products and offering customer choice. It includes training staff, providing a healthy and supportive working environment, and entering long-term partnerships with suppliers.

CSR adds value through product differentiation and increased quality, as well as by preventing the degradation of the very bade of the tourism experience, that is nature and cultural heritage.

Customers have rewarded those companies that have adopted an ethical stance. Co-operator's market research found that more than a quarter of current account holders cited ethics or the environment as the reason for opening their accounts.

CSR makes sense for companies. It is not just the communities, customers, and environment that gain.

The business benefits of CSR enable it to be a successful model for all.

Responding to consumer demand Market research by Tearfund in 2000 showed that half of those interviewed were more likely to book a holiday with a tour operator that has an ethical code, and the majority of those were willing to pay for that guarantee. ABTA research in 2002 found that 87 per cent of holidaymakers said it is important that their holiday does not damage the environment, and 76 per cent felt that tourism should benefit those in the destination through jobs and business opportunities. The research showed that 59 per cent wanted information about local issues in their resort before they booked.

Improved service Contributing to poverty reduction in a destination and having a strong commitment to the workforce can create good morale and ensure a better welcome for customers. Investment in training will improve the quality of the product and customer service.

Risk management Operating in a more sustainable way will greatly reduce the risks that a company faces. It will protect the company's image by dealing with problems before they get out of hand or are published in the media.

Cost savings Installing energy-efficient systems at head office can save money as well as protect the environment.

Pre-empting government regulation Governments are under increasing pressure by NGOs, unions, and the general public to regulate the business sector. This pressure increases if bad practices are uncovered.

Businesses that behave in a sustainable way that exceeds all existing legislation and builds on good practice can reduce the need for legislation. Those that develop their own Codes of Conduct and have independently verified reports will be in a strong situation to influence any proposed legislation. For the moment the UK and European Union governments have favoured a voluntary approach to CSR, but this will be reviewed in the future. The onus is on companies to show that they are responsible, or face the threat of future legislation.

Growth of socially responsible investment (SRI) A growing number of investors want a good return for their money in a socially responsible manner. In the last 5 years, investment in SRI and ethical funds quadrupled from £0.8 to £3.3 billions. The Ethical Investment Research Service shows that 77 per cent of pension fund members want their funds to develop an SRI policy, as long as it does not hurt their financial interests.

Those tour operators that are listed and that are ethical will be the ones to gain from this increased ethical investment.

Source: TOI Briefs, 2002

The TOI goes on to explain that CSR covers everything from corruption to corporate governance community involvement to human rights, to environment, and to staff wages.

It then offers tour operators a five-stage detailed process for achieving CSR, including the appointing of a staff member to 'champion' CSR, staff training, developing a code for tourists, publishing what is done, monitoring, and reporting.

At the time of writing, a pilot project is underway in the UK to develop a CSR manual for tour operators.

The Responsible Tourism Press Initiative

The Responsible Tourism Press Initiative (RTPT) is:

The first dedicated media service to promote and publicize sustainable tourism organizations across all travel sectors.

The aim of the initiative is to represent the aims and activities of travel organizations concerned with social, cultural, ecological, and environmental responsibility.

RTPI also aims to be a one-stop shop for the media, providing information across those travel sectors that share the same sustainability objectives, yet often work autonomously.

'Many journalists simply do not understand the term *environmental sustainability* – at best they know it has something to do with hotel towels and recyclable toilet paper, at worst it is jargon for a lot of hot air', said RTPI Founder, Stephanie Ponsford.

'There is nothing complicated about this message, but RTPI wants the press to also know that solutions are being found not just via the rhetoric of global conventions, but in conservations and community projects, energy-saving and water-recycling programmes, ecological exercises, and other such grass-roots initiatives in not only beautiful, fragile places, but also in the inner cities and native villages as well'.

RTPI said it is hoping that it will stimulate the media to encourage their readers and viewers to do their bit. By enabling responsible tourism enterprises to share and/or dovetail ideas, activities, promotional programmes, and opportunities for press coverage, RTPI is hoping to help the industry speak as one voice.

Source: Travelmode.com, 2003

Tourism Concern and fair trade in tourism

Tourism Concern, which is featured in its own case study in this book, has been campaigning on the theme of fair trade in tourism for several years and has made the connection between fair trade and CSR.

In its *Fair Trade in Tourism Bulletin 2*, Laura Mason noted that:

The theme of this second edition of *Tourism Concern's Fair Trade in Tourism (FTinT) Network's Bulletin* is corporate responsibility, identified by the Network as one of five priority areas for fair trade tourism (alongside the local community level, consumers, national government policy and planning, and international agreements). In other words, we are looking at what the tourism industry itself is, or should be doing to contribute to more 'fairly traded' tourism.

Source: Tourism Concern.org.uk., 2003

Postgraduate courses in universities

Several UK universities have developed courses relating to CSR of which the MA in Tourism and Social Responsibility at the College of St Mark and St John was a pioneer. The college web site said the following about the course in Spring 2003:

The course aims to bridge the gap between the conventional agenda of tourism studies and the debates that focus on personal and CSR and their application in tourism practices.

The MA in Tourism and Social Responsibility course is designed to fill a niche in the market for postgraduate master's courses in tourism. The MA defines tourism not just as a business, but as a social and economic phenomenon which involves moral judgements. As a consequence questions of corporate and individual social responsibility are central to the curriculum of the MA. Each component of the course examines tourism from a moral and ethical position. The aim is to raise questions about tourism as a strategy for development, something that often goes unquestioned.

The strong value base of the course has consistently attracted students who wish to challenge the dominant moral agendas in tourism which focus on cultural and environmental exploitation.

The programme comprises the following main components taught over the first 11 weeks of the course:

- The meaning and significance of social responsibility, tourism studies, social research, and tourism.
- Management, marketing, and strategies for tourism and social responsibility.

A key moment in the evolution of the MA to the established and respected position it now holds was the setting up of the Professorial Advisory Group. The Advisory Group has been instrumental in developing a Code of Conduct that governs the relationship between clients/sponsoring agent, the student, and the college.

Source: marjon.ac.uk, 2003

A new MSc in Responsible Tourism was launched at the University of Greenwich, in 2003, which was described in the following terms:

The International Centre for Responsible Tourism at the University of Greenwich is launching a new MSc in Responsible Tourism. The course aims to tackle the cutting edge issues in creating sustainable tourism with a strong commercial orientation. The new structure with the first four modules taught by distance learning is designed to make it easier for people in tourism, conservation, and sustainable development to participate in the course.

The course has been developed from the Tourism, Conservation, and Sustainable Development MSc, which has run since 1999, and reflects the latest work on responsible and pro-poor tourism in which Harold Goodwin, Director of the International Centre has been engaged.

Mr Goodwin said the course adopts a triple bottom line approach to sustainable development – economic, social, and environmental – and is market orientated, looking at both the supply and demand issues.

The course will commence in late September 2003. For overseas students studying full time the International Centre will endeavour to arrange internships to widen their experience of the opportunities for developing responsible tourism.

Source: travelmode.com, 2003

Having examined some examples of developments in CSR in the tourism field, it is now time to identify some key issues for the reader.

Key issues

- CSR is a very fashionable concept today in the business world, but it is a very broad, complex, and ill-defined field.
- It has largely been a defensive reaction from the business community to the numerous scandals which have been seen in business around the world in recent years.
- The motive for individual companies to embrace CSR appears most commonly to be a belief that it is a potential way of achieving competitive advantage.
- Where whole sectors or industries have taken up CSR, often through professional bodies or initiatives, the aim of which usually appears to be a desire to prevent pressure building up for government regulation of their industry.
- Pressure groups, charities, and religious organizations seem to have played a major role in putting CSR on the agenda in many countries.
- CSR has become a vehicle whereby pressure groups and charities have sought to engage in joint activities and partnerships with industries and enterprises. This is usually seen as a positive development, but it can lead to accusations that such groups may 'sell out' to 'big business'.
- CSR in tourism in the past has traditionally had quite a narrow focus on the physical environment.
- However, the debate over sustainable tourism has set CSR in a wider context that also incorp-orates the responsibilities of consumers and governments. It also gives a destination a specific dimension to what otherwise is a corporate issue largely divorced from actual locations.
- As we have seen, there are now many different CSR initiatives and developments taking place in the tourism sector, although CSR is a relatively late arrival in the field of tourism, compared to other industries.
- CSR initiatives are not seen equally around the world; they seem, quite understandably, to be currently dominated by those countries with the most developed tourism market and outbound tourism industries, such as Germany and the UK.
- At the same time, CSR is developing in different ways in different sectors of tourism. For example, it appears quite highly developed in the tour operator sector but the hotel industry still seems to be dominated by the purely environmental issues agenda.
- CSR in tourism seems to, rather confusingly, overlap with some other key current topics in tourism management, notably sustainable tourism, ecotourism, responsible tourism, soft tourism, and fair trade tourism.
- CSR has not yet proved its worth, for it is a relatively new phenomenon in tourism. It may be seen as just a cynical attempt to justify inherently negative practices and try to achieve competitive advantage. This could be a challenge for not only the companies and the industries but also the pressure groups and governments that have embraced it so enthusiastically. Alternatively, CSR could be the first stage of the creation of a truly more sustainable tourism industry.

Conclusion

CSR is undoubtedly one of the most fashionable concepts in business today. It is both a reaction to the scandals which have rocked the business world in many countries, and an attempt by individual enterprises to achieve competitive advantage. CSR is not new in tourism but it has previously focused on the environmental impacts.

However, the sustainable tourism debate is broader and also focuses on the responsibility of consumers and governments. It is too early to tell if CSR will be a positive phenomenon in tourism or will be either a passing fashion or a cynical diversion from the real issues.

Discussion points and exercises

1. Critically evaluate the TOI, noting its strengths and potential problems.
2. Discuss the suggestion that CSR in tourism is an impossible dream.
3. Discuss the relationship between CSR and sustainable tourism.
4. Select a tourism organization which does not currently have a CSR policy, and research its policies and activities. You should then draft a CSR policy for the organization and provide guidance on how they should implement your policy.

CASE STUDY 25

Ecotourism – Belize

Ecotourism is one of the most talked about and controversial issues in tourism today for the following reasons:

- It is still a relatively new phenomenon, with no universally agreed definition.
- While some see it as a great hope for sustainable tourism, others see it as a major potential risk and a threat to sustainable tourism.
- The term has been seized upon by the tourism industry to help promote its product, given the apparent general perception that it is a 'good thing'.

The Canadian Environmental Advisory Council defined it as follows:

> Ecotourism is an enlightening nature travel experience that contributes to conservation of the ecosystem, while respecting the integrity of host communities.
>
> *Source:* Scace, Grifone, and Usher, 1992

Much modern tourism is based on nature and wildlife watching but a lot of this does not seem to meet the 'ecotourism test' in terms of ecosystem conservation and respect for the host communities.

Boyd and Butler, in 1993, suggested that ecotourism had to be seen as a dynamic, flexible concept which can also mean different things in different destination contexts.

Wight who has written widely about the motivations of ecotourists has noted the following:

> The motivations of ecotourists overlap with those of other types of tourists, nor can ecotourists be solely defined by the products in which they express interest (Wight, 1993). In large part, the tour operator or product deliverer determines whether an experience, one of ecotourism, with its associated values and ethics, or one of more general recreation or adventure.

Ecotourism has rapidly become a well-established part of modern tourism, which can be seen from the fact that:

- 2002 was designed as the International Year of Ecotourism (IYE) by the United Nations, culminating in a major international conference in Canada in May 2002;
- ecotourism now has its own dedicated international not-for-profit organization, the International Ecotourism Society which has more than 1600 members in over 100 countries.

Ecotourism vacations can encompass a whole variety of interest and themes, including walking, trekking, rainforest tours, wildlife safaris, and bird watching. As well as ecotourism vacations, tourists on mainstream vacations may take ecotourism day trips as part of their holiday. Furthermore, ecotourism can be both independent and packaged.

Tourism Concern, in a press release dated 26 January 2002, recognized the importance of ecotourism in tourism, as follows:

Ecotourism is a niche market: the World Tourism Organization (WTO) estimates that ecotourism represents between 2 and 4 per cent of all international travel expenditure (the same size as the so-called MICE segment – meetings, incentive, congresses, and exhibitions).

Ecotourism is presently seen as one of the most lucrative niche markets in the tourism industry as ecotourists are higher spenders than 'ordinary' mass tourists. High spending, nature loving, and responsible tourists are undoubtedly an attractive option for governments looking for ways of earning foreign exchange.

Source: Tourism Concern, 2002

However, we will see later that Tourism Concern is worried about some potential impacts of ecotourism.

The concept of ecotourism is highly developed in the USA, well known and growing in countries such as the UK, but still quite little is known in many other parts of the world.

Great efforts have been made to establish the size of the US ecotourism market. The International Ecotourism Society has reported research suggesting that in 1998, around 48 per cent of Americans took part in nature-based activities. Thirty per cent of respondents to the survey claimed that nature-based activities were a major element of their vacation.

This research, which took place in all US states except Florida, and was conducted by Bruskin Goldring, provided the following detailed results:

(Heavy Users) The trip was planned so that nature-based activities, like hiking, biking, animal watching, canoeing, and going to parks, would account for the majority of the time on vacation (14.5 per cent).

(Moderate Users) The trip was planned so that nature-based activities would account for some of the time on vacation (15.8 per cent).

(Spontaneous Users) Some nature-based activitites were enjoyed on the vacation, although they were not planned before the trip (17.8 per cent).

Net sub-total of users on last vacation (48.1 per cent).

'What type of nature-based activities did you participate during your last nature-based vacation?'

List was read: 'other' was an option.

Activity vacationed	**Anywhere incidence (%)**
Visiting parks*	55.8
Hiking*	55.0
Explored a preserved area*	48.8
Wildlife viewing (non-birds)*	45.8
Nature trails in ecosystems*	37.1
Unique natural places (sinkhole, dunes)*	27.5
Environmental education*	20.3
Bird watching	19.5
Biking*	18.7

Freshwater fishing*	17.9
Snorkelling or scuba diving*	14.7
Explored a major protected swamp marsh*	12.0
Mountain or rock climbing*	11.6
Canoeing or kayaking*	9.2
Ranching*	4.0
Swimming	3.6
Boating	3.6
Beaches	3.2
Visiting ocean	2.8
Camping	2.0
Sightseeing	1.2
Walking	1.2

Source: Bruskin Goldring, reported by the International Ecotourism Society, 1998/2003

However, if we recall the Canadian definition of ecotourism, which is quite widely accepted, then this data relates to nature tourism and is not necessarily ecotourism. Just because someone enjoys bird watching or walking, it does not mean that they are, inevitably, conserving the environment, or respecting the host community.

The same criticism can be made of the data which is often presented about the profile and motivations of individual tourists. Having said this, it is interesting to see what kind of people tend to be ecotourists or nature tourists in the USA.

According to the International Ecotourism Society, the profile of the ecotourism market in the USA includes the following important points:

- the average ecotourist is 35–54-year-old,
- 50 per cent of ecotourists are women,
- 82 per cent of US ecotourists were educated to at least college level,
- more than 50 per cent of trips lasted a week or more,
- 60 per cent of ecotourists travelled in couples.

The International Ecotourism Society has recognized that some ecotourism is about tough, active wilderness experiences while often it is about soft, sedate, in well established destinations.

Ecotourism and sustainable tourism

In the ‘early days’ of ecotourism it was often seen as an intrinsically sustainable form of tourism. As it has grown and developed, some concerns have been expressed that this might not be the case.

The tensions between ecotourism and sustainable, responsible tourism, has been well described by UK pressure group, Tourism Concern. In a press release outlining the organization’s fears about the International Year of Ecotourism (IYE), it noted the following:

> Tourism Concern supports sustainable and responsible tourism.
>
> However, we point out that the problems of unsustainable tourism development cannot be solved by promoting ‘ecotourism’, which is a small, niche market and also, by its nature, necessitates developing tourism in fragile, sensitive areas. This could be fraught with difficulties if demand for ecotourism increases significantly.

Tourism Concern is pleased that campaigning organizations in destination countries have pressurized the IYE to recognize that even ecotourism can have serious negative impacts on local people and environments and needs careful consideration, says Patricia Barnett, director of Tourism Concern. All tourism needs to benefit local people and their environments, including ‘ecotourism’.

Tourism Concern has always pointed out that just because something is marketed as ‘ecotourism’, it does not mean necessarily that it supports long-term protection of the environment. This is true even in countries which are well known as ecotourism destinations like Belize or Costa Rica.

Ecotourism can be whatever anyone wants. There is no internationally accepted definition of ecotourism and there is no certification system to abide by, or international monitoring body.

The term can be used by anyone at anytime for anything from a small-scale locally run rainforest lodge, where the money goes to support a local community, to a large, luxury, and foreign-owned resort which has little community involvement and uses masses of natural resources.

Tourism’s vociferous appetite for basic resources – land, water, and energy – has meant that the tourism industry and governments are increasingly finding themselves opposed over land rights and water rights by local people.

Ecotourists may even visit areas of national beauty and wildlife significance without realizing that local people have been evicted from the area in order for ecotourism to be developed, as has happened in East Africa, India, Southern Africa and many other destinations.

Source: Tourism Concern, January 2002

In the same press release, Tourism Concern drew attention to examples of the problems caused by ‘ecotourism’ in places as diverse as Bolivia, China, Thailand, and Botswana. At the same time, they provided details of what they claimed were examples of community-based ecotourism in Ecuador, Gambia, Namibia, Kenya, and Thailand. The organization wanted to see more community-focused ‘ecotourism’ that is in line with the ethos of sustainable tourism.

Let us now look in detail at the role of ecotourism in the country with perhaps highest profile reputation in the world, as an ecotourism destination, Belize.

Belize

Belize has long been held up as a beacon of good practice in national tourism planning, a country dedicated to developing sustainable ecotourism.

The government tourism organization’s own web site sets out its philosophy regarding tourism development, of which the following are examples:

Belize’s vision is to develop the tourism sector as a national priority, with a primary focus on responsible tourism, aimed at marine activities, natural history, and adventure markets. Development and promotion of the industry will be carried out to encourage a strong ‘eco-ethic’ to ensure environmental and socio-cultural sustainability, to promote equitable distribution of economic benefits, and to develop a strong, positive image for Belize.

The tourism strategy plan for Belize has been prepared with the expectation of stimulating economic growth, while protecting the country’s environmental and heritage resources, and ensuring benefits to the local people. The Government of Belize’s Ministry of Tourism has adopted a policy focused on responsible tourism.

Responsible tourism will be the key-guided principle for tourism development in the future. Rather than attempting to define a ‘type’ of tourism, responsible tourism refers to an ethic and a set of practices that charge a sensible course for all types of tourism, ranging from what may be called 'deep ecotourism' at one end of the scale to more conventional 'mass tourism' at the other.

It can be defined as a way of carrying out tourism planning, policy, and development to ensure that benefits are optimally distributed among stakeholders and that tourism resources are managed to achieve optimum benefits for all Belizeans.

Target markets include those interested in marine activitites (diving, snorkeling, Fishing), soft adventure (archaeology, hiking, birding, caving, natural history), families, retirees, cruise ship passengers, gaming, honeymoon/wedding, incentive/small meetings.

The challenges facing Belize's tourism industry include the need to strategically develop and upgrade its product, the need to maintain the pristine quality of its environment, the need to market effectively to high potential, high yield, niche markets, and the need to forge stronger linkages between the public and private sectors, and non-governmental organizations and communities around the country.

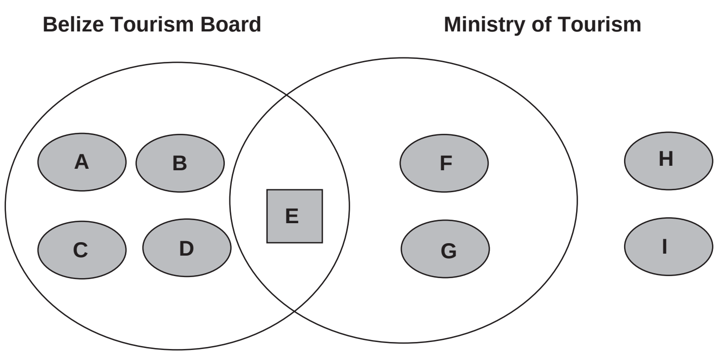
Tourism holds excellent potential as a catalyst for economic growth. For this reason, tourism must be considered as a national priority. The tourism industry has strong linkages with many other sectors. The industry is labour intensive, and is also a major source of government revenue. Tourism means business!

Source: www.belizetourism.org/policy.html

Tourism is highly organized in Belize at government level with a Ministry of Tourism and Youth which has responsibilities for the Belize Tourism Board. Responsibilities are clearly divided between the two as can be seen in Exhibit 25.1.

On paper, at least, this represents an integrated, holistic approach to tourism policy with links being made between tourism, archaeology and broadcasting, for instance.

The private sector also has a number of umbrella organizations representing its interests including the Belize Tourism Industry Association, the Belize Hotel Association, and the Belize National Tour Operators Association.



A Marketing/Public Relations
B Finance/Administration
C Product Development
D Archaeology Management Unit
E Belize National Tourism Council
F Border Management Authority
G Mundo Maya Organization
H Belize Broadcasting Authority
I Youth

Exhibit 25.1 Government Tourism Organizations in Belize. (*Source:* Belize Tourism.org website)

There are also independent non-governmental organizations in the tourism field, some of which are supported by outside agencies, such as the United Nations.

Belize has always been successful in promoting its ecotourism message to the world markets, and particularly the US market. However, official Belize tourism statements, taken from the government tourist board web site, contain the following interesting points:

- In 2001, Belize, the country seen as the world's highest profile 'ecotourism' destination received less than 200,000 tourists (195,955). This may reflect its desire to keep tourism small scale but it does not really represent a significant share of tourism in the Americas, let alone the world. This strengthens the view that, by its nature, ecotourism is not an alternative to mass market tourism.
- Over 50 per cent of arrivals were from the USA, making the country vulnerable to downturns in this volatile market.
- Around a quarter of all arrivals come on cruise ships, a form of tourism not traditionally seen as particularly sustainable or responsible. The number of cruise ship arrivals grew between 1997 and 2001 by nearly 2000 per cent.
- Tourists spent around US $120 million in 2001, giving an average spent of US $600 per head in Belize, not a particularly high figure for a high-quality destination.
- The Belize economy has become highly dependent on tourism. Today, it represents around 15 per cent of GDP and 25 per cent of foreign exchange earnings.
- In 2001, less than 15 per cent of tourists visited a national park or nature reserve. The most visited Mayan site attracted only around a sixth of all tourists to the country, and the Community Baboon Sanctuary attracted only 2 per cent of all tourists. This is a little surprising, given the strong emphasis on selling Belize as an ecotourism destination. On the other hand, the Belize Zoo and Hol Chan Marine Reserve both attracted around 20 per cent of all tourists.

As the following extract from the government tourism web site shows, the government is keen to attract investment in the tourism industry:

> The Government of Belize is fully committed to implementing the necessary economic programmes and policies that will create an atmosphere conducive for local and foreign investment. Special investment incentives and concessions have been streamlined to facilitate the enhancement of the tourism sector. These investments have already produced significant growth and many positive indicators arising out of these initiatives over the past 2 years.
>
> The Government of Belize is keen on developing new partnerships and alliances with both local and foreign investors. This commitment, accompanied by other innovative initiatives makes Belize a place with golden investment opportunities.
>
> *Source:* Belize Tourism.org web site

There is no doubt that great efforts have been made to develop tourism responsibly in Belize, and to adhere to the principles of ecotourism. The country has many imaginative initiatives of which the following are a brief selection:

- 'Field Schools', centres of environmental education around the country, offering educational programmes ranging from a few hours to several days.
- The Caye Caulker branch of the Belize ecotourism umbrella organization, the Belize Tourism Industry Association, which has developed a number of conservation projects and a resource centres. These projects involve both paid staff and volunteers.
- A major training project, funded by a loan from the International Development Bank (IDB).

- The Coastal Zone Management Authority and Institute, whose role is to spearhead the conservation of the country's resources. This is vital, given the importance of diving tourism to Belize.
- The Monkey Bay Wildlife Sanctuary, a 400 hectare privately-owned reserve.

However, the growing popularity of Belize also poses some challenges for tourism particularly in the country, some of which we will now consider.

Firstly, there are the cruise ships which now deliver a quarter of the country's tourists. Investment in new harbour facilities helped stimulate an increase in cruise passengers in Belize from 2678 in 1997 to 48,116 in 2001. Cruise ships represent a unique form of tourism which can be a threat to sustainable tourism in a number of ways, from pollution to overcrowding at certain times. Some of the problems involved in cruise ship tourism are illustrated by the following extracts from the web site of a tourist who arrived on a cruise ship in August 2002 for a day-long shore excursion:

> We arrived in Belize at 8.00 a.m. Due to the reefs and shallow water, we anchored about 4 miles offshore; a 30 minute ride in speedboats, each with three large outboards. We took the ship's tour to Lamanai and the New River, as we wanted to visit at least one Maya Site on this cruise. Most major sites are a fair distance from the ports of call, and doing them on your own, when you won't be off the ship first (those on the ship's tours get priority when tendering) is cutting the time available very fine in most cases.
>
> The Marine Terminal is fairly new with a food court and various shops, alongside the 'Belize Tourism Village'. That is where NCL send you to shop, but we didn't check it out; our coaches were awaiting. These are modern air conditioned coaches. I was expecting something a bit older.
>
> The journey to Tower Hill, where we joined the boat for the trip up the New River, took 1 and a quarter hours. Here we were given a bottle of water and got into small boats; 12 people in our boat and off we sped, for 1 and a half hours, up the New River, stopping every so often for the tour guide to point out the flora and wildlife we passed.
>
> The boat ride back to Tower Hill was as fast as the boats could go. It was fund speeding along, twisting and turning, getting wet with the spray occasionally. Half-way back the guide stopped and handed out plastic sheets to cover ourselves with. The black skies had loomed and the Heavy rain fell! It hurt on the face so we all ducked under the sheets.
>
> At Tower Hill there was a stall set up to enable one to purcahse some cold Belize Belikin Beer. \$2 a bottle. I am not a beer drinker, but being thirsty we had some, and it tasted fine to me. Worth sampling.
>
> Once back at the Cruise Terminal the sun re-appeared, but there wasn't any time left for shopping. I looked in the shops we passed in the queue for the tenders, but it moved too fast and no sooner had I gone inside than Howard called me out. There were a few stalls at Lamanai and at the boat dock at Tower Hill where I had bought a couple of things. Tower Hill is cheaper.
>
> *Source:* Mayan.co.uk

It was clear from the rest of the report of the visit that the traveller had a great time, but we were still left with the impression that a rushed trip of a few hours is not comparable with the concept of ecotourism.

On the other hand, cruise passengers clearly represent a large proportion of tourist expenditure in Belize.

Secondly, there are the packages which are arranged by tour operators and travel agents. The authors found an interesting, high-quality package offered in 2002 by Global Travel. It combined 'the emerald mystique of the rainforest with wildlife and mystical Mayan Temples on an idyllic tropical island'. (Global Travel web site).

In the context of responsible tourism and ecotourism, several points about this page attract the attention of readers, as follows:

- The relatively high price; in 2002 the 7-night tour cost between US $1265 and US $1620 per person, excluding the flights to and from Belize, although there were no 'extras' on top of this price,
- The hotel for the inland section of the tour featured a swimming pool, in-room telephones, and cable TV. This seems a little at odds with the concept of simplicity which is often implied in ecotourism.
- on day 2, participants are invited to 'climb the ruins (Maya) which are great for panoramic photographs which is perhaps not the most responsible advice to give to tourists at a heritage site.

On the other hand, the tour itinerary featured the Green Iguana conservation project and promoted the 'Adopt an Iguana' programme. Tourists could make a contribution and secure an 'Adoption Option' t-shirt.

Thirdly, there is the issue of diving on the reefs on the Belize coast. Marine reserves have been developed to protect the marine life. On the other hand, diving is heavily promoted as a key tourism product in Belize. Interestingly, on the Belize web site, under the heading of conservation/ environment the text for the Hol Chan Marine Reserve, reads:

> Visit coral reefs, snorkel with sharks and sting rays, experience Belize's first marine park, photos of marine life in Belize.
>
> *Source:* Belizenet.com web site

This does not seem to promote a responsible attitude towards what is supposed to be a nature reserve.

Fourthly, there are some resorts which again appear to be in conflict, potentially, with the concept of responsible tourism or ecotourism. For example, the Matu Chica Beach Resort on the Global Travel web site is promoted on the basis of attractions which include the following:

- luxury Caribbean villas and a lobby with a 'superior-quality sound system',
- decoration by a French artist,
- an Italian and international cuisine restaurant,
- the availability of a personal maid service.

In 2003, room rates including airport transfers and breakfast, but excluding taxes and service charge, per adult, ranged from US $160 to $590 per day.

Belize represents an example of a developing country that has made genuine attempts to develop a more responsible form of tourism, with some success. It has been encouraged and helped by outside NGOs and organizations like the United Nations. However, as we have seen, the tourism industry, and the need to meet the demands of tourists, continually puts pressure on destinations that can be in conflict with the perceptions of responsible tourism or ecotourism.

Key issues

- Ecotourism is a complex multi-faceted area of tourism that is not always precisely defined by commentators.
- Often ecotourism is just nature-based tourism, without the emphasis on conservation and respect for the host community which is implicit in most definitions of ecotourism.
- The tourism industry has been quick to leap on the ecotourism bandwagon, seeing it as a lucrative, high-spending market segment. This has led to a lot of hype, with dubious claims made by tour operators about their product and 'ecotourism'.

- Ecotourism is not an equally recognized and developed concept around the world. It is most established in the USA in terms of the market and in Central American destinations.
- Ecotourism can be independent or packaged, 'hard' or 'soft'.
- The lack of a precise definition makes it difficult to measure the ecotourism market accurately.
- Most ecotourism focuses on the natural environment, either in wilderness or in inhabited areas where the host population may be an added attraction.
- Given the above average price of ecotourism experiences, and most of the ecotourism destinations, it seems to be quite an elitist activity.
- Ecotourism is not an alternative to mass tourism because of the cost and the remoteness of the destinations. However, if it develops further, some ecotourism destinations could attract a much broader, larger market in future, as has happened with safaris in Kenya in the past 20 years.
- Ecotourism can be seen as a rather selfish, self-indulgent activity where those who can afford it go to places where few others can visit, even though they know that these places are often fragile and vulnerable to change from any tourism. No wonder that Brian Wheeller has renamed ecotourism 'ego-tourism'.
- In many developing countries, including Belize, governments have been encouraged by developed countries and agencies such as the UN, to develop ecotourism. This may reflect a real belief that it can help the countries develop but it is also self-interest given that ecotourists are usually affluent people from developed countries.
- The example of Belize shows that, even where a government is genuinely committed to developing true ecotourism, there can still be problems as the industry grows and seeks to exploit this lucrative market.
- Some forms of nature-based tourism, such as hunting, are very controversial and would probably not be considered as ecotourism by many people.
- We do not yet know if ecotourism will be a passing fashion or if it has become a permanent and growing element of the global tourism market.
- It will be interesting to see if the newly developed countries, and developing countries will, in due course, embrace ecotourism. Or will they have different attitudes to wildlife and wilderness, given that in many developing countries they may feel they have to try to tame both to help their countries develop.

Conclusion

Ecotourism is one of the most fashionable concepts in tourism today. While it is supposed to be environmentally sensitive and concerned with human rights and the needs of local communitites, it can sometimes look simply like exploiting nature for the benefit of tourists, regardless of the negative impacts it can have on the environment and local communities.

When it becomes highly developed in a destination it can begin to have negative impacts like mass tourism. Only the future will tell if ecotourism will become a problem or a potential solution in the context of the struggle for sustainable tourism; it has the potential to go either way.

Discussion points and exercises

1. Critically evaluate the idea that ecotourism and sustainable tourism are one and the same thing.
2. Discuss the reasons why ecotourism has become a highly developed concept in the US market but has made little impact on many other national markets to date.
3. Critically evaluate the tourism industry in Belize to see the extent to which it has succeeded in achieving 'true' ecotourism.

4. Choose a destination which has the potential to develop ecotourism. You should write a report in which you identify:
   – the types of ecotourism which the destination could attract,
   – the benefits which ecotourism could bring to the destination,
   – the developments that would need to take place in infrastructure and marketing to allow the destination to attract ecotourists,
   – the problems that might arise if ecotourism became too developed in the destination.

CASE STUDY 26

Tourism Education and Training

Education and training are vital to the tourism industry in terms of providing:

- a foundation of knowledge and study for those young people who wish to enter the tourism industry as a career;
- continuing professional development for those already employed in the tourism industry.

Before we look at education and training in tourism in some detail, it is important for us to make a few general observations to set the scene, as follows:

1. The terms education and training are generally perceived to have somewhat different meanings. Training is generally seen as the narrower of the two focusing on the gaining of skills which are specific to particular jobs or roles. Education, is often seen as a broader matter, concerned with raising the general intellectual capability of the individual and developing their ability for critical thinking.
2. Traditionally, education was considered to be what people underwent to prepare them for a career in tourism, while training was what they received once employed in the industry. However, it is now recognized that vocational skills are important for those wanting to enter the tourism industry, while there is a growing recognition that once employed in the industry, many staff could benefit from education given that many of them stopped their formal education at a relatively low level.
3. Education and training are relevant to all levels of employment within tourism from routine operational work to high-level strategic management.
4. The tourism industry has not been renowned for the volume and quality of its education and training. However, great efforts are now being made to improve the provision of education and training in tourism.
5. Education and training are complicated in tourism by the fact that there are many dimensions to it, including:
   - different sectors, with their own needs, such as airlines, hotels, retail travel, visitor attractions, tour operators, and destination management;
   - the needs of organizations in the public, private, and voluntary sectors;
   - the wide range of skills and knowledge required by operative staff and managers in different jobs.

Education and training for those wishing to enter the tourism industry

Tourism education and training is, in general, a relatively modern phenomenon reflecting the modern nature of the industry. However, some areas of tourism, notably hospitality, do have a longer history of educational provision, notably the Swiss Hotel Schools. However, academic studies in tourism are undoubtedly a relatively recent phenomenon. Let us now look at some of the major issues in tourism education and training, worldwide, for those wishing to enter the tourism industry.

National differences in provision

There are great differences between countries in terms of the nature and scope of tourism education and training, for those wanting to enter employment in tourism. These differences cover:

- *The amount of provision*. Some developed countries, for example, still do not have a single masters level programme in tourism, let alone PhD programmes, while others have dozens. In some developing countries, there is also a lack of vocational educational opportunities in colleges even in places where there is a substantial tourism industry.
- *The level of provision*. In some countries there is great provision of vocational education but little higher-level academic education in tourism.
- *Different disciplinary approaches to tourism education*. In different countries, tourism education can be based on economics or the sociology of leisure or geography, or business and management.
- *Different views of tourism*. The different views of tourism that separate tourism from hospitality or integrate the two or focus on the relationship between tourism and leisure. In some countries, which are traditional tourist destinations, the focus can be on inbound tourism while in the main tourist trip-generating countries, the focus can be on outbound tourism.

Internationalization of the curriculum

As the industry becomes more globalized, it becomes ever more important to ensure that the curriculum in tourism education reflects this development.

Much has been done in this respect on a European basis, through European Union funded programmes. In 1995, ATLAS, the European Association for Tourism and Leisure Studies, presented the following action plan for international tourism education, particularly in Europe. It remains perfectly valid today.

Curriculum development

- Develop a 'core curriculum' for tourism and leisure courses in Europe.
- Examine the required balance of vocational and academic courses.
- Identify the skills and knowledge basis for appropriate tourism and leisure courses.
- Stimulate the production of tourism and leisure textbooks appropriate for transnational courses.
- Facilitate credit transfer through the development of the European Credit Transfer System for tourism and leisure.
- Identify appropriate means of implementing Europeanization of the curriculum.

External relationships

- Identify more effective mechanisms for supporting international placements in stages.
- Research the needs of the labour market and the nature of the 'academic gap' on a European basis.
- Identify areas of innovation in tourism and leisure for future course development.

- Communicate the benefits of course provision more effectively to employers.
- Investigate the feasibility of European recognition of tourism and leisure courses.

Student mobility

- Find more effective methods of assessing the student exchange experience.
- Increase linkages between student exchanges and mainstream education programmes.
- Lower barriers to exchange participation for key student groups (e.g. part-time students).

Source: ATLAS, 1995

On the other hand, the internationalization of the curriculum is still at a relatively modest level in some other parts of the world.

Curriculum content

There are a number of topical debates in tourism education and training, notably:

- The idea of a core curriculum or body of knowledge that would be taught by all colleges and universities. That way, employers would know exactly what anyone with a tourism qualification would have studied. However, others argue that this standardization is both unrealistic and unworkable. Instead, they argue each education institution should be free to develop programmes which reflect the expertise of its staff and its locality. This also means students could have a real choice between different types of programme.
- The balance between vocational education and more academic approaches to the subject. This tension is seen in most countries and is often resolved by saying lower-level qualifications will have a vocational focus while higher-level awards will be largely or wholly academic and theoretical. This can lead to a situation where those graduating from higher education programmes are not prepared for a career in the tourism industry.
- The role of 'internships', 'stages', or 'placements', in other words, giving students real work experiences as part of their programme. This is a valuable vehicle too, for developing partnerships between academics and industry.
- How certain subjects are actually taught. Currently, there is a big debate going on, for example, about how sustainable tourism should be taught, such as the 'BEST' initiative. This is an industry body which has been working on how sustainable tourism can be best taught. They have been developing a module on sustainable tourism. In an interesting paper in 2002, Claudia Jurowski, put forward the anticipated learning outcomes of this module, which are shown in Exhibit 26.1.

Exhibit 26.1 The learning outcomes of the BEST sustainable tourism module

After completing the module, students should be able to

- describe the positive and negative environmental, economic, and social impacts of an operation;
- explain the importance of reducing consumption of energy and water, and decreasing waste production;
- recommend actions that result in the reduction of consumption and waste;
- explain how energy efficient equipment can contribute to the long-term profitability of a property;
- explain the role landscaping techniques play in energy consumption;

- understand the concept of benchmarking;
- identify indicators that measure and monitor performance of the operation;
- list best practices that reduce the impact of the operation on the environment;
- design a process, programme, or procedure that encourages and facilitates community involvement;
- evaluate purchase decision in relation to the impact of the supply on the environment;
- understand the importance of guiding visitors to culturally sensitive and appropriate activities;
- be aware of the importance of local knowledge and interpretation;
- be aware of the type of knowledge about the local culture required of a manager and be able to research such knowledge;
- identify major environmental and social consequences of a policy, programme, or procedure;
- explain sustainability principles to staff;
- explain how sustainable operations impact the visitor experience;
- understand the differences between sustainable and low impact operations.

Source: Jurowski, 2002

Quality and standards

Quality management and standards have become a major issue in education in recent years, with more emphasis on official certification of programmes and ‘league tables’ of institutions and programmes.

As the number of programmes grows worldwide, there is growing pressure, from industry, for more official standards and league tables to help them to understand the value of different qualifications.

League tables already exist in the UK and USA, for example, and are being developed all the time, both by governments and academics. In the USA, there was a ‘prestige’ ranking which in 2001–2002 placed Cornell University first, in hospitality, followed by Nevada, Las Vegas, Houston, Michigan State, Pennsylvania State, and Purdue. However, Brizeh and Khan compiled their own table based on a survey and set criteria. Interestingly, Cornell refused to take part in this survey. The results, for the top 10 universities, of which are set out in Exhibit 26.2.

Such official and unofficial league tables now tend to be used heavily by prospective students, although they are always open to criticism on the grounds of their subjectivity.

The World Tourism Organization (WTO) has also become interested in this debate over quality and standards in tourism education. The WTO has been involved in developing the Certificate of Tourism Programmes around the world.

Tourism teachers

In many countries, there is a shortage of qualified tourism educators in colleges and universities. Often people with industry experience are trying to teach courses for which they are not academically qualified or staff combine teaching with continuing to work in industry. This helps them keep their teaching up to date and relevant to industry, but it can lead to them having insufficient time to devote to pedagogical matters. Many countries are now seeing a lot of people improving their qualifications in tourism up to PhD level. However, this may also be a potential risk because tourism is an industry and economic activity, and people whose only experience of tourism is narrow, high-level study for a PhD may have an inadequate breadth of knowledge to allow them to teach tourism, adequately.

Exhibit 26.2 The top 10 Undergraduate Hospitality Programmes in the USA according to the Brizeh and Khan survey

Rank	*University/College*	*School or department*	*Curriculum score*	*Faculty score*	*Student score*	*Resource score*	*Alumni score*	*Overall score*
1	Purdue University	School of Hospitality and Tourism Management	40	51	39	39	31	200
2	California Polytechnic University, Pomona	The Collins School of Hospitality Management	43	52	39	36	27	197
3	University of Houston	The Conrad N. Hilton College of Hotel and Restaurant Management	40	44	37	37	37	195
4 Tie	Pennsylvania State University	School of Hotel, Restaurant and Recreation Management	38	44	39	36	28	185
4 Tie	Michigan State University	The School of Hospitality Management	34	44	34	41	32	185
5	University of Nevada Las Vegas	The William F. Harrah College of Hotel Administration	37	46	35	35	31	184
6	Florida International University	School of Hospitality Management	38	46	40	36	23	183
7 Tie	University of Massachusetts-Amherst	Department of Hotel, Restaurant and Travel Administration	38	49	37	39	19	182
7 Tie	University of Delaware	Department of Hotel, Restaurant and Institutional Management	38	49	38	30	25	182
8	Oklahoma State University	School of Hotel and Restaurant Management	38	44	34	34	31	181
9	University of South Carolina	School of Hotel, Restaurant and Tourism Management	36	42	37	31	34	180
10	Florida State University	Dedman School of Hospitality	32	44	37	33	30	176

Source: Brizeh and Khan, 2002.

Weaknesses in the education of tourism policy makers

Much tourism education, particularly in less developed countries that have traditionally been tourism destinations, has tended to focus on hospitality and travel agency work. There has tended to be inadequate education available for those public officials involved in tourism policy.

Education and entrepreneurship

In many countries, tourism education and training focuses on preparing people for careers in large companies or government service. Yet, tourism is an industry of small- and medium-sized enterprises. There is, therefore, a need in some countries for more focus to be placed on training and education for potential entrepreneurs in tourism.

Tourism education in Asia-Pacific

As we have seen elsewhere in this book, Asia-Pacific is, and will continue to be, the engine house driving the growth of the global tourism market. Until recently, tourism education in the region was little developed, except in Australia and New Zealand.

However, today, tourism education is growing rapidly across the region to meet the needs of the growing tourism industry.

- *China*. According to Wu *et al*., in 2000, there were 909 ‘schools’ involved in tourism education in China. Tourism education in China has followed a multi-disciplinary approach including a wide range of disciplines, from agriculture and economics to engineering and planning, geography to biology. In 2000, 47 Chinese universities were offering graduate studies in tourism, in addition to the well established provision in Hong Kong. At the same time, there were many Chinese students studying for doctoral qualifications in tourism. Many Chinese students are also enrolling on tourism programmes in other countries, notably the UK and the USA.
- *Thailand*. In 2000, the Pacific Asia Travel Association (PATA) recorded that graduates from tourism programmes in the country grew from 1737 in 1996 to 2485 in 1999. Over the same period teaching staff numbers rose from 324 to 429. A survey conducted by Sangkhla showed a lack of qualified teaching staff for tourism programmes in the county, and the cost of sending staff abroad for training was noted to be very high, at around US $26,300.
- *Malaysia*. A survey by the University of Utura, reported by PATA, noted that in the country as a whole the demand for qualified hotel staff rose by 26,000 between 1996 and 1998, but there was seen to be a lack of institutions to provide education and training for these people.
- *Taiwan*. A survey by Ming Chuan University, and again reported by the PATA, looked at the language needs of staff in the tourism industry but noted that satisfaction levels with language courses on offer was less than would be hoped. It also noted that because of economic pressures, and the nature of the industry, many tourism graduates leave and go into other industries.
- *Australia*. This country pioneered tourism education in the region but is now facing problems, similar to those facing other pioneers of tourism education such as the UK. A fascinating paper, published by Bob McKercher of Hong Kong Polytechnic University, noted that:

> Tertiary-level tourism education in Australia enjoyed remarkable growth throughout the late 1980s and early 1990s. Within a very short period of time, programmes self-sorted into major, mix-size, and minor players. Today, however, questions are being asked about the sustainability of this growth.

The consensus among academics is that Australia is now in an oversupply position at the undergraduate level and that this situation is likely to worsen in the foreseeable future. The vast majority of academics surveyed felt that a shake-out among programmes was inevitable, with some folding, and others consolidating their positions. It was also believed that such a rationalization process would be beneficial for the entire sector over the long term.

A number of changes to tourism education and the people who teach it have occurred as the field has matured and become recognized increasingly as a legitimate academic field of study. The quality and variety of tourism programmes are seen to be markedly stronger than they were in the early 1990s. The sector has benefited from the advent of an Australian-based curriculum and Australian learning materials. By the same token, the quality of academic attracted to this sector has also improved, although a number of people lament the loss of practical industry skills.

What does the future hold for this sector? No one is certain, but it does appear that leading opinion makers believe that Australia will see a learner, more efficient and higher-quality tertiary- level tourism education system evolving quite rapidly in the next 5–10 years. The combination of lower visibility for this sector, coupled with the concentration of programmes and academics into a smaller number of universities, could lead to the emergence of a more stable, more productive sector.

Source: McKercher, 2002

Training and education for those already employed in the tourism industry

Until recently, training and education were important to gain employment in tourism, but after that it played little role in the worker's actual career. Promotion came through experience and could be rapid due to the high turnover in some sectors of tourism.

However, in the past few years, in some countries at least, there has been a growing recognition that once employed, training and education are vital to:

- help employers keep up to date in a fast changing industry;
- make staff feel valued and help reduce staff turnover;
- make sure that staff who are promoted to supervisory or managerial positions can perform effectively.

We will now look at several important issues in education and training for those already employed in tourism.

The concept of lifelong learning

There is a growing philosophy that education and training are something people need to do throughout their life and careers. This is linked to the idea of continuing professional development. This means we need to make sure that provision is available for staff of all stages of their career.

Distance-learning education

If staff are to upgrade their education and qualifications, while continuing to be employed in tourism, then new methods of delivery are required. This is the rationale behind the recent growth of distance learning or distance education. Here programmes are offered to the students in their place of residence or work. The authors' own institution has, for example, been offering Masters qualifications in this way for more than a decade.

The development of distance-learning material involves high up-front investment, although the growing use of electronic learning will perhaps make distance learning more cost effective. However, there is still a problem with distance education because in some countries, governments still do not recognize distance-learning qualifications as the equivalent of those earned through more traditional means. This discriminates against employees who wish to gain formal qualifications while continuing to work.

Certification and accreditation of corporate training

More and more companies are doing their own training and developing coherent staff development programmes. Many employers and employees would like to see these leading to formally recognized qualifications.

In the field of skills-based training, focused on occupational competence, many nationally recognized sectoral qualifications have been developed. Companies have often tailored their training activities to these qualifications.

However, over time, there is no reason why corporate education and training should not also be credited against formal higher education qualifications, such as Bachelor degrees. This should involve staff reflecting on what they have learned from their work experience in some depth, and in a way that relates practice to theory. They should then be allowed to gain credit in subjects such as marketing and human resource management, for example.

The role of professional bodies and government organizations

Throughout tourism, professional bodies have played a leading role in continuous professional development in terms of both training and education, as we can see from the following examples:

1. The *American Motel Association* which has run a well-structured comprehensive training programme for the US hospitality sector for a number of years.
2. In the airline sector, *IATA* runs a comprehensive series of courses covering technical skills. Its web site says:

> The *Tourism Training Programme* is the aviation industry's most extensive, industry-responsive, and career-oriented training programme, providing students with the best industry-wide knowledge and globally recognized qualifications. The IATA/UFTAA diplomas and certificates denote qualifications recognized under the terms of the IATA Resolutions applicable to IATA's accreditation of travel agents. The IATA/UFTAA training courses are based on an independent home-study method. Each student is supplied with a complete training kit that includes all the required training manuals and publications.
>
> Students may enrol at any time during the year and plan their own study timetable. Enrolment is valid for 2 years (exception: Travel Agents Marketing Course – 18 months). About 200 hours of intensive study are required to complete each course. Course fees do not cover examination and shipping fees, nor any travel or personal expenses in connection with the examination.
>
> This programme is also offered in more than 240 IATA/UFTAA Authorized Training Centres (ATCs) around the world. Students who wish to attend classroom courses must register directly with the school that will complete the registration formalities with ATDI and provide each student with the training material and examination voucher. The Global Distribution Systems (GDS) Training Course and the GDS Fares and Ticketing Course are

offered as Computer-Based Training (CBT), in CD-ROM or Internet format. Institutions may purchase a site licence as well.

Source: IATA web site, 2003

3. *CERT, Ireland* is a leading example of a national training body specializing in tourism. CERT provides training for both managers and operational staff. It also provides courses for those who wish to enter the tourism industry. CERT places great emphasis on the professional development courses it offers covering many topics, from human resource management to e-commerce. It also encourages business through programmes and award schemes, designed to help focus on the importance of staff training and quality management.
4. *Tourism Training Australia (TTA)* is a successful organization, whose web site describes its activities in the following terms:

Tourism is big business and the robust training agenda led by TTA with industry is achieving outstanding success, but there is still much to complete. Vocational education in Australia has a vibrant and fast-paced agenda. The ongoing success of the national training packages, increased mature-age training opportunities, on-line learning and e-business programmes – are all ingredients of future success in tourism, hospitality, and caravans.

With an employment base of more than 1.3 million people, the industry is now preparing for an additional 325,000 new jobs in all sectors of tourism and hospitality. Each year more than 268,000 people undertake full- and part-time training, which is a tribute and a salute to the progress being made by partnerships between industry and registered training organizations. The TTA network extends to all states and territories throughout Australia and we welcome your contact at any time. Keep in touch as we continue to launch innovative worldwide benchmark training products and systems.

TTA was established in 1982 to develop a flexible and effective training system for the tourism and hospitality industry. The organization brings together a large number of training partners, including industry, government, unions, private and public training providers, industry associations, universities, and students/trainees.

TTA

- Manages the development and implementation of national training system initiatives such as national training.
- Ensures industry quality standards are met by promoting the Australian Hospitality Review Panel (AHRP) and Australian Tourism Training Review Panel (ATTRP) industry recognition systems.
- Provides recognition of prior learning and current competence through ACCESS.
- Organizes conferences and seminars to exchange ideas for increasing training and service excellence.
- Recognizes special industry innovation with National Training Awards.
- Liaises with training providers to improve training strategies and industry access to training.
- Develops training products and resources to assist in the delivery of quality training.
- Initiates and undertakes national projects which improve employment and training opportunities.
- Supports a national training network that provides assistance and advice in each state and territory.
- Assesses current and future workforce needs.

- Advises government and other organizations on industry training needs, strategies, and plans.
- Promotes the benefits of training to industry and key stakeholders.

Source: TTA web site, 2003

TTA is managed through a partnership which brings together both the public and private sectors.

TTA has strongly been involved in the accreditation of training through its ACCESS programme. This system operates as follows:

ACCESS is the industry-owned skills recognition programme that assesses an individual's skills and provides certification that will count towards a national qualification. ACCESS has been operating across Australia for more than 8 years and is managed by TTA and the State/Territory Network.

ACCESS covers various sectors of the tourism, hospitality, and caravan industry.

The ACCESS system:

Candidates are linked to qualified assessors

Candidates and assessors decide on which units of competence will be assessed

- Assessment is conducted and may involve:
- Observation in the workplace
- Oral questioning
- Interviews
- Collection of evidence showing workplaceExperience and/or previous study
- Gathering evidence from peers or workplace supervisors
- Projects

Statements of competence are issued to successful candidates

For *individuals* ACCESS offers:

- formal recognition of skills and knowledge,
- entry into higher-level training programmes,
- improved career options,
- better opportunities at work,
- increased self-esteem and confidence.

For *employers* ACCESS offers:

- a structure for recruitment, training, and performance monitoring;
- increased professionalism in the workplace;
- greater participation in skills development.

For training *organizations* ACCESS offers:

- an opportunity to use an industry-based system with industry qualified assessors,

- a trialed and tested system with built-in quality assurance,
- potential for staff to become ACCESS assessors.

For *assessors* ACCESS offers:

- an opportunity to become a member of an industry-based assessor network,
- registration on the ACCESS workplace assessors database.

Source: TTA web site, 2003

The training of public sector tourism planners and managers

Most tourism industry training and education provision has focused on the private sector. However, there is also a need for training and education for those in the public sector charged with tourism planning and policy. In Ireland, Tourism Training International (TTI), a subsidiary of Ireland's largest tourism development company, offers programmes for tourism executives and planners in the public sector. It has worked on programmes in Europe, Asia, and Africa.

The objectives of its programmes are

- to improve the capacity of agency/government staff to carry out its daily tasks in relation to national tourism development – training to do the job more effectively;
- to develop an understanding of international tourism and its role in economic development;
- to prepare trainers within the agency/government to ensure that high standards can be maintained within the tourism industry;
- to provide experience and exposure to international practice in tourism development;
- to provide tailor-made programmes which meet the needs of the tourism industry to ensure sustainable training.

Source: tourismder.com, 2003

Some of the modules it offers include the following:

- Tourism practices and practice
- Impacts of tourism and sustainability on local, regional, and national economies
- Strategic tourism planning and management
- Tourism marketing and promotion
- Destination marketing and planning
- Integrated tourism area plans and tourism masterplanning
- Communication PR and event management
- Customer service and managing conflict
- Rural/regional tourism – enhancing local communities through tourism
- Global trends in international tourism development
- Impact of information technology on tourism
- Tourism product development
- Environmental impacts of tourism development on tourist destinations
- Cultural heritage tourism
- Induction courses for new national tourist agency staff
- Developing tourism partnerships
- Festival management and event tourism

- SME tourism
- SPP for tourism – accession partnerships/operational programmes
- Legal and regulatory tourism exnvironment.

Source: tourismder.com, 2003

The need for education as well as training

Many staff in tourism entered the industry with either no post-school qualification or with narrow, highly focused vocational qualifications. This lack of academic qualifications may give staff an – unwarranted – inferiority complex and may prevent them gaining promotion at a later stage in their career. It is important, therefore, that opportunities are available for staff to improve their general education rather than just focus on the narrow skills associated with their current jobs. Such education can also help to make staff more confident and improve their view of self-worth which is important if empowerment is to operate effectively.

However, this broader concept of the needs of tourism industry staff is not yet widely accepted, and there is still an emphasis on narrow vocational training.

However, this wider view, which helps the development of the individual, could be very valuable in helping make staff feel more valued and reducing staff turnover.

Key issues

- Tourism education and training has traditionally been rather under-developed but it is now growing rapidly, mirroring the growth of the tourism industry, globally.
- Education and training are required by both those wanting to enter the tourism industry as well as those already employed in tourism.
- Education and training are often seen as two distinct things but everyone in tourism needs both.
- There are substantial differences in countries in terms of tourism education and training and in terms of the amount and nature of provision.
- The early pioneers of tourism education and training were the developed countries where outbound tourism first developed such as the UK, USA, and Australia. However, in recent years the growth of tourism education and training and been greatest in traditional destination countries such as Greece and Spain, or in the growth markets of Asia, notably China.
- Effective tourism education and training requires co-operative approach, involving partnerships between, for example:
  - academic institutions and private enterprises in the industry;
  - governments and the tourism industry;
  - professional bodies, governments, and individual enterprises;
  - the governments of different countries within a region;
  - educational institutions at different levels in the educational hierarchy;
  - educational institutions in different countries.
- The globalization of the tourism industry is creating a need for more focus on transnational cross-cultural issues in tourism, in both education and training.
- There is a growth in the concept of lifelong learning in contrast to the idea that education and training ends once someone leaves school, college, or university.
- Education and training for those employed in tourism is being seen, more and more, as a way of reducing staff turnover, a scourge in some sectors of tourism.
- Tourism education in schools, colleges, and universities is a balancing act, between academic study and theory, and technical knowledge and vocational skills.

- As well as educating and training operational staff in private enterprises, there is also a great need for the training of managers in private business, as well as public sector tourism policy makers.
- Education and training in tourism also has to meet the needs of existing and potential entrepreneurs given that this remains a sector dominated by small- and medium-sized enterprises.
- There is still a need to focus more energy on educating and training the academics and company trainers who will then deliver education and training in tourism, as there are still many under-qualified educators and trainers.
- Countries need an integrated system of tourism education and training so employers and policy makers can understand the value and role of different qualifications and programmes, and can avoid duplication and overlap.
- There is also a need for more co-operation between governments in terms of mutual recognition of qualifications to help facilitate labour mobility in tourism between countries. This mobility can be a positive force bringing new ideas or helping organizations meet the needs of customers more effectively.

Conclusions

After a slow beginning we are now seeing rapid development in education and training in tourism worldwide. However, there are still barriers between more academic and theoretical education, and vocational skills and competence-based training. However, there is a need for both, but there is also more scope for combining both. There is also an opportunity to provide education and training for previously neglected groups such as public sector policy makers, entrepreneurs, and seasonal workers. Better education and training in tourism will improve employees job satisfaction and confidence as well as reducing staff turnover and improving customers service. It is, thus, increasingly, an essential activity rather than an optional extra for tourism organizations.

Discussion points and exercises

1. Discuss the reasons why education and training in tourism has been relatively under-developed and under-valued until recently.
2. Critically evaluate the tourism education programmes available at universities in your country, analysing the degree to which they prepare graduates for a career in tourism.
3. Discuss the tourism education and training needs of a developing country which is trying to establish itself as a destination based on the principles of sustainable tourism.
4. Select an organization and conduct a training needs analysis for your chosen organization. You should then produce a report containing recommendations for your organization, based on your investigations.

Case study 27

Employment in Tourism

It is often claimed that tourism is the world's largest industry in terms of the size of its workforce. Tens of millions of people work in tourism, and even more aspire to gain employment in what is often seen as a glamorous industry.

However, as we will see in this case study, the tourism industry faces real challenges in terms of its human resources.

Firstly, though we need to acknowledge, again, that tourism is a diverse and complex element of the economy, it is not a single industry but encompasses a number of different sectors or industries. This means that it is difficult to generalize about employment in tourism. Let us begin by looking at the different types of jobs found in tourism and their characteristics, based on the idea that tourism incorporates all those services required by tourists.

The scope and characteristics of employment in tourism

To illustrate the scope and characteristics of employment in tourism, the authors randomly selected 100 jobs in the different sectors of tourism that were on offer in the UK in June 2003. Clearly, the fact that the sample is UK based means that it is not representative of the global tourism industry, but there seems little reason to believe that the results would be significantly different if it had been carried out in another country.

Analysis of these jobs allows the authors to make the following general points about the nature of employment in tourism:

1. Not surprisingly, tourism requires both management and operational staff. In management positions, there appears to be a relatively high proportion of sales and marketing jobs while reservation staff make up the majority of all operational staff, except in the hospitality sector.
2. Salaries tend to be relatively low compared to many other industries. In the UK, in 2003, the government's minimum wage was around £8500, and £17,500–20,000 might be seen as a reasonably average salary. However, many of the full-time operational jobs in tourism offered salaries in the range of £11,000–15,000.
3. Management salaries, where stated, seemed reasonable, particularly for sales and marketing people, although retail travel branch managers were still quite lowly paid, given their responsibilities. Interestingly, many of the jobs did not give salary figures but instead said they were either negotiable or would be provided once someone applied.
4. Many advertisements stressed the opportunity for staff to also earn extra money through commission, bonuses, and other performance-related incentives.
5. In most advertisements, experience rather than formal qualifications appeared to be of most interest to the employers.

6. A number of the advertisements were for seasonal jobs, such as chalet staff in Alpine ski resorts.
7. There were a number of advertisements for jobs in the growing fields of online retailing and telesales in tourism.
8. Some advertisements required the ability to speak a range of foreign languages but still offered only modest salaries.
9. The majority of jobs were based in the capital, London, where the cost of living would be very high for people on relatively low salaries.
10. Some points, particularly in hotels, emphasize the opportunity for staff to 'live in', this meaning that they do not have to pay for living accommodation.
11. Some points required specific technical skills and professional qualifications.
12. The advertisements tended to place great emphasis on the generic skills of employees, particularly dynamism, the ability to work under pressure, enthusiasm, and so on.
13. Very few advertisements focused on future career prospects; they tended just to focus on the job in the short term.

As far as the jobs themselves are concerned, Exhibit 27.1 illustrates some of the jobs available in the UK in Spring 2003.

Exhibit 27.1 The nature and characteristics of randomly selected jobs in tourism in the UK, Spring 2003

Job title and salary	*Brief job description*
Tour Operations Reservations, Worthing, West Sussex £11,000–£13,500 + commissions	Enthusiastic reservations people required to join our busy team selling our high-quality short-haul villa, apartment, and hotel holidays (mostly direct sell).
Hotel Contractor – French speaking, London, Greater London Negotiable salary	You will be responsible for contracting hotels within Europe and negotiating rates and allocations.
Flight Co-ordinator, SW London/Surrey Up to £13,000 + benefits	This leading travel company is looking for a Flight Coordinator – working within a small team you will be responsible for all flight bookings, ticketing, and managing airline allocations.
Junior Hotel Reservations, London, Greater London Up to £13,000	You will be assisting the Hotel Reservations department in processing requests from agents worldwide.
Business Travel Consultant, Buckinghamshire Up to £16,000	Our client is looking for a Business Travel Consultant to supplement the team at their office near Milton Keynes. Start date is asap.
Sales Manager, North London £30,000 + bonus	Due to expansion they are now seeking a Sales Manager with at least 3 years management experience in a travel environment. The applicant must be skilled in teletext advertising and must have an extensive knowledge of tailor-made holidays as well as package and flight only holidays. The suitable candidate will be used to working under pressure and will have a proven track record in meeting and exceeding targets.

(*Continued*)

Exhibit 27.1 (*Continued*)

Job title and salary	*Brief job description*
Reservations Manager, London £25,000	Our client offers exceptional classy and classic journeys with distinction throughout the UK and into the rest of Europe. They need a manager to lead and develop the existing reservations team. The role will entail all staffing, customer care, and system issues, together with ensuring high standards are maintained at all times.
HR Manager, Greater London £25,000 + benefits	A well-known long-haul reservations specialist based in central London is looking for an HR Manager/Trainer to join their team. Day to day duties include all recruitment, training, staff rotas, holidays, sickness, disciplinaries, appraisals, etc.
Chalet Chef, French and Swiss Alps, Good weekly wage, plus food, accommodation, lift pass, equipment hire, and return transport to resort	Qualified and experienced cooks required for a number of positions in private chalets and with luxury chalet operators for the forthcoming winter season. Duties include provision of breakfast, afternoon tea, and three or four course evening meal for up to 12 guests, 6 days per week.
Hotel and Conference Co-ordinator, National £22,000–25,000	This small, friendly independent conference company based in central London is looking for a Hotel and Conference Consultant. A knowledge of hotels and reservation procedures for accommodation and conference bookings is essential. In return you will be given a competitive salary, training, and the chance to run your desk like it is your own business within a business!
Hotel Managers, France and Austria £800.00–1000.00 per month	We are offering an ideal opportunity for the right individual to manage one of our club style hotels in the Alps. This is a challenging position for a fluent French/German speaker who has experience of staff management and staff training with good operational 'hands on' attitude to work. Running one of our 20–46 bedroomed hotels, excellent organizational skills and a commitment to customer services are essential.
Head Chefs, France and Austria Salary on application	As Head Chefs, you will provide full board to school groups and half board to adult groups, who also have a choice of menu. You will cater for up to a maximum of 150 clients. Managing your kitchen you will be expected to provide exciting and appetizing meals for our guests. Responsibilities include menu design and ordering, budget management, and stock control while maintaining the highest levels of cleanliness and safety in your kitchen.
Plongeur/Night Porter, France Salary on application	This position combines two roles, rotated on a weekly basis. The Plongeur is responsible for the washing up and for the cleaning of the kitchen areas. They also assist with basic food preparation. The Night Porter is responsible for the security of the hotel and for setting up the dining room for breakfast, cleaning duties, and other jobs around the hotel, working

(*Continued*)

Exhibit 27.1 (*Continued*)

Job title and salary	*Brief job description*
	through the night. You must be an efficient team worker, prepared to be flexible and hardworking.
Hotel Receptionist – Surrey £10,500–11,000 + bonus potential £1000	This large established hotel is looking for a Receptionist to join them. Weekend and shift work. There is an option to live in with this position. Excellent benefits including free uniform, dry cleaning paid for, and use of the spa.
Telesales and Customer Relations Executive, Central London £17,000	This new position will be divided between telesales and customer services.
National Account Manager, SE England Up to £33,000 + car + unbeatable benefits	Our client is looking for energetic individuals that can demonstrate the initiative and resourcefulness to successfully communicate with the leisure market. The principal activities and responsibilities of the National Account Manager will be to develop and maintain excellent relationships with travel businesses, ensuring all of the company promises are met and standards are not compromised.
PR Officer, Greater London C. £30,000	Reporting to the UK Sales Manager your role as the Airlines UK PR officer will be to develop good working relationships with journalists, maintain and expand PR and media contacts, liaise with the companies Head Office PR department, distribute appropriate news of the airline, and work in close association with other members of the Sales and Marketing teams to promote awareness of the companies brand and products.
Training Officer, Cheshire £15,000–18,000	The role is to provide Head Office staff and agents with training in company systems, procedures, and travel knowledge, as well as additional specific training requirements relevant to individual roles.
Cruise Consultant, Greater London £18,000	A well-known cruise company based in central London is looking for an experienced tailor-made expert with either Galileo or Amadeus to joint their team. You will be selling worldwide cruise holidays, flights, hotels, car hire, etc.
Purchase Ledger Clerk, London £17,000	Independent Travel Company needs to add an experienced accounts person to join their small team. As you will be dealing with suppliers you will need a firm but friendly personality with the ability to develop and maintain relationships, an analytical mind, to reconcile accounts, and excellent organizational skills.
Airline Refunds Specialist, Greater London Excellent salary	The successful candidate must be corporate social responsibility (CSR) trained and is used to dealing with ACMs, ADMs, and BSP. To apply you must have a degree of very good A level results and not have a holiday booked in the

(*Continued*)

Exhibit 27.1 (*Continued*)

Job title and salary	*Brief job description*
	next 6 months. You will be paid a basic salary of £18,000 + commission, on target earnings of around £24,000.
Financial Analyst, West Sussex C. £18,000 + benefits	The main functions of this position will be to assist in the planning and costing of the brochures, to assess and update pricing data, to provide training and support to internal departments, to assist in implementation of new systems, and to monitor and investigate any negative margin bookings.
Events Co-ordinator, Greater London £18,000/24,000	This well-established Business Travel client is looking for a candidate with events and group booking experience from a business travel background to join their busy Events department.
Villa Flotilla Mates and Flotilla Mates – Sailing Resorts Full season only, from end February	Should be capable of deputizing for the Skipper and running all aspects of the guest's holiday. You will be responsible for the social and administrative side of the holidays, including accounts and flotilla services. Villa Flotilla Mates will need to be an RYA Dinghy or Keelboat instructor with yachting experience, or an RYA Coastal Skipper with experience of teaching novice crews.
Dinghy and Windsurf Instructors, Sailing/Windsurfing Resorts Year round positions available	You will be capable of running a day's sailing programme without supervision. You will also be involved in the maintenance programme, administration, airport transfers, and evening socials with our guests. You may also be involved in organizing groups of up to 25 children, to include activities such as sailing, windsurfing, treasure hunts, pirate picnics, and swimming activities, as well as all other aspects of the holiday.
French Speaking Incentive Operations Executive, London £16,000–18,000	The French department needs a fluent French speaker with experience of handling operations within the UK. You will be handling every aspect of the group from planning, contracting, costings, and operations. Good knowledge of the five-star hotel UK market will be useful as is a driving licence as you will be the point of contact for the client and take site inspections.
Marketing Manager, London £23,000 basic OTE £28,000	London-based attraction used by tourism and corporate markets seeks a Marketing Manager to market this varied product which is also used in the event and conference market, has substantial catering facilities, and is part of an international group. The role is varied and involves planning all attendance at trade shows, producing marketing literature, consumer marketing, building relationships for joint marketing initiatives, PR, and working closely with a large sales team.

(*Continued*)

Exhibit 27.1 (*Continued*)

Job title and salary	*Brief job description*
Nursery Nurse/Nanny, French and Swiss Alps Weekly wage, plus food, accommodation, lift pass, equipment hire, return travel to resort, and insurance	We are currently seeking qualified nannies for creche-based positions in ski resorts for the forthcoming winter.
Resort Rep, France, Switzerland, Italy, and Austria Weekly wage, plus food, accommodation, lift pass, equipment hire, return travel to resort, and insurance	We currently require Resort Representatives for the forthcoming winter ski season in Europe. The resort is the main point of guest contact and will deal with all aspects of guest care, including organization of lift passes, ski-hire and lessons, airport transfers, organizing apres-ski activities, and problem solving.
Teltext Sales Manager, Greater London C. £30,000	We are looking for a strong travel industry Sales Manager with a sound background in tailor-made and package holidays. You will be a manager for a team of experienced consultants, so strong interpersonal, communication, and man management skills are essential. This is a hand on role with a focus on training, target setting, and monitoring and would suit candidates from a call centre or large reservations environment.
Worldspan Ticketer, London, Greater London £17,000	You will be responsible for issuing both published and nett fare tickets as well as Airpasses, MPDs, TODs, PTAs, re-issues, and E-tickets. Other duties will include managing time deadlines, quality control checks, and assisting colleagues in other departments.
Retail Managers/Assistant Managers – Essex/E London Salary – depends on experience	You will be looking after a small team selling worldwide holidays both face to face and over the phone. You will be responsible for the profitability of the store as well as the management and development of staff, while maintaining excellent customer service.
Sabre Ticketer – 6 month contract, London, Greater London Up to £17,000	This is a fantastic opportunity for an immediate starter with SABRE ticketing experience. We are looking for an experienced consultant for the ticketing department of this well-known company. You will ideally have at least 12 months experience within a ticketing role and have working knowledge of nett contracts, re-issues, BT, and IT ticketing.
Ticketing Agent, Greater London £15,000 + commission	This leading travel company is looking for an enthusiastic and motivated individual to join their ticketing team in South London. You should have experience issuing both Nett and published tickets using one of the major CSR systems and enjoy working in a busy, lively environment and working to targets. You will be rewarded with a fantastic salary and

(*Continued*)

Exhibit 27.1 (*Continued*)

Job title and salary	*Brief job description*
	excellent benefits, you will also be working for one of the most forward thinking companies in the industry with excellent potential for career progression.
Online Travel Consultant South West London Up to £14,000	The role will be to liaise with customers overseas to resolve payment issues both on the telephone and by e-mail, to process credit card payment and ensure accuracy of online flight reservations
Call Centre – Polish Speaker, London, Greater London £18,000	This leading travel company is seeking a Polish speaker to join their call centre. You must have at least 1 year's travel industry experience, and must be fluent in Polish.
A Chance for Success, Manchester £15,000 OTE	If you have a passion for travel and sales experience, this could be in a face-to-face environment or a call centre, etc. Then we want to hear from you. The position is a Telesales Consultant working for a leading travel company. This company is offering travel systems training, product and destination training, and an excellent package.
Telesales Consultants, Manchester/Greater Manchester £11,000 (OTE £18,000)	Successful candidates will be required to undertake 100–120 calls per day in order to secure client visits and new business for the company.
Lecturer in Travel and Tourism/Business £17,191–20,633 p.a.	We are looking to appoint a highly motivated individual to teach Travel and Tourism and business-related subjects up to HND at this large Further Education College.
Key Account Manager – Business Travel	Candidates must possess the following: • experience in Sales and Key account fields with proven record, • business travel experience, • outstanding communication skills, • PC skills essential, • must be able to prioritize work schedules, • self-motivated and a team player, • diligent worker with a sense of humour, • airline experience and knowledge of industry CSR systems would also be an advantage.
Airline Assistant Accountant	We are looking for an energetic and competent person to work within our small team in our accounts department. You will be responsible for • all aspects of accounts payable and data inputting, • statement reconciliation, • BSP control and administration, • maintenance of VAT and assets register. • debtors/credit ledger control.
Complex Managers, Essex Competitive salary	Looking for two Complex Managers to take charge of its bar, entertainment, and swimming pool operation on two medium-sized family holiday parks.

(*Continued*)

Exhibit 27.1 (*Continued*)

Job title and salary	*Brief job description*
Management Opportunity	I have recently refurbished a 30-bedroom hotel near Tonbridge, Kent, to three-star standard and now need a person (or couple) with drive and experience to help realize its full potential.
Graduate Training Scheme, London	Do you want to work for London's leading townhouse hotel group? Are you a creative and dynamic individual with a sense of style? Firmdale hotels comprises five hotels and three restaurants, each with a unique character of its own. We are currently recruiting four graduates to become managers of the future. We offer a competitive salary with live-in accommodation available. Our Graduate Programme offers the opportunity to gain work experience in all operational areas.
Technical and Development Executive – Visit Britain, Hammersmith, London C. £25,000	Visit Britain is a new organization created on 1 April to market Britain to the rest of the world and England to the British. You will join the Quality Standards Department for England, which aims to enhance the quality of accommodation available to visitors. Your responsibilities will include monitoring existing and setting new standards in line with consumer research and industry consultation, developing print material such as standards leaflet and guidance manuals, and contributing to the development of our business plan. At the same time, you will get involved in stimulating and wide-ranging projects, including implementing changes to the National Accessibility Standard and managing the in-house magazine. You will have experience in quality and systems and assessment procedures gained within the hotel or tourism industry, possibly as a hotel inspector, and have outstanding interpersonal skills. You must be able to travel and stay away from home as required, manage your time effectively and communicate both verbally and in writing to consumer and industry contacts.

Human resource challenges in the tourism industry today

Many commentators have noted that the tourism industry, today, faces many challenges in relation to its human resources, a crucial issue in the service industry. The challenges come in many forms but include the following:

High staff turnover

Many tourism organizations appear to find it difficult to attract and retain top class staff, particularly in the hotel sector, because of the following issues:

- the perception of low pay;
- the reputation of some parts of the tourism industry, notably hospitality, for discrimination on the grounds of sex and race;
- the long hours involved in many jobs;
- the lack of clear career paths;
- the often poor working conditions.

Turnover, as a result, can be very high. Lam *et al*. noted that it varied between 44 and 66 per cent per annum in Hong Kong between 1985 and 1999. This turnover leads to poorer customer service and greater costs for the industry through recruitment and training expenses.

Many ideas have been put forward as to how to reduce this problem, and a large number of initiatives have been undertaken. Some of the most effective ways of reducing turnover appear to be training, job enrichment, and mentoring. However, it would be wrong to generalize that high turnover is a problem throughout the tourism industry. It tends to be much less of an issue for the following:

- the airline sector where pay and working conditions are generally quite good;
- government tourism organizations which tend to offer clearer career paths and reasonable salaries;
- small- and medium-sized enterprises and family owned businesses;
- locations with few other job opportunities, or where alternative jobs may involve;
- even longer working hours or be physically more demanding.

Managing diversity

The tourism workforce is becoming increasingly diverse in terms of the nationality and gender of employees and managers. How to manage this trend has become a topical issue in tourism in recent years, although manager awareness of this issue is generally still at a relatively low level. There is still an issue in terms of diversity with the industry given that often there is still a lot of stereotyping in managers' views about who does what job. Although the workforce is 'diverse', it is still difficult for people from ethnic minorities, or indeed women, to attain the highest positions in some sectors of tourism in many countries.

However, in countries like the USA, the concept of diversity is a well-established area of human resource management, particularly in relation to staff from 'minority communities'.

Staff training is often seen as a crucial element of managing diversity to

- help those from minority communities gain confidence and skills to help them climb the career ladder,
- raise awareness among other staff about the needs of their co-workers.

Weaver *et al*., in 2003, produced a very interesting report on diversity management training initiatives, in which they noted the following to be important issues in managing diversity:

- Speeches by the CEO/senior executives on diversity management.
- Corporate mission statement on diversity management.
- Written materials on diversity management (brochure/letter/memo from CEO).
- A section in the employee handbook on diversity.
- Employee newspaper/periodical articles on diversity.
- Second language communication programmes.
- New manager orientation discussions on diversity.

- Diversity briefings for senior management.
- Sexual harassment training.
- Diversity awareness training programmes for managers.
- Cross-race/gender training teams.
- Diversity task forces and teams.
- Focus groups on diversity.
- The existence of a diversity council.
- Identification process for 'high-potential' employees.
- Executive MBA programmes for minority employees.
- Minority internships.
- Development programmes for 'non traditional' employees.
- English as a second language course.
- Remedial educational training programmes.
- Diversity performance tied to team bonuses, individual incentives, direct compensation, and other rewards and benefits.
- Diversity benchmarking with other companies.
- Integration of diversity into total quality strategy.
- Flexible managerial style, not one size fits all.

Source: Weaver *et al*., 2003

Jobs or careers?

Many people seem to find it difficult to view a job in tourism as a career. Instead, they are often seen as short-term jobs, with few long-term prospects. This may be the result of several factors including:

- the fact that many jobs are seasonal, part time or, casual, and do not pay enough to be someone's sole source of income;
- a lack of training that would allow good staff to develop their skills over time, so they could more easily fit into supervisory and management positions;
- the relatively flat hierarchy of many tourism organizations which means there are relatively few promotion opportunities for the best 'front line' staff.

This is unfortunate because the future success of the industry may well depend on its ability to attract able people who will stay within the industry for their whole careers.

Unethical practices

There are some rather unethical practices in some areas of tourism employment that harm the industry's reputation, of which the authors believe the following are the most important:

- The practice of 'tipping' or 'gratuities' by which staff rely on guests giving extra payments, on top of the cost of the product, that supplement staff salaries. This is a practice that can seem as rather like begging and may force the employee to ingratiate him/herself to the guest just, so they can earn a decent salary. In few other industries these days, workers have to rely on gratuities to earn a living. There is of course the argument that these gratuities help ensure the best service for customers. However, again, one has to ask why this philosophy is not needed in other service businesses, from education to banks to shops.
- The exploitation of people from poorer countries, whereby they are employed in the more menial jobs in some sectors because they are cheaper than people from the company's own country. Hence, the use of people from Asia in London hotels and on cruise ships. It could be

argued that the salary paid, though low by 'western' developed country standards, is high by the standards of the less-developed countries of Asia. Nevertheless, one is left with the impression that this is rather cynical exploitation of poorer countries to help boost the profits of companies.
- The discouragement of trade unions, and in some cases staff being actually forbidden to belong to a union.
- The exploitation of some female employees as sex workers in some countries.

Training and education

This is such an important subject that we have devoted a separate case study to it. The tourism industry has traditionally not been renowned for its commitment to training and education. This is a real problem because

- the industry is constantly changing and staff need to keep up to date with developments;
- training and education is an essential part of making employees feel valued and increasing their job satisfaction;
- given that many tourism employees come from quite modest educational backgrounds, there is a need for wider educational opportunities for them, which can help to improve their feeling of self-worth and their confidence levels.

However, there are some good training and education initiatives in tourism. As long ago as 1999, the World Travel and Tourism Human Resources Centre was able to provide a report with the following examples of good practice:

- the 'Mirror, Mirror' Customer Care Programme carried out in Hungary under a European Union funding scheme;
- the Australian All Seasons Hotels 'Here to Help' customer service programme;
- the National Crusade for Quality and Excellence in Tourism Services in Mexico;
- the worldwide Four Seasons Hotels and Resorts Cultural Awareness programme for staff;
- the integrated staff development programme at the Shangri-La Hotel, Hong Kong;
- training programmes for 'disadvantaged' people – Pathways to Independence;
- a Training for Jobs programme at Marriott Hotels in the USA;
- cultural training in Indian Law for National Park Guides in the USA;
- Accor Asia Pacific's on-the-job training schemes that lead to recognized professional qualifications.

Key issues

- Tourism is a complex, diverse 'industry' that offers a vast array of different types of jobs, both operational and managerial.
- Young people seem to see tourism jobs as very glamorous and are often attracted to join the industry. For example, in 2001, Lewis and Airey produced an interesting study which showed how positively tourism employment was viewed by high-school students in Trinidad and Tobago.
- Tourism also provides good job opportunities for women, although they still often face discrimination when seeking promotion.
- Job advertisements in tourism tend to stress the importance of experience and personal skills such as communication and enthusiasm rather than formal qualifications.
- Staff turnover in the hotel and retail travel sectors can be very high, although it is often low in the airline, visitor attraction, and government tourism organization sectors.

- Parts of the tourism industry may still suffer a negative reputation in employment terms because of the continued presence of out-dated practices such as tipping and racial and sex discrimination.
- As the labour force becomes more diverse, it is becoming clearly recognized that this diversity has to be managed well for the benefit of both staff and customers.
- Training and education is still relatively under-developed in tourism, although this is changing slowly.
- Empowerment has become a major issue in tourism, particularly in the hotel sector, in recent years. It is often seen as a good way of enriching jobs and thus helping reduce staff turnover. However, sometimes it is just an excuse to put more work and pressure on staff for no extra pay, so companies can remove tiers of management and save money.
- For many people, tourism is still a short-term job that provides an interesting interlude in their life but will never become a career. At the same time, tourism provides excellent opportunities for people who want flexible casual or seasonal employment, but often is less helpful for those who want to develop a structured, stable career.
- In developed countries, tourism jobs are often at the lower end of the league table when it comes to salaries, status, and attraction. However, in developing countries, tourism often provides some of the best paid jobs available with relatively good working conditions and quite high salaries.
- Labour mobility in tourism tends to be based on people from poorer countries travelling to more affluent countries to work in operational jobs on relatively low salaries. At the same time, higher level personnel from developed countries may move to less-developed countries to manage tourism enterprises, particularly hotels, on salaries well above the local norm.
- Within the so-called developed world there is also mobility between countries, as the tour operation industry often takes staff from its home country with its tourists to destinations to look after them there, as resort representatives for instance.

Conclusion

As a service industry, tourism is heavily dependent on the quality of its human resources. Tourism is seen as a glamorous industry and many people aspire to enter the industry. However, once employed many people leave giving the industry its reputation for high staff turnover. Not all sectors of tourism face serious human resource challenges; perhaps it is the hotel sector which faces the greatest challenges. It would also be wrong to suggest that the human resource challenges tourism faces are seen in every country to the same degree. Several of the key issues facing tourism today relate to the results of globalization and the increasing diversity of the labour force. Employment in the tourism industry looks set to remain a complex, challenging field for the foreseeable future.

Discussion points and exercises

1. Critically evaluate the range of jobs on offer in Exhibit 27.1 and comment on the way they are advertised.
2. Discuss the factors which influence staff turnover and explain why high staff turnover is undesirable for tourism organizations.
3. Compare and contrast the number and range of jobs available in the hotel, retail travel, tour operation, visitor attractions, and airline sectors.
4. You should carry out a small-scale survey of people employed in the different sectors of tourism. You should find out:
   - why they decided to work in the tourism industry;
   - what they think of their jobs, both positive and negative;
   - what are their future career plans.

   You should present your results in a short report.

CASE STUDY 28

International Hotels Environmental Initiative

The International Hotels Environmental Initiative (IHEI) was established in 1992 by a group of chief executives of 10 leading multinational hotel chains. It is funded largely by major hospitality companies and is based within the Prince of Wales Business Leaders Forum.

IHEI is an educational charity that functions to encourage continuous improvement in the environmental performance of the entire hotel industry (UN Directive for Sustainable Development web site).

It is an example of self-regulation, where an industry endeavours to, voluntarily, act to demonstrate its sense of corporate social responsibility, in this case towards the environment.

The official launch of the IHEI took place in May 1992 in London, with speeches made by many people including the Prince of Wales.

In his speech, the Prince said:

- The hotel industry has done a fine job in co-operating on the environment initiative, and other business sectors would do well to learn from the experience.
- It is crucial for hotel staff, who actually have to put the measures into practice, to be motivated and trained in what they are doing and why.
- Improved environmental performance can go hand in hand with improved economic performance, as travellers choose the 'green' option when making bookings, and sustainability can save a business money in the long term as it works with rather than against the local community and the environment.

Source: www.princeofwales.gov.uk

He also acknowledged that the real impetus behind the IHEI came from one company, Inter-Continental, which pioneered the developing of thinking on environmental management in hotels. Interestingly, instead of using this work for its own competitive advantage, Inter-Continental chose to share its information with its competitors.

From the beginning, from its base in the UK, the IHEI enjoyed the support of key industry figures such as Lord Forte and Geoffrey Lipman.

The IHEI rapidly spread around the world through its influential member hotel corporations. By 2000, the IHEI had a membership which operated 11,200 hotels, with nearly 2 million rooms worldwide. Its leading members included the following:

- Accor
- Carlson Hotels Worldwide
- Accor
- Carlson Hotels Worldwide
- Fairmont Hotels and Resorts
- Four Seasons Hotels and Resorts
- Hilton International
- Marco Polo Hotels
- Marriott International Inc.
- Radisson SAS Hotels and Resorts
- Six Continents Hotels
- Starwood Hotels and Resorts Worldwide Inc.
- The Indian Company of Hotels
- (TUI) Beteiligungsgesellschaft

The IHEI has several aims, of which perhaps the two most important are the following:

- raising awareness of environmental issues and improving practices within the hotel industry;
- promoting the hotel sector as a leader in this field within the wider tourism industry.

In 1999, the United National Division for Sustainable Development reviewed the work of the IHEI, and made the following interesting comments about the question of IHEI:

- promoting the business benefits associated with sound environmental practices and socially responsible business practices;
- a dedicated focus on a single sector (hotels), a genuine commitment from senior level executives;
- the fostering of a non-competitive self-help approach for use by the wider industry;
- collaboration with partners that have substantially helped to multiply the reach and impact of IHEIs programmes.

Source: www:in.org.sa.susdev.naprofiles/IHEI.html

In its early days, IHEI undertook a range of initiatives to progress its maxim, notably:

- The highly influential publication, ‘Environmental Management for Hotels, the Industry Guide to Good Practice’ published by Butterworth Heinemann in association with the IHEI. This was first produced in 1993 as a 192 page, loose-leaf manual with promotional advice and industry examples of good practice.
- Launching, in 1997, a pilot benchmarking programme incorporating key environmental performance indicators.
- The creation of a Siting and Design Programme in 1998 which aimed to minimize the negative environmental impacts of new hotel developments.

A major part of the work of the IHEI is the dissemination of best practice to encourage the industry as a whole to improve its environmental performance. This is primarily done through a

Exhibit 28.1 Selected IHEI Publications*

Title	*Provided by*	*Ordering information*	*Description*
Environmental Action Pack for Hotels	International Hotels Environment Initiative	IHEI Orders, MMC, PO Box 148 Aldershot, Hants GU14 4GN. Tel: +44(0) 1252669 601 Fax: +44(0) 1252 669 670 E-mail: ihei@mmcltd.com	A user-friendly guide for all hotel staff in large or small properties to help develop practical and cost-effective environmental programmes
Going Green Makes Sense	International Hotels Environments Initiative	1HEI Orders, MMC PO Box 148 Aldershot, Hants GU14 4GN. Tel: +44(0) 1252669 601 Fax: +44(0) 1252 669 670 E-mail: ihei@mmcltd.com	A 20 minute video that dermonstrates simple and effective environmental actions
Green Hotelier	International Hotels Environments Initiative	IHEI Orders, MMC, PO Box 148 Aldershot, Hants GU14 4GN. Tel: +44(0) 1252669 601 Fax: +44(0) 1252 669 670 E-mail: ihei@mmcltd.com	A querterly magazine that deals with a wide variety of hospitality related environment issues from hotels to food service
Green Innovations	International Hotels Environments Initiative	IHEI Orders, MMC, PO Box 148 Aldershot, Hants GU14 4GN. Tel: +44(0) 1252669 601 Fax: +44(0) 1252 669 670 E-mail: ihei@mmcltd.com	A directory of environmental publications and resources available for hospitality companies, covering issues such as energy efficiency, training and education, and waste and water management

range of publications offering largely practical advice and case studies. Some of these publications are highlighted in Exhibit 28.1.

In addition, IHEI publishes guidelines to help buyers within hotels source more environmentally friendly products and services.

In 2001, IHEI launched an environmental benchmarking tool to achieve the combined aims of reducing costs by company environmental performance. The tool was developed by hotel professionals for hotel professionals. In the launch publicity for the project it was suggested that IHEI member hotels would save up to GB £400 million per annum by utilizing this new tool (www:iblf.org/c&r/c&rweb.nsf/content). Access to the published benchmark tool web site cost just £120 per annum, in 2001.

Key issues

The IHEI example, provides us with some interesting points in relation to industry responses to environmental issues, as follows:

- It is an industry-wide response rather being the way by which any international hospitality organization seeks to achieve an advantage over one of its competitors.
- The IHEI is a classic example of industry self-regulation trying to prove that the industry can be trusted and there is no need for government regulation.
- Hoteliers are encouraged to become involved by telling them that environmental action can also reduce costs. Since the early days of IHEI their literature has given examples of companies saving money by environmental initiatives. This shows that IHEI is realistic about the motives for private companies embracing environmental action. It is interesting that hotels could be persuaded to act if it would result in a net increase in expenditure.

- The IHEI has been successful because it has had the active support of the CEO's of some of the top hospitality corporations in the world.
- The IHEI has also been fortunate in the administrative support given to it by the Prince of Wales Business Leaders Forum. This link has also set the work of the IHEI in the wider context of corporate social responsibility, in general.
- The IHEI has always remained firmly and narrowly concerned with issues concerning the physical environment and has not broadened its interest in the wider field of sustainable tourism. This narrow focus perhaps explains its relative success but it also leaves it open to accusations of only being concerned with simple issues and actions that can reduce costs.

Conclusion

The IHEI is a classic example of an industry self-regulated initiative. It has achieved great results around the world in just over a decade, largely because it has been championed by major industry players. It has shown that good business and good environment practice can go hand in hand.

Discussion points and exercises

1. Discuss the advantages and disadvantages of industry self-regulation schemes such as the IHEI, in the field of environmental management in the hospitality industry.
2. Critically evaluate the extent to which a scheme like the IHEI could be applied to other sectors of tourism such as tour operators and visitor attractions.
3. Discuss the reasons why hotel companies have been happy to join the IHEI rather than developing their own environmental management systems as a competitive advantage tool.
4. Discuss the reasons why the IHEI should and should not broaden its scope to encompass the wider issues of sustainable tourism.
5. Critically evaluate the contention that hotels only join the IHEI because they want to reduce expenditure.

CASE STUDY 29

Researching Tourist Satisfaction

In today's tourism industry, there is an unprecedented level of interest in customer satisfaction. As the authors noted in their paper in 'Insights', the British Tourist Authority/English Tourism Council journal on this topic:

> Customer satisfaction and quality are 'buzz words' of our age, frequently used but rarely defined. While often used separately, these two terms are totally interrelated. Quality is about the product or service we offer, while satisfaction is concerned with how the customer perceives these products and whether or not they think they have met their needs effectively.
>
> Customer satisfaction is thought to be important for two main reasons, namely that:
>
> - there is a belief that satisfying customers will turn them into regular, repeat purchase customers who are loyal to the brand or organization given that it is cheaper to keep an existing customer than to go out and find a new one, this is clearly an attractive proposition;
> - if a customer is satisfied they are likely to give positive word of oral recommendations for the product they have used to friends or relatives. This can obviously help increase an organization's volume of customers.
>
> Furthermore, increasing customer satisfaction also reduces the costs – refunds and administration, for example – of handling problems and complaints.
>
> This is a field where it is difficult to distinguish between hype and reality. Everyone today claims to offer quality products and services, yet many customers still seem to be dissatisfied.
>
> Yet there often seems to be a mismatch between what organizations think customers want, what they deliver, and what customers think they are receiving.
>
> At a time when competition is growing, and customers are becoming even more demanding, there is clearly a need for high-quality customer satisfaction research.
>
> Yet much such research today seems *ad hoc* and ineffective. It rarely seems to give organizations a good picture of how satisfied their customers are, while also failing to give customers confidence that organizations are listening to their views.
>
> *Source:* Swarbrooke and Horner

The whole area of customer satisfaction is fraught with problems in tourism, including the following:

1. There has been too little empirical research to clearly establish the factors which determine tourist satisfaction.

2. Satisfaction or dissatisfaction in tourism can be a result of both the tangible elements of the product – food, hotel beds, airline seats, and/or the intangible elements such as the service offered.
3. While tourism is often called a service industry, and there is a general view that satisfaction requires high levels of service, a growing number of products sell themselves on the basis of how little actual service is offered, such as 'no frills' airlines which replace high levels of personal service with low prices.
4. Satisfaction is often considered to be about meeting and exceeding customer expectations yet everyone's expectations of the same product are different due to their varying personalities, attitudes, and experiences.
5. The consumption of tourism products usually involves three phases which can lead to satisfaction or dissatisfaction namely:
   – pre-consumption including the reservation process;
   – the consumption time when the tourist is on the actual vacation;
   – the post-consumption phase, including how the organization deals with any customer complaints.
6. Many customers take things for granted when everything goes to plan. Long-lasting satisfaction and dissatisfaction may occur when a crisis occurs and the organization responds to it well or badly, in the customer's eyes, such as when a flight is delayed or bags are lost by the airline.
7. Satisfaction is not absolute, as tourists will often evaluate an organization's product in relation to previous experiences of the products of other organizations they have used in the past. This leads to informal 'benchmarking' of their experiences by tourists.
8. The temporary nature of tourism experiences – a 2-hour flight, an overnight hotel stay, a 1-day theme park visit, or a 7-night holiday – give the industry a limited time only in which to put problems right and turn a dissatisfied customer into a satisfied one. This puts great pressure on service delivery staff.
9. The factors that lead to satisfaction change over time as customer expectations rise. In the 1950s, a hotel room with a radio was a strong selling point; today satellite television is a basic customer expectation.
10. The factors which determine satisfaction also vary between cultures. These cultural differences in expectations can encompass everything from environmental issues to airline food.
11. Many of the factors that determine the satisfaction of tourists are outside the control of tourism organizations including strikes and the weather.

Having considered these aspects of tourist satisfaction, let us now look at the ways in which satisfaction is researched, currently, in tourism.

Customer satisfaction questionnaires

This is the standard way of measuring customer satisfaction in the tourism industry worldwide. In the aforementioned report on this subject by Swarbrooke and Horner in '*Insights*', the authors identified the following problems with such questionnaires currently:

1. Response rates are often very low as questionnaires are often left in hotel rooms or on reception desks at attractions, with no real incentive for customers to complete them. This means that it is likely that the questionnaires returned will simply reflect the views of the

most dissatisfied customers. This means businesses will be unaware of the general level of satisfaction of their customers together with the areas where they are performing well.

2. For ease of analysis, many questionnaires seem to focus on numerical scales for satisfaction (1, 2, 3, etc.) or on various degrees of smiley or scowling faces! The problem with this approach is that it does not tell you why, or with what, the customer is satisfied or dissatisfied. It is therefore not very helpful in that it does not show organizations *how* they could improve satisfaction.
3. Very rarely do customers ever find out, as a whole, what action has been taken as a result of previous satisfaction questionnaires. It might make people more inclined to complete questionnaires if in a hotel bedroom, for example, they read that '*as a result of previous customer feedback, breakfast now commences at 06.00 rather than 06.30'*.
4. Often opportunities are not taken to ask regular customers if they think the product or service is getting better or worse, which could be useful information, given the importance of customer retention.
5. Relatively few questionnaires in the UK seem to be interested in discovering how customers rate them when compared to either their competitors or the 'industry average'. This is vital data in an era of growing competition and at a time when the concept of benchmarking is highly popular.
6. Certain questions can, perhaps, raise doubts in the mind of the customer about the quality of the product. If a hotel, for instance, asks if the bedroom is clean, then it may make customers think the hotel is not exactly setting itself very high standards, or that it is not confident of its ability to deliver even the basic of decent service.
7. Many questionnaires treat satisfaction and quality as an absolute rather than relating them to the specific promises they make to customers, and whether or not customers feel these promises have been met.
8. Very few questionnaires attempt to correlate key variables such as the link between satisfaction and age, sex, nationality, frequency of usage, and price paid, for example.
9. Hardly any questionnaires ask customers how the product or service could be developed to increase satisfaction levels further. This striving for constant improvement is implicit in the fashionable quality concept of total quality management (TQM), which many tourism organizations claim to be implementing.
10. Often the results of customer satisfaction questionnaires are not disseminated to all staff, on a regular basis, so they can see how they are performing.
11. Some questionnaires still do not give customers the opportunity to receive a personal reply if they identify serious causes of dissatisfaction. This is a pity because such action could impress the customer and may persuade them to stay loyal to the company.

Source: Swarbrooke and Horner

A major problem with customer satisfaction questionnaires is often the wording of the actual questions themselves. Exhibit 29.1 includes a selection of real questions taken from different airline, hotel, and tour operator questionnaires, together with the author's comments on the problems with these questions.

Clearly, here the authors are being ultra-critical and many companies have ways of interpreting the results that take into account the author's comments. Nevertheless, the issues raised by the comments in Exhibit 29.1 are still relevant to many questionnaires currently being used in the industry.

Exhibit 29.1 Critical evaluation of a selection of actual customer satisfaction questionnaire questions

Question	*Comments*
Hotel X	
1. Did you sleep well?	This is a hotel which thinks it has more power over our life experiences than it really has. A 'yes' answer will delight the management but may simply reflect the fact that the guest was tired and would have slept anywhere! Conversely, a 'no' answer could upset the management but it may be we could not sleep due to factors that the hotel could not affect such as a job interview or some other event which stopped the guest being able to get to sleep
2. Did the television work?	This question, makes the guest feel as if a working television is not a common occurrence in this hotel!
3. Do you think the hotel is well integrated into its region?	How many guests would particularly care if the hotel is integrated into its region or not – they may even struggle to understand what the term means
4. Were you satisfied with the service you received?	A simple yes/no answer is not possible here. There are shades of satisfaction, normally, not absolute, polarized extremes. Furthermore, I could be very happy with the service at reception, but very disappointed by the service offered by one waiter in the restaurant. What answer would I give to this question in that situation?
5. Will you visit the hotel again?	A 'yes' answer may, again, make the hotel management feel they have a satisfied guest. However, the reality may simply be that the guest is a business traveller whose company has an account with the hotel and who has no choice in the hotel where she or he stays. They may be very dissatisfied with the hotel but will still be staying there next time theyare in town
Airline Y	
1. Overall which best describes the meals found on this flight: • Tastes freshly cooked with a good flavour, comparable to a good restaurant • Tastes quite fresh with pleasing flavours, quite enjoyable. Better than most airline food • No different to any other airline food • Tastes like frozen or microwave food, little flavour	This question encompasses all kinds of value judgements about what constitutes 'good' and 'bad' food. Is this based on previous research or the opinions of the managers? Secondly it tries to manipulate customers into giving a positive opinion by giving them two positive responses, one neutral response, and one negative response
2. Was the leg room in your seat adequate?	Most economy passengers would probably answer 'no' to this question all over the world. But what could the airline do as a result? Generally, airline economies dictate seat pitch and leg room, not customer satisfaction
3. Did the cabin crew look well groomed?	This is a very subjective question that will elicit different answers, even in relation to a single crew on a particular

(*continued*)

Exhibit 29.1 (*Continued*)

Question	*Comments*
	flight, due to different customer attitudes and perceptions. One person who comes on duty looking untidy, may reduce the satisfaction rating for a whole crew, even though they may never come on duty looking untidy again, so how valuable will answers to the question be?
4. How punctual was your flight?	Here airlines are often asking about the effects of things over which they have no control, such as air traffic control, or the weather, so what is the point of asking?
Tour Operator Z	
1. Please rate your holiday weather on a scale of poor to excellent	What will the tour operator do with this information, exactly!
2. Please rate this holiday compared to other holidays you have been on with other tour operators	This is hardly a matter of comparing like with like. The other holiday could have been a different type of holiday to a different type of destination, 5 or 10 years ago. It will not give the company a picture of how it compares to its competitors today
3. Taking everything into account would you rate this holiday to be good or bad value-for-money?	Given that discounting means that many people pay very different prices for the same holiday, and this questionnaire did not ask the customer how much they actually paid for the holiday, one is again left wondering about the value of the question

Another concern with many questionnaires is the questions they do not ask about issues that are of importance to travellers. For instance, the authors have rarely, if ever found questions on questionnaires such as:

- Was your hotel room the right temperature or too hot or too cold?
- Do you prefer computer-controlled air conditioning and sealed windows or would you like to control your room temperature by simply opening a window?
- If your flight was delayed for any reason what kind of information did our staff give you and how could it have been improved?
- Did you ever have any difficulty in finding our tour operator's representative if and when you needed them?

Companies, perhaps, need to learn more about what really satisfies or dissatisfies their customers, and focus on things they can actually control, before designing satisfaction questionnaires.

Other approaches to researching customer satisfaction

Organizations have other ways of seeking to requesting customer satisfaction, including the following.

Measuring brand loyalty

The idea here is that if customers use the organization's products regularly, they must be satisfied customers. However, this is not always the case. Customers may be business travellers who do not get to choose which companies' products they use because their companies have accounts with particular hotel chains or their corporate travel agent selects airlines because of their low fares. This can lead to travellers using products and services with which they are not particularly satisfied.

At the same time, brand loyalty schemes such as frequent flyer programmes encourage repeat custom, not necessarily because of satisfaction, but because of a desire to earn benefits, often with different organizations. For example, many frequent flyer schemes often mean that by using a particular airline, with which the traveller is not particularly satisfied, they can gain free nights at one or their favourite hotels.

Complaints records

Most tourism organizations have complaints procedures and the majority of them monitor complaint records, formally or informally, to help them evaluate their performance.

The problem is that in many cases complaints are not analysed systematically to identify continuing problems. One often finds the same types of complaints recurring over periods of months and even years. This is a serious indictment of quality management procedures within any organization where this occurs.

On many occasions little follow-up action takes place to see if a customer is satisfied with the response to their complaint and to ensure that they are ultimately satisfied with the service offered by the organization. The image of many organizations seems to suffer because they appear to have poor complaints-handling systems.

Observation

Rather than constantly asking customers, '*is everything alright*' we can become better at watching their reactions to help us see if they are satisfied or not. People's behaviour and body language, and what they say to friends and family while consuming the service, are undoubtedly a more balanced and honest view of their true feelings than the answers they are likely to give in a questionnaire. Observation can help us evaluate satisfaction with everything from hotel check-in to theme park rides.

The idea of observation does, of course, raise some ethical questions about how and when it is acceptable to 'spy' on paying guests. On the other hand, such observation could be seen as a logical extension of the concept of 'managing by walking about'.

Focus groups

There is a tendency to treat customers as a homogenous mass rather than recognizing that there are different segments with their own particular needs. One way of improving the evaluation of customer satisfaction could, therefore, be to run focus groups to see how well the organization is meeting the needs of different types of customers. For example, tour operators could establish separate focus groups for families and young adults, while art galleries could create groups for researchers, schoolteachers, and families.

A problem with focus groups is logistics. How do we identify potential participants and organize time-consuming group sessions when customers may be visiting for a very short time and/or may live a long way away.

If it is not possible to arrange such a group with customers '*in situ*' it may be possible to arrange 'virtual focus groups' via the Internet or e-mail conferencing.

As well as researching the views of different segments, focus groups can also be useful in two other ways, namely:

- to test ideas for potential new products and services to see if they will increase or decrease customer satisfaction;

- to investigate the views of key potential markets such as those who have used a product or service before but who no longer do, in other words, ex-customers.

Consumer panels

Where organizations have regular customers it may be worth instigating consumer panels. These are groups of existing customers whose opinions can be gathered at regular intervals over a period of time. This has the advantage of allowing the organization to gauge how customer satisfaction levels change over time.

Such panels could work well in the case of

- repeat customers of all types of businesses from cruise companies to boutique hotels to activity holiday centres;
- conference organizers who organize meetings regularly at particular hotels or conference centres.

Researching through intermediaries

Most tourism organizations make use of marketing intermediaries who sell their product on their behalf. These intermediaries can include travel agencies, coach operators, and tourist information centres. These intermediaries clearly have face-to-face contact with the organization's customers and can feedback to the organization on the level of satisfaction of its customers. Attempts should be made therefore to systematically use intermediaries to gain information on customer satisfaction. At the same time, all satisfaction research should also cover satisfaction with the performance of these intermediaries themselves whose role is to distribute the organization's products.

Destination satisfaction research

Destination satisfaction tends to be even less researched than satisfaction with the products and services of tourism companies. In their *Insights* article, the authors noted the following weaknesses in relation to destination satisfaction research, in the UK:

1. As budgets are limited, destination satisfaction research tends to take place irregularly, on an ad hoc basis, either when data is needed for a new strategy, or when one-off funding becomes available. Thus, these surveys are snapshots at one point in time that do not help us to see if the destination is satisfying its visitors more or less than previously.
2. Often when research is conducted a new methodology is used each time, covering things such as what questions will be asked, who will be asked, and then they will be asked. It is therefore impossible to easily compare the results of one research exercise with another.
3. Very few surveys endeavour to ascertain whether tourists are more or less satisfied with a destination than they are with its competitors. This may reflect the fact that it is difficult to identify those competitors. For example, a British tourist may take a long holiday in Cornwall this year, and Costa Rica next year, or they may take a romantic weekend break in a Cotswold hotel this year, and a Paris hotel next year.

   Nevertheless, this issue of researching differing levels of satisfaction between a destination and its competitors is increasingly important as more and more destinations enter the tourism market.

4. Destinations often seem to equate repeat visits with customer satisfaction. While this can be true, such repeat visits may also be a result of other factors such as inertia, lack of money, lack of knowledge of alternatives, or the views of other people in the tourist's group.
5. Sometimes destinations ask about satisfaction with elements of the product over which they have no control. The surveys are often conducted by local authority resort departments or tourism offices who have no real control over much of the product – hotels, bars, restaurants, theme parks, and so on – and the price which is charged for it.

   In this situation, it is legitimate to ask why such questions should be asked because there is nothing really the local authority can do to make visitors more satisfied with these elements of the destination. However, at least such research can help the local authority to
   – take action on those elements of the destination product which they do control such as council-owned attractions;
   – provide advice to the private sector to help them modify their products and prices.
6. We have to look at destinations through the eyes of different market segments. Destinations are not single products but are like 'Lego' sets where each segment uses the 'building bricks' in different ways to create different tailor-made experiences. In a seaside resort, for instance, young people may see destinations as bars and amusement arcades while for older visitors they may consist primarily of parks, theatres, and tea rooms. It is important, therefore, that when we research customer satisfaction, we do it so that we can distinguish between the views of different segments such as young single adults, families, older visitors, men, and women, holiday families and conference delegates, and British or foreign visitors.

Exhibit 29.2 A critique of selected questions asked in destination satisfaction surveys

Question	*Comments*
1. How does this destination compare to its main competitor destinations?	The respondent may not have visited the destinations which have been identified as competitors or may have visited them years ago so that any comparison is meaningless. Furthermore, if the comparison is unfavourable to the destination which is asking the question, it may be because of something which the destination cannot change such as climate, over-development, or the existence of a specific attraction
2. Will you return to this destination in the future?	Tourists are quite often asked this question as they leave the destination at the end of a holiday which has usually been a very happy experience. At that moment they will almost certainly answer 'yes'. However, once they get home and other destinations are brought to their attention their intention to return may disappear
3. How would you rate this destination ona scale of 1 (excellent) to 5 (very poor)?	This is difficult to answer because the destination could score 1 in their mind for its beaches but only 4 for the nightlife. What then should the composite score be? In other words, the question is too general. Furthermore, it is hard for tourists to separate the destination from the holiday experience as a whole. A good holiday experience overall will lead to a high rating for the destination, or vice-versa, even through the destination only plays a much smaller role in this experience than other factors such as the people the respondent has travelled with

7. Unlike organizations and their brands, destinations do not have clear boundaries or limits. Local authorities often see destinations in terms of government boundaries, but tourists see destinations differently in two ways, as follows:
   – Tourists often see destinations as being either smaller and more focused than a particular local authority, or larger than a single local authority area;
   – A tourist may stay in a particular place but may take excursions to places miles away from this place. In a sense, everywhere they visit during their holiday is their 'destination'.

While relating to the UK specifically, the authors believe that those points also apply to most destinations worldwide.

Exhibit 29.2 illustrates the problems destination satisfaction research has through several real questions taken from actual surveys in destinations.

Key issues

- There is a greater than ever interest currently in tourist satisfaction as organizations and destinations seek to increase brand loyalty and repeat custom.
- Customer satisfaction in tourism is a very complex issue, due to the nature of the tourism product.
- Relatively little research has been conducted into the actual factors which determine satisfaction together with their relative importance.
- There is an over-reliance on rather unsophisticated satisfaction questionnaires which are only filled in by a tiny minority of tourists.
- Too often, perhaps, the questionnaires reflect the views of managers, rather than customers, on what is of most importance in ensuring satisfaction or dissatisfaction.
- There are other valuable tools for researching tourist satisfaction which are currently under-utilized such as observation, focus groups, and consumer panels.
- Destination satisfaction research is even less developed than research in relation to the products and services of customers, hotels, and tour operators.
- There is, currently, little research specifically designed to identify different attitudes towards satisfaction in different market segments, differentiated in terms of everything from age to nationality, gender to culture, personality to lifestyle.
- Many organizations do not seem to make many changes as a result of satisfaction research which may lead customers and commentators to believe that research is done just for 'cosmetic' purposes only to give the impression that the organization cares about its customers. This may lead to a 'backlash' from customers.
- Some important questions of satisfaction are very poorly researched, such as the link between price paid and satisfaction, and how customer expectations change over time.

Conclusion

Currently, customer satisfaction in tourism is rather under-developed. However, as customers become more experienced and demanding, and as the level of competition grows, it is clear that satisfying customers will become both, more difficult and more important. Therefore, we need to find new ways of researching satisfaction systematically and cost effectively.

Finally, in future the question of customer satisfaction may change in three fundamental ways, namely:

1. customers will expect more and more in future before they are satisfied, as they travel to more countries and experience new products and levels of service;
2. success in future will not be based on meeting customer expectations but rather by exceeding them, and exceeding them by more than what competitors do;

3. failure to satisfy customers will be more damaging in future to organizations because of the growth of consumer protection law and litigation by customers together with the fact that the media is making more and more people aware of customer dissatisfaction through TV programmes such as 'Watchdog' in the UK.

Given these ideas, it seems likely that researching customer satisfaction will become even more important in the future, not just to help achieve competitive advantage, but just to ensure survival.

Discussion points and exercises

1. Critically evaluate the suggestion that customer satisfaction research in tourism will be more important in the future than it was in the past.
2. Discuss the reasons why tourism organizations and destinations should research the satisfaction of their customers and visitors.
3. Think about the last vacation you took, and evaluate the extent to which you were satisfied with it, overall. You should then seek to identify the factors which determined your level of satisfaction.
4. You should obtain a customer satisfaction questionnaire for an organization or destination of your choice. You should then produce a report in which you:
   – critically evaluate the questionnaire and identify its main weaknesses;
   – develop a new questionnaire for your chosen organization or destination;
   – advise the organization or destination on other techniques it could use to research the satisfaction levels of its customers.

CASE STUDY 30

Sex Tourism

Sex tourism is perhaps the most emotive phrase in the world of tourism and it is almost certainly the most controversial aspect of the global tourism market. However, this simple phrase covers a wide variety of activities within boundaries that are blurred and which merge into other elements of the tourism market.

In Exhibit 30.1, the authors endeavour to illustrate this variety and diversity diagrammatically, although it does not claim to be a comprehensive typology of sex tourism. Nevertheless, a number of interesting points are raised by this diagram, including the fact that sex tourism can be:

- Consensual, with the approval of both participants, or coercive involving some element of pressure on one of the participants. We need however, to clarify the concept of 'consensual' here for it may well be that the sex workers who may be 'voluntarily' selling sexual services may be doing it to feed their families or fund their drug habit. This makes the concept of 'consensual' a little false, perhaps.
- Commercial with money changing hands or non-commercial between tourists, or between tourists and members of the local community.
- Between men and women, or people of the same sex.
- Based around speciality sex shows and does not have to involve the participant having sexual intercourse.
- A major motivator for a trip, or it could be part of a more general vacation.
- A form of tourism where sexual encounters are planned or it can take place spontaneously.
- Between adults but can also, appallingly, involve children.

This view of sex tourism presented here is clearly subjective and is meant to help stimulate the reader to think about this issue. It is broader than many other views of sex tourism but hopefully it will encourage debate and argument.

However we define it, there is no doubt that sex tourism is not new. It has been around for a long time, in various forms, often as part of a broader form of hedonistic tourism including the consumption of alcohol and/or drugs.

For example:

- affluent Romans took part in orgies involve a high degree of sexual experimentation;
- young English gentlemen travelled to Paris in the 'naughty 1890s' to 'complete their education' in an atmosphere much more liberal about sex than in Victorian England;
- sailors and military personnel have stimulated the growth of red light districts as far apart as Hamburg and Manilla.

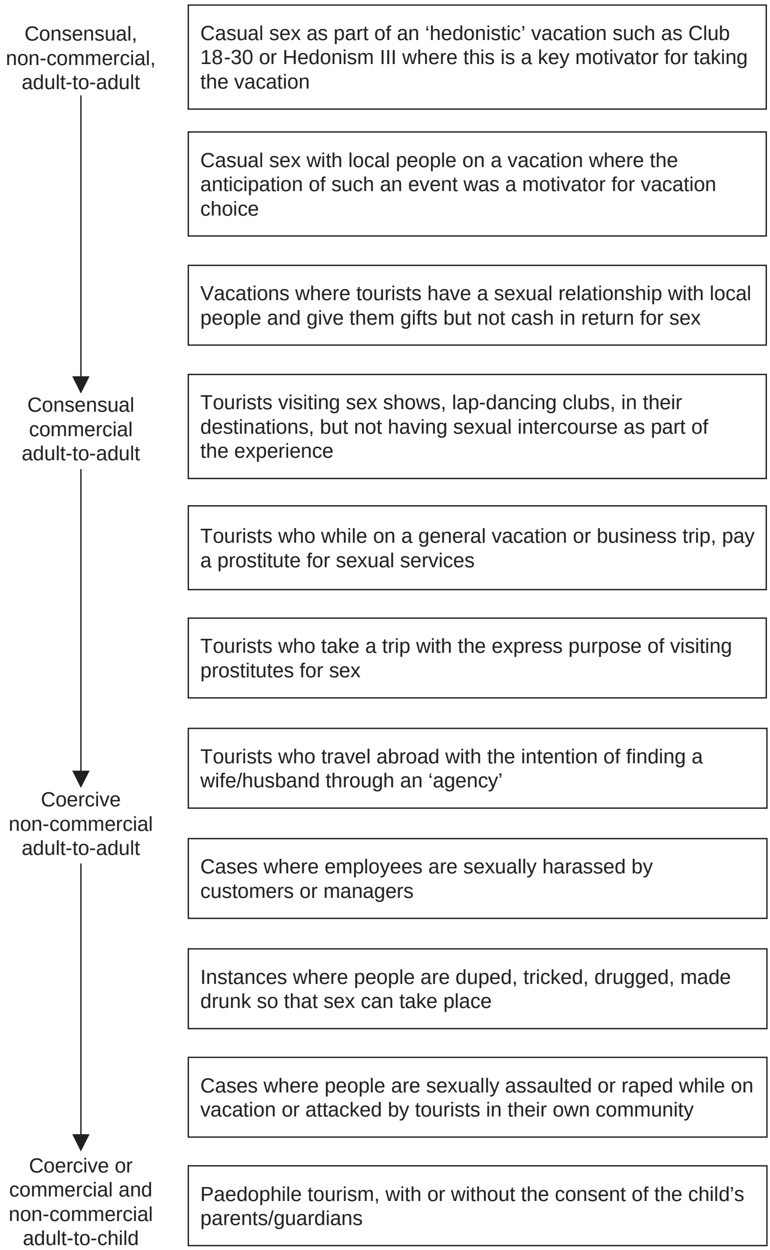


Exhibit 30.1 The scope and nature of sex tourism

Many destinations now have a reputation for sex or hedonistic tourism that in many cases is no longer true, such as the image of 'Suzie Wong's Hong Kong'. This reputation for sex tourism also gives a place a very negative image such as Bangkok.

While much of the tourism industry seeks to distance itself from sex tourism, for a part of the industry it is their core business, either openly or discreetly. The tour operators who promote 'partying or clubbing' tourism which is dealt with elsewhere in a separate case study, clearly sell sex as part of their product, for instance.

Sex tourism can also be a source of conflict between tourists and local residents. However, we have to recognize that many of the people in the sex tourism industry running brothels, for example, are local people.

In this case study, we will try to examine some of the issues raised by this form of tourism, and to explain some of the different types of sex tourism which exist.

The concept of hedonistic tourists or 'ravers'

Hedonistic tourism is not a new phenomenon and sex has always been a major element in hedonistic travel, along with alcohol and drugs.

In Europe, this hedonistic form of tourism, with its emphasis on casual sex, has become a major phenomenon among the young people of Northern Europe.

This market has been developed by tour operators, such as club 18-30 in the UK, which specialize in this form of holiday and are very explicit in selling sex as part of their product.

This is clearly illustrated by the following extract from the relevant UK tour operators, brochure based on the experience of tourists:

- Holidays that change the way you walk. Overdo it, love it, drink it, snog it, jump it, have it.
- I'm not sure how I came to wake up on the beach. Chalk that one down to experience.
- I don't believe for 1 second that Simon got a shag last night. He was so drunk he couldn't have raised a smile.
- All praise to the God that is me. What a fantastic pull.
- Blokes, birds, boozing, bums, boobs, beer, bonding (and if you're lucky, a bit of bondage).

These companies often also have very explicit advertisements making the sexual element of their product very clear.

These tourists are of the type often labelled 'ravers' by writers such as Wickens. The following extract from a chapter by Chris Ryan, in the book '*Tourism and Sex*', edited by Clift and Cater discusses this type of tourist:

This is confirmed by Wickens' (1997) conceptualization of the 'raver'. For 'ravers', seeking sun, sand, cheap prices, and drink, sex makes the holiday. Wickens' 'ravers' are akin to Ryan and Robertson's (1997) 'Vibrant Voyagers' – both sets party hard and have high rates of sexual intercourse while on holiday. Wickens, building on her earlier research (Wickens, 1994), also emphasizes the role of women as pursuers of sexual adventure – it might be observed that both genders are voyeurs and participants. The findings of Black (1997) and Wickens (1994, 1997) also support the observation made by Ryan and Robertson (1997) that the activity of pub and club going on holiday is an extension of normal weekend activities for some at least. In short, the holiday presents a new milieu for familiar behaviours, but ones within which sexual pursuit may become more explicit, as described by Wickens (1997). On the other hand, in some cases, while explicit it may be deemed 'safe'. Based on research undertaken in the dance clubs of Ibiza, Sellars (1998) comments that where the use of the drug ecstasy is common, females will flirt more in the knowledge that the drug is linked with impotency in males.

Source: Ryan in Clift and Cater, 2000

Writing in the same book, Furzana Khan *et al*. published an excellent paper, with in which 'ravers' spoke for themselves about their holiday intentions and experiences. The following extracts show the importance of sexual experiences for 'raver' vacations:

Liz: They're only here for the one thing, eh? Pure on the hots, and everything.
Ann: The lads and that, they're all on the go looking for women.
Liz: Same with the girls, they're the same.
Anne: They're worse.
Interview: How?
Rob: Cos they are.
Ann: Cos they're out looking for men, the crowd of lassies that are sitting at the back there on the pool, you see them? I don't know them, the lassie there (Ann points to another woman) that's what she says to me. I says, 'Enjoying the holiday?' she says, 'No! I've no' had a man yet!' So she's saying that's what she wants, a man. Here it was even, 'Aye you can do it on holiday, nobody will find out' and that.

Candera: Um, well, behind the scenes it's different, because it's usually who's shagged who behind the scenes … but you get the usual outrageous talk as well. I hang around with a lot of guys, so you do hear a lot of stuff. Just, you know, 'I shagged her, she was fat', or 'I shagged her and she was bogging or minging (smelly)' and things like that, you know? Like this guy here with a girlfriend, you know, 'who's really fat' and 'yeah, I can't believe he pulled that!' Only from the guys, I don't really hang around with any of the girls from the scene. I haven't got any female friends here.

For Mike, his attempt at being romantic was constantly thwarted by a woman who kept on interrupting his evenings:

Mike: She butts in every 10 minutes … let me think, the best one I think was Thursday night, we shouted at her 'cos I got really pissed off'. On Sunday night, got interrupted four times, Wednesday night got interrupted a couple of times. Thursday night just got really pissed off and just said, 'Fuck off, canna even get screwing in peace!'
Interviewer: But none of it is pre-arranged?
Mike: No, I'm just a charmer.

Yet for Steve, the worst thing that had happened to him on holiday was that he didn't have a sexual Encounter:

Steve: I didn't get my balls out. That's the worst thing.
Interviewer: Would these things be as important if they happened at home?
Steve: Aye, I suppose, saying that though you come here everybody says, know what I mean, going on holiday.
Interviewer: Did you expect to 'get you balls out'?
Steve: For the money I spent, aye. But it's just one of those things, isn't it?

For Alan, the holiday experience itself, particularly his view of what sun did for women, indicated the appropriateness of sexual activity more than did the climate at home:

Interviewer: So in the past were you all out to get a 'lumber' (one night stand)?
Alan: Eh, well I was going out with the same girl last year, so I wouldn't really say I did it consciously, know what I mean?
Interviewer: But did you?
Alan: Yeah, like a few of us did and that was it. But it wasn't like a lumber, it was like kind of a nice wee snog, and that was it, nothing else apart from that. I don't know whether it's just the

sun or whatever, the weather goes to women's heads and they get horny. They can't help it, they just seem more horny in the sun, know what I mean, it's something else definitely.
Interviewer: So when you're on holiday do you have sex with different people?
Andy: No' yet I haven't.
Interviewer: Would you if the chance arose?
Andy: Oh aye, definitely. You just take every day as it comes. You never know what's round the corner.
Interviewer: Do you and your girlfriend have an open relationship?
Andy: No, she does what she's told. I'm telling you. She does what she's felt.

Aye, there's some people exaggerate a lot about it. I dare say there is, aye. 'Oh the best thing that ever happened to me!' and all that … and you see the same lassie with about five or six other guys throughout the course of the week, you know what they're like 'Oh she was so lovely' and all that. A lot of folk do, aye.

However, Jessie and her boyfriend were agreed about expanding on sexual experiences, as Jessie recalled:

Yeah, em, I don't know, I think, em, a holiday should be different. For example, my boyfriend, he went away on holiday a couple of months ago and he went with someone. I mean I wasn't chuffed with it, but basically if somebody asked me I'm going to go out with them if I like them, it's not going to stop me. I don't know, it's a holiday …. We spoke about it before I left, and we both agreed it was fine.

Source: Khan *et al.* in Clift and Cater, 2000

This hedonistic tourism is not 'sex tourism' in the conventional use of the term, but it is tourism where sexual experiences are a major motivation for choosing a trip. It is also a highly controversial form of tourism because of the impact it has in Mediterranean countries where the host community often disapproves of the tourists behaviour. Furthermore, there is a worry that casual sex can lead to problems with sexually transmitted diseases. More detail on the 'ravers' is contained in the case study elsewhere in this book on Clubbing and Partying Tourism.

Female sex tourists

Traditionally, people think of sex tourists as men, but social change has meant that, increasingly, women are also becoming sex tourists in greater numbers.

Firstly, following on from the last section, you have the female 'ravers', whose desires are every bit as strong as the men 'ravers'.

Thomas, in Clift and Cater, 2002, discussed female 'ravers' attitudes towards sex on holidays, including the following:

The type of relationships reported ranged from what may be typically described as a 'one night stand' (sexual intercourse upon first meeting with no intention for subsequent encounters) to relationships which lasted beyond the duration of the holiday and were seen as 'special', involving a degree of emotional commitment and intensity.

In this study 11 of the 19 women who were interviewed in depth about their new relationship abroad reported having sexual intercourse with a new partner on this trip. Four of the women who did not have sexual intercourse on the trip reported engaging in some sort of sexual activity, and four reported having sexual intercourse with a partner after the holiday ended.

'I think it was because at that stage I wasn't as strong as I had been when I was in the car, it was complete lust, it was just seeing his body, his 'six-pack' his muscles, and this smile that he had, it was just a complete rush of 'I want I want I want' (laughs) (Angela).

'I knew that I fancied him, I knew that I liked him. I was more interested in the sex then, I don't think I was thinking about a relationship then. I just wanted to give him some pleasure and get some pleasure back, just more of a physical thing than thinking about relationships' (Kirsty).

Source: Clift in Clift and Cater, 2000

For many women, having a sexual adventure with foreign men is very appealing, and can be seen from the fact that in the UK there is a web site dedicated just to women boasting about their sexual and romantic exploits with Turkish men.

Then there are the 'Shirley Valentines', a phenomenon researched in Greece by Wickens. In 1994 Eugenia Wickens published a paper on hedonistic tourism in Greece. One of the segments she identified, in her study in the Halkidiki area, were women she termed the 'Shirley Valentines', the title of a contemporary film about such women. Wickens described the 'Shirley Valentines' as follows:

The 'Shirley Valentines' are women on a mono-gender holiday who hope for romance and sexual adventure with a 'Greek God'. This particular 'expectation of pleasure' is based on the Greek male stereotype which has been perpetuated by newspapers and the film *Shirley Valentine*. These 'seekers of sexual adventure' often date with Greek waiters or other local men. Escape 'from domesticity', 'from family life', plus a 'break in the sun' were identified by this type of tourist as contributory factors in their selection of this holiday resort. This type of tourist has also been observed in other Greek holiday regions, including Rhodes and Crete (see Kousis, 1989).

For these women, their vacation is a personal, escapist adventure. Usually, no money changes hands in these situations, although gifts may be given to the male lover. Wickens, reported the views of one of her research respondents, about why she enjoyed this type of vacation, as follows:

'You are here to please yourself … as far as I can, I leave my everyday life behind. When I'm in England, I'm fitting into an appointed role of somebody's wife, somebody's secretary. Here, you can relax and rub off some of the sharp corners. You are not restricted. Greeks are very tolerant of us …. If you give yourself a chance, you can find out things about yourself that you did not know about before …. I like sex but not with my husband. I come to Greece for a bit of fun'.

Source: Wickens, 1994

However, women are also increasingly becoming involved in tourist trips which look a little more like the commercial, rather exploitative sex tourism which is more often associated with men.

In 2001, Herold, Garcia, and Demoya explored the long-recognized phenomenon of women who travel to the Caribbean – in this case the Dominican Republic – and develop sexual relationships with local beach boys. Often the opportunity for such relationships is a motivator for these women to take such vacations. Herold *et al.* suggest that this phenomenon could be seen as either romantic adventure tourism or sex tourism. The beach boys who are usually between 16 and 20, tend to take the initiative with the women, who are usually significantly older – and are willing recipients of the attention. As well as receiving money for their services, the boys often hope that their foreign female lovers will help them emigrate to a better life abroad.

This clearly gives the women great power within the relationship and leads to suggestions that they exploit their power to their own advantage. In general, this looks like a form of sex tourism rather than a romantic adventure.

Sanchez-Taylor, in 2000 made some very interesting points about the actions of women 'sex' tourists in the Caribbean.

> Women like these female sex tourists use traditional discourses around 'race' to feel empowered in relation to male 'Others' (see Bederman, 1995). Their sense of racialized superiority in Caribbean countries, together with their economic power, puts them on the same level as white men operating in tourist areas in the Caribbean, and for once they can experience feeling more powerful than a man. For example, one Canadian woman, a divorcee near retirement age, conducted a long-distance romance for a year and a half with a Jamaican 'countryman' who is 20 years younger than her. She described his simple life as a farmer in the mountains, where all he had was a hut and a small plot of land which he used to enable him to look after himself and his mother. She sends him money and brings things over from Canada, and he was always very grateful for her help. She is teaching him to read and write and to appreciate classical music. She does not want someone who will swamp her with his emotional demands and she likes having the power to arrange the relationship to suit her needs.
>
> When she visits every few months for a holiday, she spends her time buying him shorts and shirts and cooking him big pots of food, because when she goes back to Canada he eats very little. She has conquered a 'noble savage' and can teach and help him towards civilization. Tourist women seem to find the idea of caring for and taming a 'noble savage' romantic, and many of the 'gigolos' in Negril claim to be 'country' farmers who lead simple lives and only venture into Negril now and then to sell products they have grown or made. The real point is that this woman, like the others who want to be considered 'beautiful' or sexually desirable, uses her sex tourism to reconstruct her identity.
>
> *Source:* Sanchez-Taylor in Clift and Cater, 2000

Increasingly, we are seeing female tourists employing male prostitutes and escorts, mirroring the behaviour of men over many centuries.

This raises interesting questions about gender and tourism but the examples shown above also raise some difficult questions about the link between gender and race.

Female sex tourism is either an important step in the drive for equality of opportunity for women or a matter of women just behaving as badly as men.

Gay sex tourism

Gay sex tourism is a growing phenomenon although it is far from being new. Gay men, for example, have for many years travelled to parts of the world where they could obtain sexual services without fear of legal persecution. For example, there is a well documented such link over time between the UK and Morocco.

Luongo, in 2000, published some interesting work on gay male escorts in New York. Of the men he interviewed between 20 and 72 per cent of their clients were tourists. The majority of their tourist clients were business travellers who were in New York because of their jobs. The business traveller clients were generally from the USA while around two-thirds were from outside the USA, particularly Europe.

Luongo also produced some interesting results on how gay male escorts advertised for tourist clients:

> Each of the men indicated the advertising method they used to gain clients. It was clear from their answers that each knew specifically which methods would attract what types of clients. Two methods were considered essential for obtaining tourist clients – the national publication *Unzipped* and the Internet. Three of the men advertised in *Unzipped*, and Joe was about to do so, specifically to gain more tourist clients. Three of the men had web sites, and Mark had recently hired someone to create one for him to increase business in this segment. While these methods were the most successful, David indicated that they differed in terms of the types of tourist clients they produced: 'I tend to get more foreign clients from my web page, as well as travellers from other parts of the country, and these clients tend to plan well in advance'.
>
> His experience with men who saw his advertisement in *Unzipped* was slightly different, however: '*Unzipped* brings in many business travellers from other parts of the US'. Mark confirmed the importance of these two methods, but also found local methods useful, as they were more likely to produce clients who were on vacation and were calling on impulse. However, these calls tended to be problematic, for, as Mark explained, such men often change their mind at the last minute.
>
> *Source:* Luongo in Clift and Cater, 2000

Interestingly, sometimes, Luongo found clients would pay for the escort to visit them in their home areas:

> Indicative of the wealth of many of their clients, some of the men had periodically been retained for travel. Using the phrase 'will travel' in advertisements facilitated this. John said 'I've gone to Puerto Rico for a week. I've gone to Spain for a week. And they pay good money' David had travelled to various cities with clients, including Los Angeles, Dallas, Boston, and abroad to Paris. Mark did not include the travel phrase in his ads, but would discuss it individually with clients. Luke used the phrase, but did not reveal where he had travelled to.
>
> *Source:* Luongo in Clift and Carter, 2000

It is clear that gay sex tourism is a phenomenon that is becoming ever more developed. However, it is still important to recognize that in many countries, homosexuality is illegal and gay and lesbian tourists would face prosecution, and maybe even violence.

Child sex tourism

The exploitation of children for sex and paedophilia tourism have become a major issue in tourism in recent years. No one seems to condone this abhorrent activity yet it continues and is clearly on a large scale.

Data indicates that the number of child prostitutes in Thailand rose from 20,000 in 1991 to 200,000 just 5 years later. There are also thought to be more than 200,000 child prostitutes in China, and more than 300,000 in India.

However, it is important to recognize that not all child prostitution is to meet the needs of foreign tourists. In countries like China and India, it is also to satisfy the demand from domestic 'tourists' and local people.

O'Connell Davidson has produced some excellent work on child sex tourism, helping us to understand the motivations of these people of which the following are extracts:

As one man who identifies himself as a paedophile who has travelled widely and abused children in a number of countries told me, there is an 'old boy' network of what he terms 'Boy Lovers', men who have already been to or are 'on site in various of the sex tour stops. And they seem to be willing to make introductions and give advice to newcomers'.

Not all 'paedophiles who travel abroad' rely on others like themselves to provide them with access to children. Some make use of 'facilities' that are primarily geared towards the interests of 'ordinary' sex tourists. Thus, for example, a group of American sex tourists in the Dominican Republic whom Jacqueline Sanchez-Taylor and I interviewed in March 1998 identified one of their cronies as having 'an obsession with virgins'. The man concerned boasted of having paid the families of eight Dominican girls aged around 11 in order to rape them, and had shown pornographic photographs of one of his victims to his sex tourist friends. All of these men, including the serial child rapist, were friends with an expatriate American who uses an Internet site which promotes sex tourism to drum up tourist trade for the brothel his Dominican wife operates. The wife recruits labour for her brothel from inland villages, and while this couple's core business serves 'normal' sex tourists (of whom more will be said below) they clearly have the kind of 'connections' that would allow paedophiles and preferential abusers to safely arrange the sexual abuse of local children.

Extracts from a letter written to me by the paedophile quoted above perhaps give the best insights into why men like him elect to practise sex tourism:

There are several motivations for the men I have known to travel for sex.

I think the main one for the men I know is the fact that they could have sex with a person easily found and with low risk (legally more than medically).They could not do this in their home country. In the Philippines, they would have the opportunity to indulge in a no-risk or low-risk sexual encounter which they could not do back in Boston or London or wherever …. The second reason for sex travel is a social one. It has much to do with the reason gays flock to Castro Street in San Francisco or Greenwich Village in New York. The travel allows a person from a prosecuted, persecuted, closeted – even sad and lonely? – minority to socialize … share a drink, compare experiences, and share the smile of some passing youngster who might be working in the bar or cafe …'. It's good to talk' and other than in some Third World War, we don't have much of a chance to talk with others …. Probably on a part with the social motivation of travel is the fantasy fulfilment one … it is very exciting to be in an environment where sex forsale, men, and boys openly being together, perhaps some nudity at a beach … is there to be shared …. The fourth motivation for sex tourism … is for the producing of pornography. Of the 50 men I can recall, only one refused to take any photos …. Some travelled specifically to produce soft- or hard-core porn. Others wanted to remember a particular boy or boys …. Everyone took pictures. The first motivation is an economicone. Most of the sex tourist destinations are economically possible.

Source: O'Connell Davidson, 2000

The relative economic power of 'paedophiles who travel abroad' allows them to exploit the misfortunes of children who are made vulnerable not simply by poverty, but also by other forms of social and political inequality and/or exclusionary practices based on notions of 'race', 'ethnicity', 'caste', or sexual. 'Otherness' for, as a general rule, 'child prostitution come from marginal families in the cities and destitute families in the country, or are the children of prostitutes'.

However, it is increasingly being recognized that it is important to stop this form of tourism at its source in the countries which generate the trips, as can be seen from the following examples of action and initiatives:

National legislation may also exist which could be used to prevent the organization of sex tours and trips by their own nationals to other countries, either directly through the prohibiting of sex tours affecting children (as in Germany, for instance) or indirectly through regulations pertaining, for example, to obscenity in advertising or pornography.

A number of recent convictions of tourists for child sex offences illustrate the use of national legislation in tourism-receiving countries in combating child sex tourism. For example, Michael Clarke, a 48-year old Briton from Eastbourne was sentenced in October 1996, in the Philippines, to 16 years' imprisonment after being convicted of 'promoting and inducing child prostitution' in the context of organized sex tours. Another Briton, Gavin Scott, was convicted in October 1995 of the attempted rape of five boys in Cambodia. He received a 2-year prison sentence, for which he served 5 months in gaol in total (see Hoose, 1997, for examples of other convictions of British citizens for sexual offences against children overseas).

In recent years, increasing attention has been given to the establishment of 'extra-territorial' legislation. The international lead in establishing such legislation to combat sex tourism was taken by Australia in 1994:

> The Crimes (Child sex tourism) Amendment Act was passed in 1994 and makes sexual activity with a child under 16 years, committed in an overseas country by an Australian citizen or resident, a criminal offence punishable in Australia. The law applies to individuals, companies or corporations and provides for a term of imprisonment of up to 17 years and fines of up to A$500,000.
>
> *Source:* ECPTA Australia, 1998

Similar extra-territorial legislation is now in place in 25 other 'tourist-sending' countries (Levy, 1998) including New Zealand, Germany, Sweden, Belgium, and the UK.

Source: Hoose in Clift and Cater, 2000

Real efforts are being made to fight child sex tourism in both destinations and generally countries through

– co-operation between police forces;
– pressure groups which campaign on this issue such as PASEC, Mexico, a campaign run by Americans campaigning for the rights of children in Mexico;
– financial support from the tourism industry such as the money which Air France collects; from passengers to support the United Nations in against child sexual abuse.

This form of sex tourism which often involves men from affluent countries exploiting children from poorer countries for their sexual gratification appears to be much more prevalent than we once believed or hoped.

The sex industry workers

Most people might see adult sex industry workers as poor people in a weak position, being exploited. Ryan, in 2000, published an interesting piece of work on sex tourism that made some interesting points about female sex industry workers including:

> Throughout the Western and Asiatic worlds the economic truth is that for many females, prostitution pays, and can pay well. Phongpaichit (1982) compares the earnings of masseuses in Bangkok with those of other female occupations. Whereas a clerical worker could earn 1000 baht per month at the time of the study, all 50 masseuses were earning more, while 'over half of the girls fell into the range of B3000–6000 a month with another 28 per cent earning rather more than that'.
>
> Similar stories can be documented in the Western world. In 1997, a stripper working in a Darwin hotel could easily earn, without prostitution, A $30,000 per annum through tips acquired through lap dancing (A$30) a strip in the 'fantasy room' (A$50 per session) removal of a top (A$5) and bikini bottom (A$10).
>
> Most of the prostitution that exists within Asia is for domestic clients and thus falls outside the purview of this chapter. For the overseas tourist the bright lights of such places as Patpong have become well-known attractions. For most of the women working in these resorts' bars, overseas tourists represent good sources of income.
>
> *Source:* Ryan in Clift and Cater, 2000

Odzer has done some interesting work among female sex workers in Thailand, which has been reported, and commented on, by Ryan, as follows:

> Odzer's account of her time spent in Patpong clearly shows the complexities of the relationships that existed between the women and their lovers. It reveals a positive side of the sex business in Thailand, but just how positive depended upon the level at which a woman worked within the hierarchy:
>
> A hierarchy of jobs existed on Patpong. Working in a blow job bar or performing in Fucking Shows was at the bottom. Next came dancing nude and performing trick shows in rip-off bars … then dancing nude and trick shows in non-rip-off bars …. Bikini dancing in ground-floor establishments was high status, but working in evening clothes without having to dance … was higher. A distinction existed, however, between pretty women in dresses, who were brought out often, and less ravishing, perhaps fat, older women, who served as hostesses only. Hostess-only types were pitied. Attractiveness and sex appeal were major elements of Patpong prestige …. At the top of the status were the beauties who did not work for a bar at all but came and went on their own time.
>
> *Source:* Ryan in Clift and Cater, 2000

Yet for many Thai women, the advantages were mixed. Odzer notes the poise and confidence many women acquired from mixing with foreign males.

However, there is still a belief that in most countries the sex workers probably lose a lot from their involvement in the industry, in terms of their health, through sexually transmitted diseases and the links between prostitution and drug abuse.

Many countries now also see cross-border influxes of sex workers, some of whom may be kept in a form of virtual slavery.

Sex tourism destinations

As we noted earlier in this case study, sex tourism is a major feature of the market for a number of destinations around the world, from Amsterdam to Bangkok. Often it is an 'industry' worth millions of pounds to the local economy and which supports thousands of jobs. However, often it lives alongside other forms of tourism in an acceptable manner while in others it is so and offensive that it can deter visits from other kinds of tourists. In cities, like Amsterdam, the so-called 'red light' districts have become almost mainstream cultural tourism attractions in their own right. As well as those long-established sex tourism destinations, many of which are ports or cities which are visited by military personnel, new sex tourism destinations are emerging all the time.

A story posted on the *Fox News* web site in 1999 showed how Cape Town in South Africa was becoming a sex tourism destination, allegedly with the tacit approval of the local tourism authority:

Cape Town, South Africa – visitors to South Africa's top tourist trap who want to plunge into the city's fleshpots should approach the official tourist authority for directions, Tourism Chief Sheryl Ozinsky said on Tuesday.

'Very few tourists come to us and physically ask us, but I think a lot more utilize the service of the sex industry,' she told Reuters in an interview.

'In a way, one would want them to come here so that we could provide … a telephone number of a non-governmental organization, but not all of them come here. Obviously, it is a very sensitive subject', Ozinsky said.

She said she was not setting out to promote sex tours to Cape Town, South Africa's top tourist destination, but was simply accepted the fact that the sex industry in the city was thriving.

'We have really two alternatives here in Cape Town as tourism increases in the city', she said. 'Either we ignore the fact that more and more businesses are opening up or we work proactively with the relevant NGOs.'

She said small brothels were mushrooming around the city and operating without any rules or restrictions.

One such massage parlour owner had even approached her asking for brochures to hand out to tourists.

Cleanliness, under-aged sex, value for money, and personal safety were items high on the agenda in a city rife with violent crime, she said.

'When they visit certain establishments, they are faced with many problem areas, such as under-aged sex workers, violence, muggings, the threat of AIDS … unregulated pricing structures, lack of hygiene and many other problem areas,' she added.

'We are not promoting sex tourism … we are promoting Cape Town as an adventure tourism destination', she said.

Source: www.senac.com

In June 2002, the UK newspaper, '*The Observer*' ran a story suggesting that Edinburgh in Scotland, famous for its arts festival, was becoming a sex tourism destination, as can be seen from the following extract:

Staid city lifts skirts to party as the capital of sex tourism

The Scottish capital, dubbed the Athens of the North, has become the centre of hedonism for thousands of people as the city is swamped by stage and hen parties.

After downing pints and bluish-green chasers, stags, and hens strutted onto the streets of Edinburgh in search of pastures new now that Dublin – a favourite partying venue – has wearied of such scenes. The Irish capital's Temple Bar district is restricting the size of groups allowed to mill around its drinking dens.

Step forward Edinburgh. With the help of liberal licensing laws, a blossoming sex industry and low, no frills air fares from around the UK, a destination once seen as pretty but reserved, is becoming the number one choice for lovers of excess. Every weekend is swamped.

Business has boomed for Great Escapades, a firm organizing stag and hen packages. 'The market has exploded and Edinburgh is now at its epicentre' said Sales Manager Marco Walker.

While bars south of the border must still close at 11.00 p.m., revellers in Edinburgh carry on drinking for at least another 3 hours in bars before heading for clubs or lap-dancing venues. 'Lap dancing plays a pivotal role in many stage trips. Edinburgh is a hotspot' he added.

Staggering from a bar in the Grassmarket area at 11.45 p.m. on Friday was a party of eight from Sunderland, heading for the Bot toms Up table dancing club in Lothian Road. 'You can't beat this place. Beautiful city by day, bars open late, and then naked ladies' said a partygoer named Mark. 'What stag night would be complete without kit off?'

With a history of strip pubs, saunas, and tolerance zones set aside for prostitutes, the sex trade is not a new phenomenon in this city, but the business appears set to expand to cope with the hordes on weekend breaks.

The lap-dancing club chain, Spearmint Rhino plans a 'sex multiplex' in Edinburgh like its venue in London's Tottenham Court Road. A Scottish group wants to go further by opening a sauna offering luxry rooms and 'surrogate girlfriends' who will earn up to £1000 a week. A 'party room' will cater for stag nights.

Many in the city, however, fear Edinburgh is earning a reputation as a sleazy destination. Catherine Harper, of scottish women against pornography said 'You can call it anything you like, but offering sexual services for money is prostitution. Edinburgh is being turned into a sex tourism capital.'

Source: www.observer.co.uk

Interestingly, it is suggested that as in the case of Dublin, it is the budget airlines, which we discuss in a separate case study, that are partly responsible for the growth of sex tourism in Edinburgh, through their cheap fares.

Key issues

- Sex tourism is far from new; it is almost as old as mankind itself.
- There is no clear definition of sex tourism but the authors favour the definition of sex tourism used by Regan, in 2000, namely:

  > sexual intercourse while away from home – an all-inclusive term but one which permits of a different paradigms (Regan, 2000).

- In this case study we have discussed a number of these paradigms, illustrating the diverse nature of sex tourism. We have suggested that sex tourism is a very wide-ranging phenomenon that covers everything from hedonistic vacations involving voluntary, casual sex between consenting adults, to forced, violent child sex abuse.
- In Northern Europe, in particular, there is a growth in the phenomenon of 'ravers', young tourists, who mix sex with drink and drugs. There are even tour operators which specialize in this form of tourism.

- Women are becoming increasingly involved in sex tourism as consumers, from the 'Shirley Valentine' phenomenon to the employment of male escorts and prostitutes. Slowly, it is being recognized that women tourisms can be motivated by a desire for sex not just 'romance'.
- While illegal in many countries, gay sex tourism is a significant market in some countries.
- Child sex tourism exists on a frighteningly large scale, particularly in developing countries in spite of the action being taken in the destinations and in the tourists' own countries which is often an affluent developed country. However, we have also seen that child sex is also practised by local people, not just by tourists.
- Sex tourism is much more about power than sex, in many ways. Sanchez-Taylor recognized this in a piece of work published in 2000, as follows.

> Sex tourists are often very resentful of women's perceived power in the West. They fear Western women's ability to reject their sexual advances and are alarmed by their demands for equality. A 37-year old market trader in Cuba argued that British women demand too much from men.
>
> It is funny, but in England, the girls I fancy do not fancy me, and the ones that do fancy me, I do not fancy. They tend to be sort of fatter and older, you know, 35, but their faces, they look 40. But in Cuba, really beautiful girls fancy me. They are all over me. They treat me like a star. If you take a Cuban girl out for dinner she is grateful, whereas an English girl, she is grateful but she wants more really prostituted women in the Hispanic Caribbean, by contrast, neither challenge nor demand anything very much from male sex tourists. Another sex tourist, a policeman from the USA, told me he liked going to the Dominican Republic because there he became a desirable object much in demand. 'In the States' he said ' there are 20 men for every girl, here there are 20 girls for every man, and all of them eager to please'. A couple of Yorkshire miners also enthused about how the girls they were with had not only fucked them but washed their feet on the beach, put sun-tan lotion on their backs, cleaned their rooms, and fought over them, all for a mere US $25.
>
> *Source: Sanchez-Taylor in Clift and Cater, 2000*

- Here male sex tourism is about men having power over the women, power they do not have in their everyday lives at home.
- Some argue that female sex industry workers can gain benefits from their employment in the sex industry with relatively high income and the chance to gain some status, in Thailand, for example. However, for many women, employment in the sex industry is a necessary evil to fund their drug or alcohol addiction.
- Sex tourism is not just a feature of the market in Northern Europe or the USA. It has been a particularly controversial aspect of outbound tourism from Japan. In 1993, a report in New Internationalist described this as follows:

> I come here because Thai girls are pretty and gentle .... 'Girls here are much cheaper than in Japan: they are poor, that's why they need customers, isn't it?' 'Am I afraid of AIDS? No I use more than one condom' 'I don't feel immoral to come here, because I'm sort of contributing to the Thai economy'
>
> These are some of the answers Japanese men in Thaniya Road, Bangkok gave to the Japanese Men's Group Against Prostitution in Asia in 1991. Thaniya Road is well known as a playground exclusively for Japanese men. Along the 200-metre long narrow street more than 100 lounges, Karaoke bars and Japanese restaurants are lined up one after another. Hundreds of Japanese tourists and businessmen enjoy their night-life with elegantly dressed Thai hostesses who speak a little Japanese.
>
> Until a few years ago Japanese tourists used to spend their nights on Patpong Road. Today the Go-Go bars there are full of Western tourists. Thaniya Road gradually emerged to cater for Japanese men who feel uncomfortable with noisy music and naked dancers.
>
> Japanese men do not like to mingle with western men. You rarely come across Japanese men in the street. They are usually on a group tour and agents make special arrangements for them to receive girls in their hotel rooms. According to a female hotel manager the Japanese are very careful and nervous about sexually transmitted diseases and AIDS, and they demand that the agents provide them with 'clean' girls.

'For us the Japanese way is much better than the way Western men walk around to pick up girls and get or spread the fatal virus' she said.

The original destination of Japanese tourists was Taiwan where Japanese was still spoken because Taiwan was once a colony. Group tours to Peitou hot springs near Taipei became popular because men could enjoy cheaper sex with local women, many of whom were young tribal girls from the mountains.

Then, in 1972, the re-establishment of diplomatic relations between Japan and mainland China cut direct flights between Tokyo and Taipei. Travel agents responded by funnelling sex tour packages to Seoul, South Korea. They lighted on the Kisaeng, a traditional Korean dinner and provocative entertainment, as the main sales point for Japanese men. The price of the tour included a Kisaeng girl. Kisaeng tourism was exposed by Korean women in 1973 when a group of women students made protests at Kimpo airport, carrying placards reading: 'We oppose prostitution tourism!' or 'Do not make our country a brothel for Japanese men'. Korean church women publicly denounced Kisaeng tourism as a 'shameful act by Japanese men who take advantage of their economic power and dehumanize our countrywomen'.

Of the half-a-million Japanese tourists who flocked to Seoul each year, 95 per cent were men. In the late 1970s, Japanese sex tours expanded to South-east Asia. In the Philippines, the Marcos Government promoted international tourism; in the Ermita area of Manila luxurious five-star hotels were built and the sex industry booked. Young, poor girls came from the vast squatter areas nearby to offer sex services to Japanese and other foreign tourists. Local reaction was forceful. At the 1980 International Workshop on Third World Tourism in Manila the Christian Conference of Asia investigated tourist hotels, one of which was full of Japanese tourists spending nights with Filipino hostesses. They found that just one-tenth of the fee Japanese customers paid went into the pockets of the women themselves; the rest was divided between Japanese travel agents, brothel owners, hotels, local tour guides, and pimps.

The Japanese Prime Minister's trips to Manila, Bangkok, and other capitals were marked by protesters chanting 'no more sex tours!'. Japanese women's groups began to take a variety of protest actions.

At last sex tourism became a national issue in Japan, discussed even at the Diet (parliament). Travel agents had to refrain from organizing sex tours openly and made it optional for individual tourists to buy women.

As the number of Japanese tourists to the Philippines slumped, Filipino women began to migrate as 'entertainers' to Japan. From the mid-1970s, Thai women began to arrive in large numbers, many of them the victims of gangster syndicates organizing the international traffic in women.

Despite limited government action, sex tours continue to thrive, fuelled by the doubling of Japanese men travelling abroad in the last 5 years to reach 12 million in 1992. One survey reported that one in five men admitted to having bought sex with women abroad.

Source: www.newint.org

This highlights the tensions that sex tourism can cause between different cultures.

- In many countries, sex tourism is linked strongly to business tourism, with business travellers having lots of money to spend and being away from home, often for long periods.
- Sex tourism brings real problems in destinations in terms of health and crime problems and the reputation of the city or country.
- Sex tourism can also cause real problems for the tourists' own community, such as health problems. For example, the WEX web site reported in 2003 that 85 per cent of all HIV cases in the UK among heterosexuals were acquired in trips outside the UK.
- Some tourism organizations are beginning to become active in trying to combat the worst forms of sex tourism such as the sexual abuse of children. For example, the Fritidresor Group (FRG) the Scandinavian-based tour operator, subsidy of Touristik Union International (TUI) has been actively supporting the work of ECPAT, a group which aims to 'end child trafficking in children for sexual purposes' in the following ways:
  - Delivery of training modules to all staff which include background information on child abuse and exploitation (why and how FRG co-operates with ECPAT), information on EPCAT and

argument training (to respond to arguments that are frequently used to try and absolve tour operators from responsibility).
  - Distribution of information to all customers through brochures, leaflets, and the company web site.
  - Awareness-raising programmes for customers, mainly during welcome meetings in five pilot destinations (Brazil, Cuba, Dominican Republic, India, and Thailand).
- Destinations with a reputation as sex tourism destinations can find it very difficult to attract other forms of – perhaps – more lucrative and sustainable forms of tourism.
- Sex tourism is a very old phenomenon and seems set to continue, and may be even grow, in the foreseeable future.

Conclusion

Sex tourism is at the same time one of the oldest and most controversial types of tourism. Its nature is increasingly complex with the growth of female and gay sex tourism and the phenomenon of child sex abuse tourism. For many destinations, sex tourism is perhaps their main attraction for tourists even though sometimes people would prefer it if it were not. It seems certain that sex tourism will remain a subject of fierce debate in tourism in the years to come, involving as it does, crucial issues such as gender, race, exploitation, and discrimination.

Discussion points and exercises

1. Discuss the motivations of 'ravers' and the effects of their behaviour on host communities.
2. Critically evaluate the phenomenon of female sex tourism.
3. Discuss the advantages and disadvantages of sex tourism for destinations.
4. Investigate whether or not there is legislation in your country that makes it illegal for people to make outbound trips for child sex tourism. If there is, you should investigate how this law has been implemented and how effective it has been.
   If not, you should try to find out why not, and then you should endeavour to draw up your own anti-child sex tourism law.

CASE STUDY 31

Timeshare Development

Timeshare is a major element in the accommodation stock in some countries, and in many developed countries timeshare ownership is now a well established phenomenon. However, it is an area of tourism that has attracted more than its share of criticism, particularly in terms of alleged unethical marketing practices.

The concept of timeshare is relatively straightforward, although there are many variations on the theme, as can be seen from this definition from the Timeshare Owners Association web site:

> Timeshare is the right to spend a holiday in your 'own' village or apartment for a week for a given number of years. You may be able to swap holiday destinations and times with other people into timeshare resorts worldwide. The period of ownership can be just a few years or it can be for perpetuity, depending on the law of the country. Almost all timeshares are self-catering.
>
> Timeshare weeks can usually be sold, gifted, or passed on to your children, or anyone else.
>
> Most timeshare owners join an exchange organization, for a fee, allowing them to go to another resort, anywhere in the world, in exchange for their week. And many owners rent out their week to other people, or take up a rental of a week at another resort.
>
> To maintain the apartment and facilities in 'nearly new' condition for the whole period of use, owners pay a management fee, ranging from under £200 to well over £500 a year per week of ownership.
>
> Timeshare comes in many shapes and sizes. The purchase of a fixed week at a specific resort still being the most common. But there are many variations such as floating weeks, floating resorts, points clubs, and 'shares' or 'bonds'.
>
> And timeshare gets called a lot of other names as well. Vacation share, holiday share, and multi-ownership all mean exactly the same – timeshare.
>
> *Source:* Timeshare Consumers Association web site 2003

A Mintel report, written by Peisley, and published in Travel and Tourism Analyst, in June 2002, outlined the history of timeshare, as follows:

- Timeshare originated in Switzerland and Japan in the early 1960s.
- The first timeshare resort was developed in the French Alps in 1966.
- The first timeshare resort in mainland USA opened in 1970, and there were 45 resorts by 1975.
- By 1975, there were 60,000 timeshare owners worldwide and 60 per cent of timeshares were owned by Japanese people.
- By 1980 the total of owners was estimated to be between 800,000 and 1,200,000.
- North America still makes up, is thought, around a half of all global timeshare owners.

- In 2000 there were 5390 timeshare resorts in some 90 countries with around 4.75 million owners worldwide.
- Around 12 million people took timeshare holidays in 2000, of which 7 million took them with the clear market leader, Resort Condominiums International (RCI).
- Europe now represents a quarter of the global timeshare market, with the UK as the leading national market, within the continent.

The same Mintel report from which the data above came, reported RCI's own research data from 2002 which stated that:

- 35 per cent of all timeshare resorts were in the USA, as were 48 per cent of timeshare owners;
- 27 per cent of all resorts were in Europe together with 26 per cent of owners;
- some major regions of the world had low levels of timeshare ownership such as Australasia with 2.5 per cent and Asia-Pacific with 2.7 per cent shares of world demand respectively;
- within Europe, 30 per cent of all owners were British, while 35 per cent of all European timeshare resorts were in Spain.

While the World Tourism Organization predict that tourism will grow at around 3 per cent per annum worldwide in the foreseeable future, timeshare demand is expected to grow annually by around 6 per cent.

Let us now take a brief look at the clear market leader, RCI.

RCI

The timeshare sector is very fragmented with hundreds of resort developers and operators. However, the key players in the timeshare, arguably, are the exchange companies which facilitate owners being able to holiday at resorts other than that at which they 'own' property.

There are two major such companies, RCI and Interval, both of which date back to the 1970s. RCI is part of the huge American corporation, Cendant.

In 2000, RCI had 2.87 million (owners and their families), organized 2.1 million exchanges, and could offer their members vacation packages at some 3738 affiliated resorts. The equivalent figures for their main competitor, Interval, based on data from both companies, were 1.2 million, 634,500, and 1876 resorts, respectively.

Between 1990 and 2000, RCI membership grew 122 per cent and its number of affiliated resorts rose by 88 per cent. However, Interval achieved much higher growth figures of 250 per cent and 135 per cent, respectively. It is clear therefore, that while both organizations are growing, Interval is growing faster than RCI, albeit from a smaller base.

Since its creation in 1974, RCI has been the leader in the timeshare exchange business. Its web site, www.rci.com, illustrates its dominant market position and its leading role in the timeshare sector, through the following selected points:

- in 2000, RCI earned US $433 million;
- RCI invented the vacation exchange concept in 1974;
- 7 out of 10 resorts in the world are affiliated to RCI;
- 8 out of 10 exchanges worldwide are made via RCI;
- 7 out of 10 timeshare resort developers have chosen RCI as their exchange partner;
- RCI has launched the world's first points-based exchange system, RCI points;
- RCI Weeks, an innovative week-for-week exchange system;
- RCI shows great leadership within the sector and has worked closely with all kinds of organizations to develop a responsible timeshare industry;
- carrying out and publishing research on timeshare and helping educators find out more about timeshare.

The core exchange business of RCI is described in a little detail on the RCI web site, as follows:

> RCI's core business service, called RCI Weeks, allows members to exchange their vacation accommodations at one timeshare resort for comparable accommodations at another. RCI Weeks is the world's largest timeshare exchange network, with a growing base of satisfied customers enjoying flexibility in their vacation experience.
>
> In late 2000, RCI launched RCI points, the world's first global points-based exchange system. RCI points allows members to have their timeshare ownership interest converted into a quantity of points (determined by the size of the unit, location, season, resort demand, etc.) which can be exchanged for other timeshare accommodations, as well as for airfar, rental cars, hotel stays, golf outings, cruises, and European country cottages. RCI Points is the most flexible exchange system in the world, and is bringing more travel and leisure options to the timeshare owner.
>
> *Source:* www.rci.com/CDA/News_Information

In 2001, RCI sold 3.2 billion exchange points, according to the company web site.

The breadth and flexibility of RCI membership, are neatly encompassed by the company web site which promotes RCI membership as follows:

> At RCI, giving you the opportunity to enjoy vacations as resorts around the world is just the beginning. From *Endless VacationR* magazine to valuable discounts on travel products and services, RCI membership offers you benefits you can not beat.
>
> You can exchange your timeshare for an exciting cruise destination. You can use an RCI Guest Certificate to share the excitement of vacation exchange with friends, business associates, and family. You can even enjoy exclusive travel services through RCI Travel. Plus you can now share your vacation experiences with others through the RCI Community.
>
> *Source:* www.rci.com/CDA/Member_Benefits

As well as its web site, RCI uses the media widely to promote itself. Between June and December 2002, the company issued 20 general press releases, for example.

It is very difficult to gain a profile of RCI members worldwide but some of the following facts, taken from RCI data, give some impression of some aspects of their membership:

- The median income of an American timeshare owner was around US $74,000 in 2002 and the median age was 54.
- A little over 60 per cent of RCI members, who gave their age to RCI researchers, in the UK, were over 50 years of age, and only a little over 13 per cent of them were under 40 years.
- Only 25 per cent of UK RCI members were from households identified as 'high income'.
- Of UK members, 51 per cent owned 1 week and 32 per cent owned 2 weeks.
- About 45 per cent of all UK members took advantage of the RCI exchange scheme, every year.
- 50 per cent of UK members took their vacations in Spain.

In recent years, RCI has developed its activities in some interesting ways, as follows:

- it has been acquiring resort developers and operators to strengthen its position in the sector through horizontal integration;
- it has explored timeshare/owner combinations, and the 'Residensea' project, a ship with 878 timeshare suites.

RCI has survived the post September 11 trauma much better than much of the travel industry and by April 2002, bookings were apparently running around 8 per cent ahead of the figure for the same period in 2001.

The future of RCI will depend on the strategy pursued by its parent company, Cendant. It will also depend on how the image and reputation of timeshare develops in the future, worldwide. This is a challenge because the industry, globally, has had a rather tarnished image in terms of the unethical way in which it has marketed. This is an image that companies like RCI are well aware of and the company has done a lot to try to improve the image of the sector. So let us now look at the question of ethics and timeshare.

Ethical concerns with timeshare

Throughout its history, the timeshare industry has been beset by ethical issues and a bad reputation for the marketing practices of some organizations in the market. Indeed such is the reputation of timeshare that some organizations try to use other terms such as 'vacation ownership' to avoid the stigma of being seen as 'timeshare'.

In many countries, pressure groups and organizations have grown up to advise potential timeshare buyers and those who are the victims of alleged unethical practices in the industry.

In the UK, the Timeshare Consumers Association – a government supported organization – operates a huge web site – www.timeshare.org.uk/ – warning people of problems with timeshare. For example, in February 2003, its web site contained the following warnings:

> Timeshare is a complex subject and a reasonable length of time is needed to understand the resort, the exchange system, and the Club arrangements. So, whether it is a 'hard' or 'soft' sell, expect a presentation of at least 1 hour.
>
> The tout may have promised 'only 90 minutes' and 6 or 7 hours later you could still be locked into a hard sell while the tout cajoles and bullies the 'punter' into saying 'yes' to a purchase. 'The last week elft' or 'prices go up tomorrow' or 'everyone else buys – what's wrong with you, can't you afford it' are popular techniques.
>
> With an increasing number of people already owning a timeshare, touts are more often being confronted with an existing owners when trying to sell their resort.

The sales story is to offer to sell the existing week on behalf of the owner on condition the owner buys into the new resort. A highly inflated price is quoted for the original week (sometimes supported by an 'independent' valuation by fax) which persuades the owner to buy into the new resort.

> But – surprise, surprise! – a few weeks later the owner asks about the sale of his original week only to be told that it will not sell except at a ridiculously low price.
> And it is now too late to cancel the newly purchased week.
>
> The *'Of course you can upgrade'* scam
>
> Timeshare weeks are divided into three colour bands throughout the year. Red for the most popular, with White and Blue for out-of-season weeks. A buyer who cannot afford a Red week is verbally promised that there will be 'no difficulty' in having use of a Red week even though he is only buying a lower grade week.It is not until the new owner attempts to use a Red week that the resort denies any knowledge of the promise and the scam is exposed.

'Timeshare is a good investment'

Very few owners have made a profit out of a timeshare – and certainly none of those who bought at highly inflated prices from hard-sell developers.

Hidden ownership problems

'Hidden' – because buyers are seldom told about them at the time of purchase and in many cases do not even get to learn about them as owners, such as excessive profits made by management companies, and difficulties in make a resale.

Most timeshare resorts are managed on a day-to-day basis by the developer or one of his subsidiary companies. Long before there were any owners at the resort the developers wrote the constitution guaranteeing that he (or his subsidiary company) carry out all the routine maintenance and management of the resort. Built into this constitution is a nice fat profit which, even if owners complain, is now cast in stone.

Source: www.timeshare.org.uk

The Timeshare Consumers Association had to raise awareness about potential problems through the media, and in 2002, it issued 44 press releases.

However, in the UK, there are other organizations which try to advise people about the risks of timeshare ownership.

In July 2001, the UK government issued a press release which included the following advice:

The Government has launched a new timeshare advice campaign, warning of the dangers of 'arm twisting' holiday club companies who persuade holidaymakers to part with thousands of pounds in return for holidays which never materialize.

Holiday Clubs differ from Timeshare because membership of the club is not linked to any rights in any particular property – therefore consumers are not protected by legislation.

Travel agents will be sending out a new government advice leaflet to holidaymakers with their tickets. The leaflet includes advice on:

Current consumer protection Consumers who buy a timeshare anywhere in the European Economic Area (covers the Member States of the European Union) have certain minimum rights including a 10-day cooling-off period.

What is not covered by legislation Some timeshare schemes including holiday or vacation clubs where membership of the club is not linked to rights in any particular property.

What to do before you commit People are advised not to rush into signing anything and to check whether the company concerned is a member of a reputable trade association with a code of practice.

What to do if things go wrong Get legal advice from the Citizens Advice Bureau, local-trading standards department, or a solicitor Consumer Minister, Melanie Johnson said:

We now have effective laws to outlaw scams with timeshares. But holidaymakers need to be warned about the tricksters seeking to get around the rules, by re-branding their products as holiday clubs

Source: www.news.gov.uk

In January 2002, *Holiday Which*, a consumer protection magazine reminded consumers of the risks in the timeshare market as follows:

> Rogue operators using ingenious hard sales techniques are still trapping holidaymakers into expensive rip-off schemes, according to the January issue of *Holiday, Which?* Timeshare legislation does not go far enough to prevent con merchants selling schemes that usually turn out to be too good to be true.
>
> Common cons include supposedly ‘free’ holiday offers with inconvenient departure dates at short notice, broken promises when people attempt to cancel their purchase, and ‘cheap’ loans that turnout to be expensive on return to the UK.
>
> High pressure sales presentations, at which sales representative try to persuade people to sign up immediately for big discounts, are commonplace in big tourist destinations such as the # Costa del Sol. Pale faced UK holidaymakers are a prime target because reps know they’ve only just started their holiday and may not arrive back in the UK for a fortnight, by which time the ‘cooling-off’ period in their contract could have expired.
>
> Figures suggest about half of current owners want to sell their timeshare. Those who decide to cut their losses and sell up, though, often fall foul of resale agents targeting people who are desperate to sell. These agents promise a sale and then have been known to disappear with the deposit money.
>
> *Source:* www.which.net/media/pr

It is important to recognize that these problems are occurring in Europe, where there is European Union – wide legislation. The UK Timeshare Consumers Association outlines the main provisions of this legislation as follows:

- Timeshare sellers are required to provide a cooling-off period to buyers. This allows the buyer to cancel without any penalty, within 10 days (14 days in the UK) from the time of signing a purchase agreement.
  This includes the automatic cancellation of any associated finance agreement. Up to half the couples who agree to buy a timeshare actually cancel within the cooling-off period.
- Sellers should not require payment of any deposit. This means exactly what it says. If you are asked for any payment of any sort at the time of the sale – walk away. If you eventually decide to cancel, the chances of seeing your deposit again are very slim.
- Timeshare vendors are required to disclose full details, in the language of the buyer, of the developer, the resort, the purchase contract, rights of cancellation, management fees, etc. If it is ‘temporarily out of print’ or not in your language – walk away.
- Any purchase using a credit card automatically makes the credit card company (or issuing bank) jointly responsible, with the seller, in ensuring that the product or service materializes as promised. If you do not get what is promised you may be able to obtain repayment from the credit card company. But this is not the case if you make a cash withdrawal using your card to pay or use your card as a debit card.

Source: www.timeshare.org.uk

In spite of this apparent legal protection, the authors themselves have had first-hand knowledge of the questionable practices involved in timeshare selling. In Paphos, Cyprus, in January 2002, they were approached by an untidy looking person with some ‘scratchcards’. Knowing what it was about, but intending to 'research' the issue further, they agreed to scratch off three numbers on the card. Surprise, surprise, they won 'a free holiday!' Before accepting the prize, they asked if this was a timeshare promotion. 'Absolutely not' was the answer. However, the authors were told that they would have to go, by a taxi paid for by the promoters, to a local hotel, *now*, to collect their prize!.

The excuse was that this hotel had been refurbished too late for inclusion in the current season's tour operator brochures and just wanted to show itself off to Paphos visitors ready for the next season.

On arrival the authors were introduced to a 'consultant' who spoke to them for nearly 3 hours, firstly finding out about their holiday activities.

Slowly the discussion moved towards timeshare although the 'consultant' did not voluntarily ever use the word. The sales pressure subtly grew over time and when eventually the authors said they were not interested, the consultant appeared almost angry. It was as if he felt the authors had been wasting his time forgetting that it was his company which had 'misled' them into spending 3 hours of their holiday listening to his sales pitch. Interestingly, at the end of their visit, one of the authors told the consultant that they made occasional radio broadcasts on the BBC about consumer protection issues in tourism. Immediately the authors were ferried back to the resort courtesy of the company's manager!

It seems that in spite of all the efforts that have been made, there is still a long way to go in terms of cleaning up the timeshare industry.

Key issues

- Timeshare has now been around for 40 years and is now an increasingly worldwide phenomenon.
- However, the sector is dominated by the USA and Europe and is, as yet, little developed in the Asian and Australasian markets.
- While the resort development and operation side of timeshare is highly fragmented, the increasingly important timeshare exchange market is dominated by two major companies, of which RCI is the number 'one' leading player.
- Timeshare has grown dramatically in recent years and is forecast to continue to grow at a relatively high rate in the years to come, faster than the growth of tourism overall.
- It has recovered more quickly from the effects of 11 September than many other areas of the tourism market.
- The nature of the timeshare market differs quite distinctly between different countries.
- The timeshare industry continues to be the subject of a large amount of negative publicity in terms of the practices of timeshare resort operators and marketers. Without these problems, the growth of timeshare could be even greater, worldwide.
- Concern over ethical issues in the timeshare industry has led to legislation being passed, such as the European Timeshare Directive.
- However, in spite of this legislation, there continue to be problems, particularly in Europe.
- It is likely that in the future, there will be further horizontal integration in the timeshare industry and new forms of timeshare will develop. At the same time, great efforts will be made to expand timeshare ownership in Asia and Australasia.

Conclusion

From its beginnings in Switzerland and Japan in the 1960s, timeshare has grown dramatically. However, it is now dominated by the USA in terms of the market, resort locations, and the companies which dominate the industry. This growth in timeshare has taken place in spite of the considerable negative publicity. If the sector can improve its image and eradicate the unethical practices, it could enjoy huge continued growth in the future, worldwide.

Discussion points and exercises

1. Discuss the advantages and disadvantages of timeshare ownership from the point of view of owners.
2. Discuss the reasons why you think some timeshare organizations use questionable sales techniques.
3. Discuss the factors which will influence the future growth and nature of timeshare.
4. You should conduct a small-scale survey of timeshare owners to discover:
   - why they choose to purchase timeshare;
   - how satisfied they are with their timeshare ownership;
   - how, if at all, they have taken advantage of the possibility of timeshare exchanges;
   - any bad experiences they had when trying to buy timeshare.

Case study 32

Tourism and Travellers with Disabilities

In recent years, more and more attention has quite rightly focused on the needs of tourists with disabilities. This has reflected growing concerns with the rights of disabled people as a whole. However, to date, progress has been modest and has been more impressive in North America, Northern Europe, and Australia than in many other parts of the world. In many destinations life for a disabled tourist varies between very difficult and virtually impossible; so there is still much progress to be made.

Much of the mainstream tourism industry seems to marginalize or even discourage people with disabilities from buying its products, even though there are millions of potential tourists among the disabled people of the world. However, before we consider how the tourism industry currently meets the needs of tourists with disabilities, let us start with the very important point that there are many forms of disability, including:

- mobility problems,
- sight difficulties,
- hearing impairment,
- specific medical conditions that place limitations on the tourist such as the need for constant medication, allergies, health problems, and so on.

Also, there are varying degrees of disability. In terms of mobility, for instance, the level of disability can range from not being able to walk up many steps, to being permanently confined to a wheelchair.

Now we have noted this point, let us continue by looking at transport for tourists with disabilities.

Transport for travellers with disabilities

In the so-called developed world much progress has been made in making transport more accessible to travellers with disabilities. For example, airlines now usually can accommodate wheelchair-based passengers, although they usually require advance notice. Assistance with can also often around the world, but if the airport lacks specialist equipment, this can involve the passenger being man handled into place, with little dignity.

The following extract from a web site gives advice to travellers with disabilities on how to choose an airline:

> When calling the airlines, research their attitude towards disabled travellers. What are their policies for helping you board, storing a wheelchair, batteries, and oxygen? Do they provide special

dietary meals for diabetics, etc. Ask, ask, ask, and take notes. Check our Travel Archives and Readers Write sections for disabled travellers' input.

Choosing a carrier that expresses disability awareness and concern for your comfort makes a big difference. Let's face it, flying non-stop for 6 or more hours is not exactly a joy ride without an accessible bathroom. While United Airlines is now offering accessible bathrooms on overseas flights, these are not available on domestic flights. We are still awaiting that day when there will be truly accessible bathrooms available on all carriers.

If you are a US disabled citizen and do have a negative experience with an airline, remember that you do have rights, thanks to the *Air Carriers Access Act.* Here are two handy resources:

The *US Department of Transportation* provides a thorough description of your consumer rights at *New Horizons: Information for the Air Traveller with a Disability*.

Click here to familiarize yourself with the *Air Carrier Access Act* which prohibits discrimination on the basis of disability.

On 2 August 1999, DOT gave wheelchair travellers reason to celebrate. The *Department of Transportation* (finally) removed the $2500 compensation cap for damage to wheelchairs that airlines are required to pay. By doing so, they acknowledge that $2500 was an insufficient amount to cover repairs to many power chairs.

In the fall of 1999, DOT started issuing the tallies of access complaints for each airline carrier. Such report should give disabled consumers a heads up as to which carrier to book with. To obtain copies of the monthly tallies, call (202) 366-2200. www.dot.gov/airconsumer.

Source: www.geocities.com

Interestingly, in the USA, as we can see, there is now legislation to protect the rights of tourists with disabilities. However, such legislation is not yet available in many other countries and the problem with all legislation is not passing it but enforcing it.

Yet again, in the transport sector, the dilemma focuses understandably on tourists with mobility problems rather than those with sight, hearing, or other disabilities.

Accommodation for travellers with disabilities

In the past few years, the quality of disabled guests in hotels has improved, particularly in new hotels in the richer countries of the world. However, there are still problems, even in countries which are popular destinations. This is illustrated by the example of 'Charming Small Hotels and Restaurants Greece', published in 2002. This covered high quality, generally modern small hotels, with above average room rates. This guide stated what facilities there were at hotels for guests with mobility problems, with the following results:

- 3 hotels with 'no access' for disabled tourists,
- 95 hotels thought 'not suitable' for disabled guests,
- 11 hotels where 'access is difficult' for disabled guests,
- 20 hotels where 'access is possible' for disabled guests,
- 2 hotels with substantial facilities for disabled guests.

This is clearly just a tiny sample but it still indicates a rather low level of facilities for disabled guests.

However, progress has been made, particularly by the large hotel chains.

At the same time, efforts are being made to produce industry-wide schemes to establish minimum standards certainly in terms of facilities for guests with mobility problems. An example of one such scheme, from the UK, the Accessibility Symbol, is outlined below:

> The Hotel and Holiday Consortium made up of 21 organizations including ABTA, the BTA, and the British Hospitality Association, has drawn up a range of minimum standards which must be met by an establishment before the Accessible Symbol can be awarded.
>
> Requirements for the new symbol are as follows:
>
> - a public entrance to the building must be accessible to disabled people from a setting-down or car-parking point;
> - where an establishment has a car park, a parking space must be reserved for a disabled guest on request;
> - disabled people must have access to the following areas (if provided): reception, restaurant or dining room, lounge, TV lounge (unless TV is provided in the bedroom), and bar;
> - a minimum of one guest room with bath or shower and WC facilities en suite, which is suitable for a wheelchair user, should be provided. Where these facilities are not en suite, a unisex WC compartment and a bath or shower room suitable for a wheelchair user must be provided on the same floor level.
>
> *Source:* www.travel-guide.com

The following extract from a web site gives advice to tourists when searching for a hotel:

> Few things can prove more disappointing or challenging for a disabled traveller than discovering that an allegedly accessible hotel room is anything but.
>
> Unfortunately, all too few lodgings have any real idea of what accessibility means, and while the US is, no doubt, the leader in the access movement, the American with Disabilities Act (ADA) does still not guarantee that transportation and lodgings will adhere its requirements. Since businesses often claim that the law is vague, the interpretation of the ADA is constantly being interpreted in court.
>
> While such vague interpretations of access exist, a disabled traveller must act assertively to locate suitable lodgings. Here is a short list of helpful hints that will maximize your chances of booking a suitable room.
>
> Beware of calling the 800 numbers for the hotel/motel chains. The phone reservationists who work these lines are not often located anywhere near the hotel you are calling about, and they rarely have a clue about a room's accessibility.
>
> Call the hotel's direct number (which you can get from the 800 line) and ask to speak to the manager, who should be able to provide you with access information. Be specific about your requirements. How wide are the doors? Does the bathroom have a roll-in shower and grab bars? What about a handheld shower spray? No one knows your travelling needs better than you, so if you need a shower chair or TDD, it is up to you to ascertain if the hotel actually has them.
>
> Since hotels require a credit card to hold your room, be certain of your dates when making a reservation as cancellations can be costly. If you cancel, the hotel may keep all or part of the cost of your room. Every reservation should be confirmed in writing through a letter or fax. If you are travelling overseas, send your message with the international wheelchair symbol on it to remind the hotel that a disabled person is heading their way.

Want to lodge a complaint against a hotel or other facility governed under the ADA? Call the Department of Transportation at (800) 514-0301 (voice) or (800) 514-0383 (TDD).

The US and many European nations demonstrate the most concern for access issues.

Source: www.geocities.com

- facilities are better in the so-called developed countries,
- very little attention is paid to people with any disability other than mobility problems.

Attractions and travellers with disabilities

The attraction sector has perhaps achieved the most in terms of tourists with disabilities.

The following extract from the Internet, features an article by Don Cross about a visit made to Knott's Berry Farm in California in 2002 and shows some of the good practice now seen in the sector:

Don Cross details the superb access provided for pulmonary disabled people at southern California's Knott's Berry Farm. Anyone needing oxygen 24/7 will surely find this theme park not only the paradigm of access compliance but also a joy to visit.

Of all the theme and amusement parks in southern California, Buena Park's Knott's Berry Farm is superbly convenient for the disabled, in general, and those with pulmonary disabilities in particular. Those of us that have to be on oxygen 24/7 know that anywhere we are faced with steps, steep ramps, and a lack of sufficient and well located escalators or elevators is not going to be enjoyable for even a short visit. But, when you are going someplace that you want to spend a whole day, such as on our Fourth of July holiday, it can be an intolerable exercise.

The Knott's management has succeeded in designing, maintaining, and staffing a place where everything is laid out to provide the disabled with an easily travelled park with well paved paths crossing gentle terrain. Additionally, they provide the additional convenience of making it simple to have quick access to the multiple oxygen tanks that we will need for what will be an almost 15-hour stay, from day-starting breakfast to the last clap of that night's fireworks display.

When you drive into the park you can either drop the disabled passenger(s) off at a zone just outside the main entrance gates, or drive right on into one of the numerous handicapped parking spaces available. Motortrams transport everyone from there back to the gates. Then buy your tickets, go through the gate, turn right, and the car pickup point is a short walk straight ahead.

Some of the rides, and all of the attractions, are accessible to their electric carts (but may not be to yours). Additionally, rides that are not accessible to carts may be so to a portable 02 tank and cart.

But, do be prepared to climb short ramps or stairs to get into a ride. Again, check the Knott's web site for a pretty detailed description of handicapped access to all of the park's rides. Also a brochure is available at the park's information booth that describes their handicapped instructions for the whole park. Or check the contact information for the park at the end of this article to have them mail a copy to you in advance of your visit.

Source: Knott's Berry Farm by Don Cross, 2002 (http://knotts.com)

However, again the good quality provision is in a country with legislation that makes businesses take the interests of customers with disabilities seriously. This legislation is not found generally around the world.

It is clear that this attraction is geared up to the needs of visitors with disabilities other than those who are wheelchair based, such as those who need constant oxygen.

The following examples taken from a Japanese web site show what facilities exist in Japan at one attraction. The web site contained details of other attractions with such facilities around the country:

Maruyama Zoo
Main entrance: Flat or ramp
Accessible toilet(s): 4
Rental wheelchairs: 12
Park lot for wheelchair users: available for seven cars
Remarks: Uphill through the way from subway station

Source: www.wakakoma.org

However, as the following extract from the Accessible Europe web site shows there can still be accessibility issues in attractions in the world's major tourist destinations such as Paris:

Louvre Museum
The Louvre is the widest French museum. After the renovation it is now quite fully accessible by lifts; all the main masterpieces are in accessible galleries. The main entrance is through the Pyramid and there is a special lift to provide barrier-free access to people using a wheelchair. The museum has fully accessible toilettes and an accessible coffee shop.

Orsay Museum
The museum is fully accessible by many lifts and ramps. Inside there are accessible toilets and two accessible restaurants.

Notre Dame Cathedral
Accessible. The inside space is flat and fully accessible with the exception of the ambulatory where there are three steps.

Tour Eiffel
Accessible by lift and ramp.
Accessible WC in the basement of one of the pillars.

Lido and Moulin Rouge (Traditional Paris night spots)
At the entrance of both theatres there are steps but the staff are very helpful; inside steps too. Possible with some help.

Riverboats (Bateaux Mouches)
Paris has built itself up on the banks of the River Seine, as well as being a relaxing approach to sight seeing, is one of the best ways to see what the city has to offer. Many of the sights are near the river and in the evenings the floodlighting shows some of the facades at their best. The boats, called 'Bateaux Mouches' are accessible with the help of the staff of the companies.

Versailles Palace
The building is accessible up to the second floor by ramps and lifts. The gardens are accessible too but the tracks are unpaved.

Fontainebleau Palace
The ground floor is accessible with help. No lift up to the second floor. Garden accessible but tracks unpaved.

Source: www.accessibleurope.com

However, in terms of visitors with sight and hearing disabilities, many attractions have developed good facilities, such as audio tours, braille interpretation points, induction loop systems, and so on.

Tour operators brochures and travellers with disabilities

The brochures of most mainstream tour operators seem to provide very little advice for travellers with disabilities as we can see from the following examples taken from the 2003 brochures of a number of leading mainstream UK tour operators:

Special needs Let our Client Welfare Department know in advance if you require any special arrangements. Should you require wheelchair assistance this must be pre-booked and proof of need will be required at the time of booking, such as you registered disabled number or a letter from your doctor. If the extent of your disability is such that you cannot use the coach transfer between your resort airport and accommodation, then taxi transfers can be pre-booked at a charge, see accommodation pages for prices. If this option does not appear available at your accommodation, our Client Welfare Department can find out the prices of taxis for you. Some walking holidays, tours, and excursions are not recommended for the less mobile or people with special needs (unless they travel with a companion). Please ask your travel agent for more details.

Special needs Some of our customers have special needs. If this means you, please let us know in advance about your disability and our helpful reservations team will be happy to advice about special arrangements. Given sufficient notice, we will be happy to arrange carriage of collapsible wheelchairs on flights and endeavour to give you the best possible service to ensure a happy, trouble-free holiday. If the extent of your disability is such that you cannot use the normal transfer between your resort airport and accommodation, then taxi transfers can be arranged at a cost, we will be happy to quote prices on request. Facilities for customers with special needs will vary from hotel to hotel. For information about the facilities available at each hotel or apartment, such as wheelchair access, ask your travel agent or telephone us for information.

If you are disabled Kuoni is happy to give you advice and to assist you in choosing a holiday that will meet your requirements. However, because of the nature of destinations, many lack even the simplest facilities such as ramps for wheelchairs, lifts, etc. Therefore in order to assist we must at the time of booking be provided with full details in writing regarding your disability and any special requirements as a result of this. An appropriate medical form will be sent to you for this purpose.

Disabled clients We strongly advice travellers with special needs/disabilities to inform Getaway at the time of booking. We will endeavour to assist and meet these requirements, however these cannot be confirmed or guaranteed.

Disabled clients We are not a specialist in arranging holidays for people with special needs. owever, please let us know your requirements when booking and we will do our best to assist you.

This advice seems to indicate that some tour operators are less than enthusiastic about attracting clients with disabilities. The language used is in sharp contrast to the purple prose which is used to sell package holidays. On the other hand, at least advice is provided and the tour operators do, make disabled travellers aware of the problems they face.

Yet again, the focus is on travellers with mobility problems with no real advice for those with any other kind of disability.

Interestingly, of the brochures the authors looked at, a quarter of them contained no specific section offering advice to travellers with disabilities, at all.

Even in 2003, the mainstream tour operator sector seems to be lukewarm in its commitment to meeting the needs of tourists with disabilities.

Guidebooks and travellers with disabilities

For many tourists today, guidebooks are a prime source of advice. So how much help do tourists with disabilities receive from the mainstream tourist guidebooks? The traditional guides such as Baedecker and Michelin devoted relatively little attention to the needs of travellers with disabilities.

When the new-style independent traveller such as the Lonely Planet series first appeared, they too tended to devote little attention to the needs of travellers with disabilities. For example, the first edition of their '*India: A Travel Survival Guide*' contained no specific advice for disabled travellers.

However, in 1991, reflecting the growth in travel by people with disabilities, '*Rough Guide*' published '*Nothing Ventured*' which presented the experiences of disabled travellers around the world. This 546 page book contained plenty of practical advice, as well as travellers' stories.

In Exhibit 32.1 we present details of the advice for travellers with disabilities in 10 selected guidebooks. The key points that seem to come from this selection are as follows:

1. Some guidebooks such as the Rough Guides seem particularly concerned with providing advice for tourist with disabilities.
2. The vast majority of advice relating to tourists with mobility problems aims particularly at those who use wheelchairs. At the same time, those with other disabilities such as sight or hearing problems generally receive little or no consideration.
3. Unsurprisingly, the guides with most detailed advice for travellers with disabilities tend to be those covering rich developed country destinations which tend to have the best facilities for travellers with disabilities. Conversely the worst facilities appear to be in the poorer regions of the world.
4. The sources of further advice given in the guidebooks tend to be in Europe or North America reflecting both the main market for the guidebook and the countries where there has been the greatest development of the market for travellers with disabilities.

Travellers with disabilities receive very little attention in guidebooks produced in many countries. The generally excellent travel guidebook series, Les Guides Bleues, for instance, tends to offer little or no information at all for tourists with disabilities. This may reflect the generally low priority which disability issues have in some countries.

The lack of interest shown by mainstream guidebooks in disabled travellers may explain the growth of specialist guidebooks aimed specifically at meeting the needs of travellers with disabilities. These are often produced by non-profit organizations with a particular interest in disability issues.

Exhibit 32.1 Guidebook advice for travellers with disabilities for different regions and countries

Guidebook	*Space devoted to advice for travellers with disabilities (in pages)*	*Advice for tourists with mobility problems*	*Advice for tourists with other disabilities*	*Advice on sources of further information travellers for with disabilities*	*Comments*
1. *Lonely Planet, West Africa*, 1995	None	None	None	None	Lack of advice may reflect the relative lack of provision for travellers with disabilities in West Africa. Probably also is an indication of the age of the guide as disabled persons' travel is growing all the time, and has changed a lot since 1995
2. *Lonely Planet Guide to South-east Asia*, 1997	0.1	Yes	None	None	Again, the relative lack of coverage may reflect the poor level of provision in the region and the fact that the guide is quite old. The guide says 'Travellers with serious disabilities are unlikely to find South-East Asia very user friendly … Even the more sophisticated cities such as Hong Kong and Singapore are very much 'push and shove' places
3. *The Rough Guide to Australia*, 1997	3.0	Yes	None	Yes	Plenty of detailed advice reflecting the generally high level of facilities, even though the guide is from the same year as the South-East Asia guide above. Gives sources of further advice from UK, North America, and Australia

(*Continued*)

Exhibit 32.1 (*Continued*)

Guidebook	*Space devoted to advice for travellers with disabilities (in pages)*	*Advice for tourists with mobility problems*	*Advice for tourists with other disabilities*	*Advice on sources of further information for travellers with disabilities*	*Comments*
4. *Let 's Go Guide to Central America*, 1995	0.7	Yes	None	Yes	Addresses mobility problems only. All recommended sources of advice are in the USA
5. *Lonely Planet Guide to Norway*, 1999	0.5	Yes	Yes – there is also deaf and blind tours	Yes	Recognizes other forms of blind tours disability apart from mobility disabilities. Gives sources of advice in Norway, the UK, and USA
6. *Lonely Planet Guide to Croatia*, 1999	0.3	Yes	None	Yes	Suggests facilities for people with mobility problems are quite good because of needs of Croatian war veterans. Advice available from an organization in Croatia
7. *Lonely Planet Guide to Syria*, 1999	0.1	Yes	None	Yes	'Scant regard is paid to the needs of disabled travellers in Syria' Only further advice source is in UK
8. *Lonely Planet Guide to South America on a Shoestring*, 2000	0.3	Yes	None	Yes	'South America generally is not well set up for disabled travellers' Suggests Argentina and Chile may be the most sympathetic countries for travellers with disabilities The only source of advice quoted is in the USA
9. *Trailblazer Guide to Siberian BAM Railway Russia*, 2001	None	None	None	None	No mention of disabled travellers at all; may reflect lack of facilities on Trans-Siberian Railway
10. *Lonely Planet Guide to Arizona*, 2002	0.5	Yes	None	Yes	Tells disabled travellers about their legal rights to help on airlines for instance, sources of further advice are all in the USA

Developments and initiatives

In spite of the lack of action taken by the mainstream travel and hospitality industries in meeting the needs of disabled people, a number of initiatives, and developments have taken place in recent years, as follows:

1. The Internet has become a great source of information for disabled tourists, through dedicated web sites, mixing travel experiences with concrete, factual information. For example, there is the Geocities site from which we have already extracted material. Its web site in March 2003 contained 117 travellers' experiences stories, covering everywhere from Las Vegas to Amazon, Caribbean cruises to Egyptian diving holidays. These not only provide information but also inspire disabled people to widen their vacation horizons.
2. The growth of non-profit making organizations and self-help groups that provide specialist information for tourists, with special needs. For instance, there are three groups in the USA alone which offer advice for tourists who need regular kidney dialysis treatment. However, it is important to recognize that in some countries, there are no such organizations.
3. Campaigns have been developed in some countries to press for better access to vacations for people with disabilities. Sometimes these campaigns have also involved national tourist boards. An early initiative of this type was the 'Holidays for All' campaign in the UK.
4. In some countries, notably the USA as we have seen, legislation has been put in place, to give disabled tourists rights. However, as yet, such legislation is the exception rather than the rule worldwide.
5. A number of tour operators have grown up who either specialize in vacations for people with disabilities or who offer some vacations which have been specially adapted for disabled people. The following web site extracts give the reader a flavour for these:

Deaf Fall Cruise to Alaska

Come join the 7-night cruise aboard the Spirit.

Fall sailings in Alaska are beautiful!

You will visit Sitka on the northern Route with her beautiful Russian architecture. You will also sail Lynn Canal, 67 miles of spectacular scenery.

Interpreters will be provided for ship activities. The tips and private party are included in this price.

Airline tickets from your city are extra and also insurance is extra at $119 a person (for insurance).

Payment plans are available if you book right away.

Early deposits are $100 each person. After 1 October 2002, first deposits will be $250 each.

Deposits for larger rooms for three and four people and handicapped rooms are $375 each person (these are special request rooms).

Cabin category 4B – Inside room, no window $1048
Cabin category 6A – Ocean view room, $1248 each person
Cabin category 8B – Balcony cabin $1348 each person
Carnival Spirit, Alaska, 7-day

Sailing Itinerary

Day	*Port of Call*	*Arrival Time*	*Departure Time*
Wednesday	Vancouver	5:30 p.m.	
Thursday	Cruise Inside Passage		
Friday	Ketchikan	6:30 a.m.	5:00 p.m.
Saturday	Juneau	9:00 a.m.	11:00 p.m.
Sunday	Lynn Canal/Skagway	7:00 a.m.	5:00 p.m.

Sunday	Cruise Lynn Canal	
Monday	Sitka	6:30 a.m. 1:30 p.m.
Tuesday	Cruise Prince William Sound	
Tuesday	College Fjord	
Wednesday	Seward	07:00 a.m.
Wednesday	Anchorage	

Source: www.onlineagency.com

General information Campanian Society Travel Programmes for the Blind

The Campanian Society, Inc. specializes in travel programmes for the blind and visually impaired. Our travel programmes are designed to meet the special needs of our travellers and to provide a rich educational experience unavailable on regularly scheduled sighted trips. Each travel programme offers unique opportunities for tactile experiences and hands-on encounters. On-site lectures, readings, and audio-description combined with music enlarge the total sensory and intellectual enjoyment on our programmes. Furthermore, our programmes offer unique opportunities for relaxation and socialization with others who share your passion for travel and adventure.

We, who are associated with The Campanian Society travel programmes for the blind and visually impaired, believe that travel in all price ranges is scarcely worth the effort unless it is associated with people, with learning, and with ideas. To have meaning at all, travel must involve an encounter with new and different outlooks and beliefs. Travel must broaden our horizons, challenge our preconceptions, and most cherished views, cause us to rethink new and different outlooks and beliefs.

Travel must broaden our horizons, challenge our preconceptions and most cherished views, cause us to rethink our assumptions, shake us a bit, make us broadminded and more understanding. We welcome you to come with us on one of our travel programmes.

Travel programme features: The programmes are limited to approximately 12–15 participants. Sighted guides accompany all programmes. Participants may be accompanied by sighted friends, colleagues or family members. We are able to provide travel arrangements (air, train, and bus).

Past tours: Our travel programmes have included both Europe and the US. Regular annual programmes have included: Key West, Washington DC, Hawaii (Maui, Oahu, Big Island), and New York City. Programmes vary with any given year but have included: California (San Diego to Los Angeles), Boston, Cape Cod, and Ohio River Cruise (Mississippi Queen). Talking Monuments and Tactile Programmes in: New York, Cincinnati, Columbus, and Honolulu. Future Programmes: Rhode Island and Connecticut, Las Vegas, Philadelphia, and Boston.

Optical Dimensions newsletter: If you would like to receive information on a regular basis about our programmes and various activities, send us a request to receive our bi-monthly newsletter – *Optical Dimensions*. This newsletter, available in large print and by e-mail, provides travel information and resources for blind people and individuals, who are visually impaired; i.e. travel opportunities, national and local opportunities, and accessible materials and resources for the blind and visually impaired.

The Guided Tour Inc.

Since 1972, thousands of men and women with developmental and physical challenges from all over the world have achieved greater independence through the travel that offers opportunities for personal growth, recreation, and socialization through travel.

Please take a few moments to learn more about our unique programme. At any time you can click on 'which will bring you to the 'Request Form'. Once on information about our programme will arrive within a few days.

What makes the guided tour different?

We were the first professionally supervised travel and vacation programme in the US for persons with developmental and physical challenges. In our 31st year, we continue to pioneer in this field. Our staff are paid professionals, with most of them working or having worked in the field of MR/DD. We do not seek volunteers and we have virtually no staff turnover. A nurse accompanies most of our trips. If we know with sufficient notice, we can usually confirm that a nurse is on board for administering insulin injections and other special needs. We have a staff to traveller ratio of 1:3. For most persons in wheelchairs, with visual challenges or who are slow pacers, we provide a staff to traveller ratio of 1:1. These trips are described as 'On Wheels' on our pages. For more than 30 years individuals from all over the US have been travelling with The Guided Tour successfully and repeatedly.

Who are the guided tour travellers?

Our travellers are persons with developmental challenges (and sometimes persons with *both* a physical and developmental challenge), ages 17 and up, who come from all over the US. They are people who want to experience the same joys of travel that the non- challenged community experiences. These travellers enjoy forming new friendships that often continue beyond the vacation. They may have medical conditions, but they do not get in the way of their having a successful vacation.

Source: www.guidedtour.com

There has also been an increase in the number of accommodation units developed specifically for disabled guests.

6. There are a growing number of organizations which provide specialist ancillary tours for the benefits of disabled tourists, including the following:

Travel Services – Medical Travel

Medical Travel, Inc. is out on its own. It offers – Gambro Healthcare Dialysis Cruise programme
Oxygen Cruises and Worldwide Land Vacations (your exact oxygen prescription is delivered to you at the airport, your cruise ship or villa)
Accessible Disney Vacation Rentals
Scooter Rentals
Accessible Van Rentals
Accessible and Hoyer lift cruises vacations
Family Vacations for Terminally ill patients
Diabetic Vacations
Special Medical Needs

It is a full service Medical Travel Agency that caters only for people with special needs with varying disabilities. Their office supplies 24-hour oxygen dependent patients medical equipment for worldwide travel, and in Florida will meet travellers from the UK and supply their exact oxygen prescription on arrival.

Their accessible villas are located in a resort community and are only 4 miles to Disney World in Florida. These rental units have three bedrooms – two baths are wheelchair accessible with roll-in showers. Resort amenities are included in the rentals and are more affordable than hotels, and a three wheel scooter is available free of charge.

Source: www.disabledholidaydirectory.co.uk

Travel Companian Programme

Let Accessible Journeys introduce you to healthcare professionals who want to be your companion.

We maintain an active directory of healthcare professionals who are willing to use vacation time from their job to accompany you on vacation.

While none of our clients may need a doctor or a nurse to get around, all of our travellers enjoy the comfortable feeling of travelling with a companion who has professional credentials, verifiable references, and a measurable record of success. When the cost of our travelling companion is as little as another member of the family on vacation, why should you stay at home or need to leave a family member behind.

Source: www.disabilitytravel.com

So, things are improving but it is still clear that this improvement is not taking place all over the world, simultaneously. Almost all of the initiatives the authors found on the Internet originated in the USA.

Key issues

- There are millions of people with disabilities around the world who take vacations in spite of all the disabilities placed in their way.
- Millions more disabled people find their disabilities so great that they are then denied the opportunity to take a vacation because of the lack of facilities in their home country or desired destination.
- The term, 'disability' covers a wide variety of conditions from being wheelchair bound to hearing difficulties, sight problems to needing oxygen 24 hours a day.
- When the tourism industry and guidebooks talk about disability they almost always mean just those people who have mobility problems of some kind.
- Awareness of, and concern for, the needs of travellers with disabilities varies dramatically between countries. It is very high in the USA, reasonably high in Northern Europe, Canada, Japan, and Australasia, but very low in most developing countries. Concern with disabilities, perhaps understandably, tends to be highest in affluent countries with articulate, powerful pressure groups working on behalf of the disabled. The level of facilities in a country for a disabled tourist seems to mirror the facilities for disabled citizens in the same country.
- In countries like the USA, there is legislation to ensure facilities are provided for both disabled citizens and tourists. Similar laws exist in some other countries, but, as ever, the problem is implementing the law.
- In Europe, the European Union has been a positive force for change. Often, providing facilities for disabled people has been a condition of the granting of European Commission funding for new airports, hotels, and attractions.
- In general, it appears that airlines, attractions, and hotels have done more to meet the needs of travellers with disabilities than tour operators.
- The tourism industry still seems to see disabled tourists as a problem, rather than as a potentially lucrative market, for which there is little competition from other tourism organizations.

- Some flat destinations have informally, marketed themselves as suitable for tourists with mobility problems, but few have tried to attract people with disabilities as a major target market. Again, thought, this is a potential market where destinations would face little direct competition.
- The guidebooks which tourists tend to use most seem to offer little advice specifically for tourists with disabilities.
- Fortunately, in the absence of much being done for people with disabilities by the mainstream tourism industry and media, an alternative network of specialist services and media is growing up to meet the needs of travellers with disabilities.
- While it is good to see the rise of specialist organizations focusing on the needs of disabled travellers, it is important that we do not 'ghettoise' travellers with disabilities. The mainstream tourism industry needs to seek to integrate them into the main tourism market.
- The good news is that people with disabilities are travelling more and more in spite of the problems. They are also increasingly taking adventurous holidays that would have seemed unthinkable a few years ago.

Conclusion

For most people with disabilities, taking vacations is still a major challenge involving them having to overcome a range of obstacles. Furthermore, the tourism industry is not yet doing enough to help and integrate them into the mainstream tourism market. While progress is being made it is mainly being seen in a small number of relatively affluent countries with the pace of change being much slower in many poorer countries. However, things are changing and an infrastructure of advice, and service, suppliers is growing up to meet the needs of tourists with disabilities. Furthermore, disabled people are being ever more adventurous in their choice of vacations. This is a great tribute to people for whom even a simple journey is still often a major adventure in itself.

Discussion points and exercises

1. Discuss the reasons why the tourism industry has, to date, done so little to meet the needs of travellers with disabilities.
2. Critically evaluate the services provided for travellers with disabilities by airlines, hotels, and theme parks.
3. Imagine you are planning to open a museum. Think about the needs of people with different types of disability. Identify and describe the facilities and services you would need to provide to meet the needs of these different groups of people.
4. You should contact an organization which is concerned with the needs of people with a particular form of disability.

You should arrange a meeting with the representatives of this organization to find out what problems their members or supporters, with disabilities, face when arranging vacations.

Finally, you should approach a tour operator or hotel chain, or airline, to explain the problems faced by the people you have spoken to, and ask them how they could make it easier for people with disabilities to use their services.

Case study 33

Tourism and the Purchase of Property in Foreign Countries

The rapid growth in international tourism in recent decades has had an interesting side effect, in that an increasing number of tourists are buying property in places they first visited as tourists. The reasons for buying this property vary but are normally one of the following:

- for use as a holiday home several weeks a year,
- as a permanent home once the tourist retires from employment in their home country,
- as a permanent residence when they emigrate to a new country to live and work,
- as a source of income and a residence through the use of the property as a small hotel or bed and breakfast, for example,
- as a source of income rather than a residence through being let as holiday accommodation.

This is in addition to the growth of timeshare which we have considered in a separate case study in this book.

This phenomenon of tourists buying properties in their favourite destinations, for whatever purpose, has been seen particularly in Europe, for the following reasons perhaps:

- European countries developed outbound tourism relatively easily and so the continent has many experienced tourists with the confidence to purchase property in other countries.
- Europe contains countries with some of the higher standards of living in the world, while it also contains less rich countries where property prices are much lower than those in these countries. For the residents of the former countries, therefore, the other countries provide an affordable and accessible location in which to purchase property.
- The European Union and the Single Market makes it relatively easy for people to buy property in other countries within the European Union, with the growing of legal and banking systems and the introduction of the Euro.
- The generally high quality of transport systems within Europe makes it easy for Europeans to visit places in other countries where they buy properties.

This trend has been stimulated by, and reflected in, a growing media involvement in this field. In the UK, for example, there are now:

- books providing advice for people wishing to buy property in other countries;
- monthly magazines about buying property abroad in general or even about buying property in specific countries;
- television programmes showing the experiences of people who have bought property in other countries such as 'A Place in the Sun' on Channel 4;
- books written by people who bought property in another country and moved there to live such as the best sellers written about moving to France by Peter Mayle.

Most people who buy property abroad do so in a place with which they have become familiar as tourists. Below is an example of a British woman, Trisha Mason, who started off visiting France as a tourist and ended up moving to France and starting a business helping Britons to buy property in the country.

My love affair with France began when I was a young widow with two children who loved the countryside and the sunshine but lived with me in the centre of London. France was an obvious holiday destination and every May, August, and October we could be seen piling our tents, sleeping bags, and clothes into the back of an old Renault 4 and setting off for the ferry.

Over the years we learnt to love the country for its climate, its beauty, its people, and its way of life. Several years later, friends and family began saying that I was really too old for such holidays. Something a little more comfortable might give me the rest I needed instead of crawling around on the ground hammering in tent pegs. A converted barn with real bedrooms and a bathroom, belonging to a friend of a friend was offered to us and the following August we were to be seen climbing into the same old Renault 4 with only smart suitcases this time.

We had joined the posh set!

As we turned the bend and crossed a little bridge over the river we saw turrets, a clock tower and a water wheel and slowly emerging from years of undergrowth was the most beautiful derelict mill. Our holiday accommodation was only just up the hill and we were able to spend our time exploring the empty watermill, having picnics by the river, swimming in the mill pond, watching the dragonflies and kingfishers, and slowly and certainly falling in love with a building and a place.

The property was empty, doors were hanging off their hinges, and windowpanes were missing. It was alone and derelict. There was no sign that it was for sale, but we had to find out. Twelve months later I had traced the owners, negotiated a price, employed a French lawyer in London and we were on our way to becoming the owners of the mill. I drove to France to sign the contract. That evening found me standing in the kitchen up to my ankles in water that had poured in through the leaky roof, holding a candle to see my way around the 30 rooms that I had bought for the price of a studio flat in an undesirable part of London, and wondering where I could possibly sleep that night and why I had done this thing? Surely, of all the stupid actions I had taken in my life this had to be supreme.

The following day the sun came out, two van loads of friends and family arrived to start clearing, patching, and generally making a few rooms habitable. It was hard work but by the end of September I had been commissioned to find property for everyone who had spent that busy summer with us.

This was the point at which my life changed forever. From buying a derelict watermill for a holiday home, I suddenly became convinced that I wanted to live in France and to do that I needed to work in France. The experience that I gained in purchasing my own property and in assisting my friends and family to do the same, stood me in good stead to start my own business.

For the first few years I met clients at Dover and drove them down to the Limousin, gave them accommodation in one of the few habitable rooms and cooked them five-course meals. Then I took them out to view houses. It was not ideal but it allowed me to do the job I wanted for some of the year while still pursuing my career in London to earn the necessary money to keep a young and hungry family.

Once the children were away at University I was free to take the plunge, give up the day job and move to France to develop the business of VEF. A business which now has around 20 offices in France all run by people like myself who fell in love with the country and decided to stay.

Source: Trisha Mason in French Property Buying supplement in *Homes Overseas*, February 2003

This personal story illustrates many of the motivations, emotions, and experiences of people who buy property in other countries, although of course most of them do not set up businesses selling property.

However, the growth in foreign property buying by Britons has created businesses for many small British enterprises such as lawyers, estate agents, and builders.

It has also led to the creation of a large number of exhibitions in the UK where property sellers and those who offer services to property buyers promote their services. For example, the UK *International Homes* magazine contained an everyday diary listing no fewer than 16 such exhibitions between January and April 2003 alone.

Let us now examine in a little more detail the places and types of property purchased abroad by British people.

The places where Britons buy foreign property

The two most popular places for Britons to buy property are France and Spain, which are also the two most popular destinations for British tourists. Both countries are ideal for property buyers because of the good air and ferry links between Britain and both countries. However, the pattern of property buying in the two countries by Britons is different.

In France, most Britons buy property in rural areas, country cottages in particular regions such as the Dordogne, Normandy, and Provence. Buyers tend to purchase old properties for restoration. Prices in rural France tend to be quite low due to the effects on the property market of rural depopulation. Britons can still find property in need of renovation, in the less fashionable parts of France, for around UK £20,000.

The cost of renovation can be very expensive, easily reaching a figure of more than UK £40,000. However, providing that the property is inhabitable in part, at least, this renovation can be done over a period of time.

An article in the February 2003 issue of *Homes Overseas* magazine gave advice for anyone contemplating renovating a property in France from people who had done it themselves, as follows:

Tip 1: Jim suggests that, unless you are buying from an estate agent with some experience of renovating, you can safely double whatever figure they quote for renovation costs.

Tip 2: Be prepared to deal with obstacles like language and bureaucracy, and for the fact that French workers are usually specialist craftsmen (i.e. carpenters, bricklayers, masons, etc.) who undertake only one area of the project.

Tip 3: Richard and Luisa advice that using the local workforce will endear you to the community and make the renovation proceed more smoothly. They add that you should not use British builders at all unless they are French registered.

Tip 4: Do not underestimate the time and money needed for the works. Always budget realistically and hold back some contingency money.

Tip 5: Use as many local materials and second-hand furniture depots as possible to keep costs down. Good materials to use are locally mined stone, and also oak, which is plentiful.

Source: Homes Overseas Magazine, February 2003

The specialist company, VEF, in the February 2003 issue of the *Homes Overseas* magazine, said Britons should expect to pay the following for different types of property in rural France.

1. Village Houses Two-bedroomed properties from £40,000 in the north and central France and from £60,000 in the south.

2. Stone Farmhouses Four-bedroomed properties for modernization from £65,000 in the north and central France and from £130,000 in the south.
3. Maison Bourgeoise Available in the north and central France from £150,000 and from £300,000 in the south, depending on size and condition.

Source: Homes Overseas, February 2003

In Spain, on the other hand, most Britons buy new or recently purpose-built accommodation in coastal areas in mainland Spain, the Canary Islands, and the Balearic Islands. The advertisements, in Exhibit 33.1, taken from the February 2003 issue of *Homes Overseas* and *International Homes* illustrates the kind of property available, and prices, in these locations:

Exhibit 33.1 Selected advertisements for property in Spain, February 2003

From €211,000 for a three bed/two bath townhouse Occupying an unparalleled hillside position, Terra Moraira is a quality development of three-bedroom townhouses. Against a backdrop of rugged scenery with orange, lemon, and almond groves, Terra Moraira looks out over a verdant valley with breathtaking vistas of the Montego Mountains.
From €423,500 for a two bed/two bath apartment An exclusive development of 36 luxury apartments overlooking Los Arqueris Golf Course. Set in a prime countryside location yet still only 5 minutes from Puerto Banus, the complex is being built to the highest standards.
From €559,000 for a two bed/two bath apartment At the heart of the prestigious 'New Golden Mile' stands Torre Bermeja, the most exquisite development of luxury apartments and penthouses that has ever existed on the Costa del Sol.
From €160,000 for a two bed/two bath apartment Surrounded by orange groves and only moments from the beach, Residencial Club Sevilla has been built in a typical local architectural style reflecting the relaxed Mediterranean lifestyle.
From €210,354 for a two bed/two bath apartment Phase 11 of La Reserva de Marbella is a magnificent development boasting 15 swimming pools and jacuzzis. It consists of two-bedroom, two-bathroom apartments, 5 minutes from Marbella and only 2 minutes from the nearest golf course and the port of Cabopino.

Semi-detached chalets on individual plots of 350 square metre.
Each house with private pool, and garden with barbecue

Exclusive apartments and penthouses with two or three bedrooms in the gold course 'La Duquesa'
Discover the home of your dreams in an area of outstanding natural beauty on the Costa Del Sol. Our clients are discerning. Typically they are seeking a distinctive architectural style, a peaceful location yet close to amenities. We offer individually designed villas overlooking the spectacular Lake Vinuela, only 15 minutes from the coast at Torre del Mar, and 40 minutes from Malaga Airport.
Traditional Canarian style linked villas. Truly exceptional specifications of quality. Not just a new development but a new way of life for the elite. Prices from €456,000 (approximately £289,000)
Duquesa village is an Andalusian-style residential complex made up by two- and three-bedroom houses and light-filled attics with majestic balconies. All the houses of the estate are flooded with light and their rooms have been specially designed for your total comfort. The overall design of the estate plays with four levels between different housing modules, endowing it with an eye-catching dynamism. This, together with its extensive green areas, makes it the ideal option for living in a privileged residential complex in one of the most prestigious areas of the Costa del Sol.

Source: Homes Overseas, February 2003

Many Spanish resorts are now setting out to attract what they call ‘residential tourism’, in other words, the purchase of property by people intending to retire to, or live and work in, Spain. This form of ‘tourism’ clearly brings greater potential long-term economic benefits to the host community than traditional mass market holiday tourism.

Furthermore, in Spain, as elsewhere in the world, most notably in the USA, ‘retirement resorts’ are being developed exclusively for retired people. The advertisements for these seem to stress 24-hour security, social facilities, and sports facilities, together with exclusivity and the fact that there will be no younger people and children living on the development. These retirement ‘ghettos’ mirror those seen in US resorts such as Palm Springs.

As prices rise in Spain and France and the number of British owners grows, many Britons are looking for properties in other countries, including:

1. The USA, particularly Florida, given the rapid growth in recent years of visits to the USA by British tourists, especially Florida. Most property bought in the USA is in purpose-built resorts, with prices from around £50,000 to in excess of £10,000,000.
2. Portugal, especially the Algarve where most property consists of villas with a particular selling point being the close proximity of golf courses. Prices generally run from around £40,000–500,000 but some exceptional properties cost up to £1,000,000.
3. Greece, where prices for new villas and townhouses start at around £30,000 but older village houses in need of renovation can be purchased for a much lower price.
4. Cyprus is a particular favourite with Britons with prices for new property ranging from £30,000 to £1,000,000.
5. Italy, where the ‘typical’ property would be an old renovated farmhouse, although new purpose-built property is also available. Italy tends to be at the higher end of the price spectrum with relatively little property available for less than £100,000.
6. South Africa, following the end of apartheid, although the high crime rate has deterred some prospective purchases. Nevertheless, sales to Britons are growing, with for purpose-built accommodation starting from around £30,000.
7. The Caribbean which is now popular enough to merit a special supplement in the February 2003 issue of *International Homes*. This is also a popular area for American property buying particularly in the ‘tax havens’ of the Turks and Caicos Islands and Cayman Islands.
8. Eastern Europe has become more popular with those seeking property at lower prices than those pertaining in western Europe. In Bulgaria for example, property can still be bought for well under £20,000 in a country which will be part of the European Union in 2007.

It is interesting that in the UK market, currently, there are two major trends, namely:

- the search for new, less expensive countries in which to buy property,
- the search for undiscovered areas in popular countries such as Spain and Portugal where prices will be lower.

Potential problems for property buyers

While many property buyers experience no real problems and enjoy their property ownership, many owners can experience problems. In this case study we have focused on UK buyers but the following problems tend to be experienced by all types of buyers worldwide:

1. Many potential owners find themselves the victims of pressure selling techniques that can be difficult to resist. This is particularly the case at some property exhibitions and on the ‘inspection visits’ where property companies sell new properties in large developments by arranging low cost visits for prospective purchasers.

2. There are some disreputable players in the market and there are some examples of fraudulent practice and blatant ‘overselling’ and exaggerations in the marketing of some property.
3. In new developments, there have been examples of poor quality building.
4. Many people who have been tempted to buy as an investment, with promises of high re-sale prices or lucrative rental potential have often been disappointed.
5. Many people purchase when the currency exchange rate is favourable to the currency in their home country. However if the rate changes against their home currency the cost of paying off their loan with which they bought their property may rise beyond their ability to pay it and they may be forced to sell the property. This happened to many Britons in the early 1990s when the Pound Sterling–French Franc exchange rate fell from 10 to the pound to a little over 7, within a few months. As a result, thousands of Britons were forced to sell their dream homes in France.
6. Many property owner’s budgets have also been destroyed when buying older properties by underestimating the costs of renovation, or overestimating their own abilities as DIY practitioners.
7. Some people who moved to a country and bought property with the intention of working there can see their plans fall apart if they are unable to find work. This is a real problem in a country like Spain which has a high unemployment rate and where much employment in coastal areas is relatively low paid, seasonal work in the tourism industry.
8. Sometimes people who link property purchase to starting a business in their new home often experience problems as their businesses often fail due to a lack of understanding or experience of running a business in a foreign country.
9. Second home owners may become bored with the area around their holiday home after a number of years and they may begin to find it difficult or expensive to visit their property enough times every year to make it worthwhile.
10. Those who buy property in another country to retire to may have to rethink their plans if a partner dies, their health deteriorates, or the value of their private pension declines due to problems in the financial markets. This latter is likely to become a real issue in the USA and Europe in the years to come. Alternatively, these older people may not be able to adjust to life in a new culture.

The impacts of property purchase on the host community

However, the growth of property buying by foreigners also has impacts on the host community, both positive and negative, as we will now see, starting with the positive impacts:

- There are huge potential economic benefits when foreigners buy property in a community, namely:
  - profits from land owned by local people;
  - jobs and income for local builders and craftsmen;
  - property taxes paid to the local government;
  - income for local entrepreneurs from the spending by the foreign owners, particularly when they live permanently in the community.
- If enough foreigners buy property in the country, and many of them move in permanently, their presence may make local services viable – such as food shops, sporting facilities, transport, restaurants, theatres, and so on – that may be valued by local residents, and would otherwise not be viable;
- In rural communities suffering depopulation, foreign property buyers can bring new life to the community and bring derelict farm buildings back into productive use.

These are all important, real benefits, but the growth of foreign property buying can also bring negative impacts to host communities, as we will now see:

- Local people can begin to feel 'swamped' and marginalized in their own communities if the number of foreign buyers becomes excessive. Then local people can begin to feel like outsiders in their home community. This situation was probably reached some time ago in many Spanish coastal resorts, most of which were based on existing settlements. It may also have happened in some parts of rural France too. In the early 1990s one of the authors conducted research which showed that there were already around 5000 permanent British residents in the Dordogne area while in the Lot 'department' or 'county' there were reported to be two villages which had enough foreign residents to elect a foreign mayor.
- If there are many foreign owned second homes in a community which are only inhabited for a few weeks each year, the community suffers because, otherwise, these homes may be occupied by people spending money in the community and contributing to the community life every day. In some places, of course, these buildings would be derelict if they were not second homes, but in many places, local young people have been forced to move away because they could not afford local property prices which have been inflated by second home ownership.
- When foreigners from relatively rich countries buy property in poorer countries in large numbers it will push up the prices in the local property market. In rural areas, in France for instance, this pushes up the prices of farm cottages which might otherwise be used by local people. However on the Spanish coast, the second homes are often new purpose-built villas and apartments which would not perhaps be of much interest to local people.
- The great demand for property by foreigners around the Mediterranean, for instance, has led to overdevelopment in some places, and to the growth of unattractive large complexes with little sensitivity towards local architectural traditions.
- If they buy older properties, many foreigners use tradesmen and suppliers from their own country to do the refurbishment of their property. This can annoy local people as it means lost income for local enterprises. Furthermore, it can lead to problems with the renovation work, because the foreign tradesmen may not respect local building traditions, nor may they know how to work with local building materials.
- Local traditions can be diluted or even lost in the face of the culture of the foreign property buyers if their numbers grow dramatically, in terms of everything from types of restaurant to sporting activities.
- The native language can also suffer if the number of incoming foreign property buyers increases and they use their native language rather than adopting the language of their new location.
- Foreign property buyers who want to live in the community and earn a living there are often welcome because they will be making a large economic contribution to the place. However, because they understand the desires of foreign tourists well, and speak the same language as them, they will often be more successful and may squeeze out local entrepreneurs in the tourism and hospitality sectors.

Finally, it is important to recognize that these impacts – positive and negative – vary in their scale and nature between different places, depending on the number of foreigners owning property and the size and strength of the local community.

Key issues

- More and more people, around the world, who visit places as tourists seem to be wanting to buy property in their favourite destinations as second homes or to move or to retire in the future.

- Most mainstream property purchase by foreigners has been by western Europeans or Americans, although in recent years, at the higher end of the market, there has also been purchasing by people from Asia, the Middle East, Russia, and South America.
- In the years to come, as more and more countries begin to generate more international trips, then we will slowly see more nationalities becoming involved in purchase property in foreign countries.
- Most western Europeans have tended to buy property in other western European countries but they will increasingly look outside Europe for less expensive property, everywhere from Asia to Africa.
- So-called 'residential tourism' in which tourists become residents looks set to increase, encouraged by the results of globalization and the easing of restrictions on foreign property ownership in many parts of the world.
- The purchase of property by foreigners is often organized and managed by enterprises based in the purchaser's own country.
- In some countries foreigners tend to purchase old rural property and renovate it while in other countries the norm is for foreigners to buy newly-built property.
- Purchasing property in a foreign country is financially a risky business as changes in economic conditions can make it difficult for buyers to pay back the loans they use for the purchase and can also make resale difficult.
- Many people who buy property in other countries with a view to moving to live there perman-ently, often endeavour to earn a living from the tourism industry, often by offering services to tourists from their home country.
- The purchase of second homes by foreigners means they are likely to visit the destination quite often which is beneficial to businesses within the local community. However, it can be a loss for the accommodation sector as most of these people would previously have stayed in commercial accommodation before they bought their own second home.
- If the level of terrorist threat remains the same as it is at the time of writing – Spring 2003 – then foreign property owners could become relatively high priority terrorist targets in sensitive destinations.
- Foreign property ownership can bring both benefits and problems to the host community, which vary in scale and form, between destinations.
- There is a growing industry of companies which specialize in developing property for sale to foreigners including real estate agents, developers, architects, and interior designers.
- Within the foreign property buying industry, there are some questionable practices which may deter some people from entering the market – if these worries could be eradicated, the market would grow even faster.
- While we have focused on foreign property buying it is important to recognize that in most countries the majority of second home and retirement home purchase is by the domestic market, rather than by foreigners.

Conclusion

The growth of international tourism, in recent years, has stimulated the rise of foreign property buying for second homes, permanent residences, and retirement homes. This phenomenon can be expensive and problematic, as well as very enjoyable for the tourist property buyer. It can also bring both benefits and problems to the host community. There seems little reason to doubt that this phenomenon of buying property in foreign countries following visits to these countries as tourists, will grow worldwide, in the future.

Discussion points and exercises

1. Discuss the reasons why tourists may wish to buy property in a foreign country.
2. Critically evaluate the problems a potential purchaser may face in trying to buy and renovate a traditional old rural cottage in a different country.
3. In the longer term, is ‘residential tourism’ better or worse for coastal destinations than ‘traditional’ holiday tourism?
4. Select a destination that attracts foreign tourists. For your chosen destination, you should design a new resort development of villas and apartments for sale to foreign buyers.

In a report you should then explain how your resort would be managed and marketed.

CASE STUDY 34

Tourism and Rural Development

Rural areas around the world are facing unprecedented challenges, and are changing rapidly. In both developed and developing countries, they are facing several serious problems, notably:

- depopulation, particularly of younger people and the more dynamic members of the community, and a drift to towns and cities;
- severe pressure on agricultural incomes, given the control over food production and distribution, which is exercised by multi-national food-processing corporations and retail chains.

Across the world rural economies and societies are looking increasingly fragile because of a wide range of factors which vary between countries. In western Europe, the threats are coming from reduced European Union (EU) subsidies for agriculture, while in other parts of the world the problems are coming from health problems such as acquired immune deficiency syndrome (AIDS) and natural disasters such as droughts.

There is also a growing feeling that the process of globalization is going to put increasing pressure on rural food producers. Interestingly much of the opposition to globalization has come from rural interest groups, most notably the peasant movement in France with its charismatic leader Bové.

As a result of all these threats, there is a great interest today in sustainable rural development, among governments and rural communities. There is common consent that this requires a holistic view that integrates all elements of the rural economy towards a common purpose. Tourism is, of course, one of these elements, but it is only one.

Unfortunately, in many places, tourism has been seen as a panacea for rural ills, wherever we are in the world. This ignores the fact that tourism is simply one part of the rural system which must be in balance with the other parts of the system, from agriculture to education and manufacturing industry to housing.

Nevertheless, in terms of rural development, tourism does have many advantages, including the following:

- it can be developed relatively quickly;
- the capital costs are often less than those of developing new businesses in other industries;
- tourism is less polluting than most of the other industries;
- tourism can bring benefits to a wide cross-section of the local community, if properly developed;
- tourism can help maintain the viability of farms;
- rural tourism can provide jobs for groups that may otherwise struggle to find employment in rural areas, such as women and young people.

On the other hand, tourism can also bring problems to rural areas such as overcrowding, traffic, and rapid social change which is difficult to assimilate in what are often very conservative community cultures.

Farm-based tourism	Tourism which is not farm based
Village-based tourism	Open countryside-based tourism
Tourism where the attraction is traditional rural life	Tourism where the main appeal is new attractions based in rural areas
Passive relaxation tourism	Active, participatory tourism
Tourism development led by local people	Tourism development driven by people from outside the community
Tourism led by public sector policy and funding	Tourism led by private sector initiative and funding

Exhibit 34.1 The nature and scope of rural tourism

Nevertheless, many entrepreneurs and governments around the world are investing heavily in tourism as part of, or as the focus of, rural development strategies.

Given this fact, it is unfortunate that we cannot even find an agreed definition for rural tourism. It is known by terms such as farm tourism, agro-tourism, green tourism, and so on. This undoubtedly causes confusion. At the same time, rural tourism has many other complexities and it can be seen in a number of ways, some of which are highlighted in Exhibit 34.1.

Of course, the points made in Exhibit 34.1 are the polarized extremes; in reality, there are lots of forms of tourism between these extremes. It is vital to recognize that while some rural tourism is designed to help achieve broader rural development, it is often just a private activity to earn money for the benefit of a private individual.

We will now look, briefly, at some of the forms of rural tourism development that are found around the world, and look at them in terms of sustainable rural development.

France

France is a true pioneer of modern, rural tourism and its government has taken a leading role in its development, with the clear aim of using tourism as a rural development tool, as can be seen from the following examples:

- Gîtes, are derelict or unused farm buildings that are converted, with the help of public sector grants, for the use of tourists. Created by the government in the 1950s, this initiative was designed to offer extra income to farmers while providing low cost rural holidays for urban dwellers. Over time, the concept has developed and there are now over 45,000 gîtes and there are even specialist gîtes for horse riding, children, fishermen, skiers, and nature walkers. For many farmers, gîte lets now represent a significant proportion of farm incomes.

- Bienvenue a la Ferme, a national campaign to encourage people to visit farms, learn about what they produce and buy their products directly from the farmers. There are now thousands of farms involved in this scheme, with products ranging from meat to cheese, bread to honey, and nuts to preserves. They help provide farmers with sales opportunities for their products at good prices without any loss of income to 'middlemen' retailers.
- Fermes-Auberges, farms where guests can enjoy meals cooked by the farmer's family using local ingredients. Again the aim is to provide extra income for farmers as well as promoting traditional local gastronomy products.
- Marchés du Pays are markets selling local food and drink products. They actively focus on locally produced items and tend to take place in the holiday season in places which will attract tourists. These markets, again, provide an opportunity for producers to sell directly to customers.
- Loisirs Accueil are government-backed agencies that provide information on rural tourism products or services, and package rural products together for the tourist.
- Themed trails designed to promote particular aspects of rural life in the area, notably food and drink and crafts. Again, all these help to promote local products.

Cyprus

In recent years the term 'agro-tourism' has grown in popularity, in Cyprus. However, it is often hard to get to the heart of what this actually means. In many brochures, it simply seems to mean rural self-catering accommodation and small hotels in villages. Several operators have also developed packages which they describe as 'agro-tourism' which they try to differentiate from coastal mass market tourism. The key elements and ethics of these packages are illustrated by the following examples from the Cyprus Adventure web site:

Our philosophy – *An alternative to mass-tourism*

Brings travellers into close contact with the indigenous culture and/or natural environment.

Provides a range of activities other than simply hanging around the hotel and lying on the beach.

Gives emphasis to the unique and distinctly local elements, the culture/landscape including history, customs, architecture, food, music, language, handicrafts, flora, fauna, etc.

Includes some form of profit sharing with local village communities, such as using villages taverns, locally operated hotels/village guesthouses, etc.

Impacts the present culture and landscape as little as possible so that the cultural and natural resources are completely exhausted in the short term.

Here is a chance to travel well off-the-beaten-track to explore the fantastic villages, unique cultural monuments, and virgin landscapes of the Eastern Troodos mountains, a region not often visited by average tourists. Using a combination of small asphalt roads and narrow (yet well-maintained) dirt tracks, we go beyond the bounds of normal coach tours in order to bring you through river valleys and semi-forested environments, where the 'real Cyprus' and the magic of agro-tourism lie waiting. This is no mere joy ride into the mountains, but a unique nature/culture encounter that is both fun and informative.

Emphasis is given to exploring 'real Cyprus' places, meeting 'real' Cypriot people, and having 'real' Cypriot experiences. And we spend as much time outside the vehicle as possible. What

can you expect? Spontaneity will rule the day, but here are some specifics:
4 × 4 transport from hotel to river valley/mountain hinterlands in our Land Rover Defenders;
visit to at least three off-the-beaten-track traditional villages;
meet the Mukhtaris (Mayor) for a mini-walking tour of his village;
mingle with baby goats and lambs and wander through orange groves to pick your own stack from the tree (November–April).

Source: cyprus-adventure.com

These packages, clearly find a ready market and help develop rural tourism; they are an example of private sector initiatives.

Ireland

Ireland has been a major player in rural tourism development in recent years, and has made imaginative use of European Union (EU) funding. The Irish Government has been particularly keen to use tourism to help reduce rural depopulation in the country. A number of local agencies has been developed to co-ordinate rural tourism development, often based on touristic rather than administrative regions.

Great use has been made of the EU LEADER programme. For example, in West Cork, dozens of projects have been funded in recent years, largely to develop the rural tourism infrastructure, through initiatives such as the following:

- garden attractions,
- diving centres and equipment,
- self-catering accommodation development,
- caravan site development,
- developing a tourist information centre,
- restoring an old watermill,
- buying boats for river cruising,
- building a tourist hostel,
- a walking festival,
- disabled access for anglers,
- updating brochures,
- developing cycling routes,
- building an outdoor pursuits centre,
- buying equipment for a rural theatre,
- developing a rural music festival.

Usually the sums of money involved in these projects are small scale and is meant to be ‘pump-priming’ to stimulate private sector investment.

Ireland has relied less on traditional farm life to attract tourists but has instead focused on using rural areas as a backdrop for activities. It has targeted specialist niche markets with an interest in these activities which range from golfing to angling, Irish music and dance to natural history. It is an attempt to prepare rural Ireland for the future tourism market.

United Kingdom

Currently there is a deep malaise in British agriculture and rural areas, largely due to crises in the food industry such as BSE and ‘foot and mouth’. As a result, rural economic development has become an even greater priority for public policy, and tourism is seen as a main part of this policy. The 'foot and mouth' crisis showed just how important in the UK rural economy, being worth around £3 billion before the crisis.

Traditionally, rural tourism in the UK has been based on picturesque villages, activities like horse riding, walking and cycling, and farm-based accommodation.

However, rural tourism has not been very well-co-ordinated and the relatively poor regulation of British food has impeded the growth of rural tourism. Now, big efforts are being made to improve the image of British food, and restore customer confidence after BSE and 'foot and mouth', through farmers' markets and local food promotion initiatives.

There are also many efforts being made to use funded projects to stimulate the growth of innovative rural tourism development, of which the following are examples.

1. EU Objective One such as the Cornwall and Isles of Scilly Rural Tourism Improvement Fund. Details of the scheme are outlined below:

The aim of the fund is to improve the quality and range of facilities available for visitors to Cornwall and the Isles of Scilly

To qualify for an Objective One grant under the Rural Tourism Improvement Fund, projects must:

– have at least 5 acres of land (excluding dwellings, gardens, and landscaped areas such as land for permanent caravan parks, etc.) in agriculture, grassland or woodland setting, or
– have an annual turnover from agriculture of £1500 or more, or
– be a member of Cornish Farm Holidays or a Cartwheel brand user.

Applications will also be considered from non-farming businesses that wish to develop a project partnership with a farm that satisfies the above criteria.

In exceptional circumstances it is possible to consider a tourism business that can show a link to farming because 50 per cent of its purchases come from Cornish farm-based businesses.

The following funds are available:

(a) Business Plan Development Fund This grant is designed to help you put together an application for grant, and is funded at up to 80 per cent of a maximum total cost of £1500 (total possible grant = £1200). The grant is discretionary for projects costing more than £30,000 and a short application form can be obtained from South West Tourism.

(b) Rural Tourism Improvement Fund A capital grant scheme to help improve the quality and range of facilities that will attract more visitors to farm enterprises, especially out of season. The types of projects that are eligible will include:
   – upgrading facilities,
   – quality improvements,
   – additional facilities to encourage greater tourism outside the main season,
   – projects that meet a proven identified niche market (e.g. activity holidays).

   New accommodation may be eligible if a clear case can be made by the applicant of a new or special niche market, that is bringing guests into the area for an activity or interest, focusing on out of season bookings.

The programme covers 3 years, ending in April 2004, and applications covering several phases are encouraged.

The grant offered may be up to 50 per cent of eligible capital costs to a maximum of £60,000. There is no maximum or minimum capital cost.

(c) Rural Access Grant This fund covers improved access to the countryside for visitors to tourism businesses. Work covered under the fund includes farm trails, access for disabled people, small-scale environmental measures, and recycling, etc. Grant is provided for items such as gates, stiles, waymarketing, hides, etc., and is based on standard costs where possible.

Grant received may be up to 70 per cent with an upper limit of £10,000 (i.e. £7000 of grant).

Your commitment

– Projects must remain in the ownership of the grantee for 5 years after completion.
– Projects must comply with statutory requirements such as Building Regulations, etc.

Source: www.swtourism.co.uk

2. EU Interreg III B which encourages co-operation between regions. For example, the Peak District National Park puts forward a proposal for a rural tourism project that linked agriculture, food processing, culture, and tourism with partners in Germany, Sweden, and Norway.
3. A research project run by the University of Staffordshire, under the Rural Recovery Programme in the West Midlands, looked at the needs and potential of small and medium tourism-related enterprises in Staffordshire.

The UK has also been a pioneer in the development of conservation holidays where tourists pay to work on rural conservation projects. These projects help to conserve and develop rural tourism resources such as footpaths and wildlife habitats.

Malaysia

Rural tourism is usually termed ‘agro-tourism’ in Malaysia and is often based on traditional agricultural activities, particularly those which are plantation based. A detailed range of such plantation visit experiences is offered in the Melaka region, as can be seen from the following extracts from an officially sponsored government web site:

Agro-tourism is a fast-growing concept in the tourist industry and Melaka offers all its visitors a whole range of activities related to the agricultural and plantation sectors. In spite of the rapid industrialization of the state, Melakans have always felt very close to ‘Mother Earth’ as it was the rich, fertile soil that provided the sustenance throughout its colourful history.

Agro-tourism offers visitors to Melaka:

Visits to rubber plantations The rubber industry is closely related to the history of British colonization of the Malay Peninsula. Visitors to Melaka can arrange for visits to rubber estates and learn how rubber seeds are planted, the latex tapped, and then processed to produce rubber sheets. The rubber industry in Malaysia was the backbone of the state and national economy for many years.

Visits to oil-palm plantations The oil-palm plantation has replaced the rubber plantation as the most important plantation agricultural crop. A visit to an oil-palm plantation will show visitors how palm oil is extracted from the fruit of the oil-palm tree. Malaysia is one of the leading producers of palm oil and Melaka has a few large oil-palm estates. Palm oil, which is low in fat, is used increasingly in cooking, and in the manufacture of a whole range of edible, household, and industrial products.

Fruit plantations Melaka has many fruit plantations, which produce a wide variety of tropical fruits. A visit to a fruit plantation is a must to any visitor to Melaka. Visitors will find the wide variety of local fruits mind boggling. It must be mentioned that some of the fruits are seasonal; however agricultural research and improved strains have shortened their seasonal cycle. Tasting the durian, commonly referred to as the 'king of fruits' will be a truly unique experience for any visitors. You will either love it or hate it. The refreshing juice from a freshly plucked fruit from the coconut palm offers a truly refreshing and invigorating drink for the tired and weary traveller. Visits can also be arranged to coca plantations and paddy (rice) fields. The vast stretches of paddy fields – a sea of green – as far as the eye can see, the water buffaloes rolling in the mud to ward off the heat of the midday sun and the pesky insects, the tall coconut palms, gently swaying and reaching out into the cloudless blue sky, the quaint traditional Malay houses on stilts, and the day's washing hanging out to dry just outside, offer a truly picturesque image of rural Melaka that will remain forever etched on the mind of the agro-tourist.

Ayer Keroh Recreational Forest A must for nature lovers is the Ayer Keroh Recreational Forest which comprises of over 500 acres of greenery. This forest offers visitors the opportunity to explore at a leisurely pace, an untouched tropical rain forest, rich in a countless variety of flora and fauna. The many varieties of trees are labelled with their local and scientific names. It is an ideal place for jungle trekking, hiking, jogging, and cycling.

Many facilities have been set up in Ayer Keroh and the surrounding areas to provide for agro-tourism-related activities. In addition, along the coastal area and the islands off the coast of Melaka, nature parks have been set up and accommodation is available for those who want to spend a night, truly close to nature.

Source: www.malaccacom.net

Malaysia is using its agricultural past as a tourist attraction and, cleverly, relating products such as rubber to its history and its links to Britain through the Empire. Thus this agricultural product becomes part of the cultural tourism offer.

Sri Lanka

Sri Lanka also promotes its agriculture as a tourist attraction on a web site about 'ecotourism' as can be seen from the following extracts:

Are you someone who has an interest in Agriculture and Agro-Tourism? If so you have come to the right place. We could take you through …

Paddy cultivation systems, which have been developed through 2500 years of history.
Huge ancient irrigational tanks that were built by our ancestors utilizing their unprecedented skills and knowledge that stuns the modern world.
Provinces that produce finest spices.
Lush green carpet-like plantations that produce the best tea in the world.
Unbelievable variety of tropical fruits.
Rubber and coconut plantations that run into miles.
Vegetable plots and dairy farms in the cool hills.
Traditional 'chena' cultivation systems.
Organic and pesticide-free cultivations, and home gardens.

On special request we could guarantee a 100 per cent organic and pesticides-free food and beverages during your entire stay.

- Accommodation would be arranged at the sites themselves in
- humble houses of traditional paddy farmers;

- treetop ‘chena’ huts – where wild elephants cannot reach you;
- Posh colonial planters bungalows, farmhouses in the cool hill country;
- Campsites in dairy farms, etc.

In order to get first hand experiences …

You can try your hand at milking early in the morning, tea plucking with the traditional tea pluckers, rubber tapping under expert guidance, or even touch work in the paddy fields. You may share their meals, learn their treasured systems, coming from generation to generation.

Source: www.srilankaecotourism.com

The language and content suggests that these packages are aimed at foreign tourists. Interestingly, they are aimed at both agricultural professionals as well as ‘agro-tourists’.

Kenya

Tourism in Kenya has always largely been rural, due to the emphasis on safaris and nature watching. However, the country is now developing tours in its rural areas for agricultural professionals, as the following example shows:

Our company specializes in agro-tour packages for farmers, researchers, students and manufacturers of agricultural products, and service providers planning to visit East Africa. East Africa is a region with over 80 million people and high potential for agriculture. We are in touch with leading agricultural consultants. Government agricultural extension officers and farmers who can be the good source for breeders and manufacturers willing to open trading in the region.

Destination link services offer holiday packages which are fulfilling in that one enjoys looking at what others are doing outside of ones own environment and shares ideas and expertise with new people.

Our packages are designed to stimulate business contact between suppliers and consumers within the agricultural industry through study tours.

Source: website.lineone.net

New Zealand

As a leading agricultural producer, New Zealand has also developed a form of rural tourism, based on offering tours for professionals in the agricultural business. Brief details of the activities of this private sector company are outlined below:

Established in 1984 by a group of professional agriculturalists, Agritour has a vast network of technical contacts throughout New Zealand and in the major agricultural nations of the world.

Our clients include the World Bank, Agriculture Canada, the Costa Rica Government, Chinese provincial governments and universities, travel agents, tour operators, groups of farmers, and special interest groups from all over the world. We also arrange outbound tours for groups of New Zealand farmers to study farming systems in other countries.

So if you want to find out more about New Zealand's agriculture, experience our farming systems and enjoy meeting real New Zealanders, contact us now.

Source: www.agritour.co.nz

Even a quick search of the Internet shows a wide range of rural tourism products from around the world, including:

- farm stays in Australia,
- tours of coffee-growing estates in Costa Rica,
- rural activity vacations in the Andalucia region of Spain,
- a project that promotes 90 organic farms in Poland.

Most rural tourism we have discussed to date is about inhabited rural areas, but we must always remember that uninhabited wilderness areas are increasingly being developed for adventure tourism, often by people from other regions or countries. This may make little contribution to a local economy or society, but it can affect the environment in ways which can affect those who live in rural areas in the longer term.

It is time for us to try to draw some general lessons and key points from this far-reaching and wide-ranging discussion of the huge subject of tourism and rural development.

Key issues

- Rural areas are facing major challenges around the world, although the nature of these challenges differs between developed and developing countries, and even individual countries.
- Rural tourism is growing rapidly worldwide and seeks to meet the needs as a particular group of tourists.
- Rural tourism is not well defined and is an umbrella term for a range of different types of tourism.
- Rural tourism is a combination of profit-driven, private sector initiatives and longer-term government policies designed to stimulate economic and social development in rural areas.
- Developing tourism in rural areas is often hampered by the social and economic situation in rural areas which tends to create either:
  - an elite who dominate community life so that the majority of local people have no experience or confidence in developing and running enterprises.
  - a competitive market of small-scale agriculturalists so there is no tradition of co-operation, which is a barrier to the creation of meaningful rural tourism partnerships.
- In many rural areas there is a lack of entrepreneurial skills, while at the same time, depopulation has robbed many rural areas of the youngest and most dynamic members of the community.
- In most of the countries, there is a lack of education and training available for those who wish to develop rural tourism enterprises. However, there are some exciting new innovative attempts going on to reduce this problem, including the following two from Europe:
  - an education programme for rural tourism operators in Belgium and the Netherlands with the aid of EU funding
  - a Certificate in Rural Tourism Enterprise Development, in Ireland, delivered in a variety of modes through local colleges.
- There are often real problems in developing partnerships that bring together the public and private sectors. Neither seems to understand the other. The public sector finds the private sector short-term fixated and interested only in their own business, while the private sector finds the public sector bureaucratic and ignorant of business realities.

Even within the private sector, there are tensions between business people such as farmers, gift shop owners, activity holiday operators, and accommodation providers.

- In some countries, rural tourism development has become seriously dependent on public funding programmes, most of which have a limited life span. Often, once the funding runs out the projects collapse. Thus the people who took part in it became disillusioned and less willing to take part in future initiatives. It also stultifies local initiative and responsibility taking in an industry which is generally about people risking their own money.
- In many communities, tourism development is stimulated by outsiders such as foreigners who marry local people, second home owners, and in-migrants. They often have business skills and the confidence to develop projects; as outsiders they also view and value local resources in the same way that tourists do. However, their involvement can cause local jealousy and resentment.
- Much tourism development in rural areas is based on new forms of agriculture such as organic farming, which are attractive to a growing market of urban dwellers, together with an environmentally responsible attitude towards tourism. This approach is popular with a large and growing segment in the European market for instance. This new type of agricultural tourism is illustrated by the following example from France:

Le Moulin Du Chemin – Eco Tourism

Ecologically Sustainable Tourism – Idyllic rural paradise almost certainly unharmed by visitors

Near zero damage by tourism The *bocage* has been shaped by human activity since pre-Roman times.

Fertile land is enclosed by hedgerows in a patchwork of tiny pastures, woods, and orchards criss-crossed by numerous ancient byways and crystal streams. Your enjoyment of the *bocage* by foot, horseback or mountain bike will almost certainly not lastingly affect these beautiful natural surroundings.

The countryside resource The number of visitors to le Moulin du Chemin is restricted to seven or eight, by the size of the establishment. Other tourism in the vicinity is limited to a scattering of *Gîtes*.

Consequently, damage due to use by visitors of the paths and tracks of the beautiful *Collines de Gatine* is minimal and almost certainly recoverable.

Organic food Meat from animals fed on natural ingredients and reared and slaughtered in humane and unstressed conditions is served at le Moulin du Chemin whenever possible. Fruit and vegetables grown in local gardens without use of pesticides and herbicides are also often available. Fresh eggs are from our free-range farmyard chickens that feed naturally in the surrounding woods and meadows.

Non-polluting energy Hedgerows, riverbanks, and woods are dotted with pollarded oak and ash trees. Every 7–10 years the new growth is felled for fuel. Our aim is to increasingly use this sustainable non-fossil and non-polluting form of energy for our heating requirements.

Source: www.lemoulin.co.uk

Interestingly, this enterprise is marketed by an agent in the UK.

- Rural tourism is, undoubtedly a growing market, and it may well be that in an era of terrorist unrest and attacks, quiet rural areas may become even more popular because they are perceived to be relatively safe and secure destinations.
- As rural tourism develops, and the emphasis on sustainable rural tourism and sustainable rural development grows, there may be a need to develop some quality standards for rural tourism at national, or even international, levels. Part of these standards may relate to how sustainable the product is and to what extent it contributes towards sustainable rural development.
- There is still a need for much more research on the links between tourism and sustainable rural development, as well as a need for research specifically on rural tourism, in terms of definitions and how to develop it successfully.
- Given that rural tourism and rural development are issues that affect most countries, it would be good to see more international co-operation in this field, sharing experiences and good practice.

There are already some examples of this co-operation such as the European Centre for Eco-Agro Tourism. Some of the examples of tours by professionals we saw earlier in Kenya and New Zealand are also a good way of achieving the aim of sharing knowledge.

- In general we often perceive rural tourism as small-scale, low-impact tourism but there is nothing to stop it becoming large-scale, harmful tourism if it is not well managed. If not properly controlled it could harm rather than aid rural development.
- Rural tourism will only be sustainable, and viable in rural development, if it spreads its benefits widely around rural communities, not if it mirrors much urban and coastal tourism by putting money into the pockets of a local economic elite or large foreign corporations.

Conclusion

Rural development is one of the great challenges of our age while rural tourism is one of the fastest-growing sectors of tourism. The two have the potential to be mutually beneficial but they could also end up in conflict with each other. There is a great need for partnerships between all the organizations with an interest in rural tourism and rural development if the relationship of the two is to be a successful one. It will also require new thinking in the rural areas which have traditionally been bastions of conservatism. The future health of our rural areas, the places where our food comes from, and which do so much to determine everyone's quality of life, will depend significantly on how rural tourism develops worldwide and its role in rural development.

Discussion points and exercises

1. Critically evaluate the rural tourism policies of France in terms of achieving rural development as a whole in the country.
2. Discuss the ways in which tourism development in rural areas could be in conflict with rural economic and social development.
3. Discuss which forms of tourism are most useful in developing rural societies and economies in a sustainable way.
4. Select a rural area with which you are familiar. For your chosen location, you should develop a strategy for the development of sustainable rural tourism that will contribute strongly to the broader social and economic development of the area.

CASE STUDY 35

Tourism and Terrorism

Terrorism has become a major issue in tourism since the sequence of terrorist attacks which began in the USA on 11 September 2001 which had a massive impact on the tourist industry.

However, before we begin to consider the effects of terrorism on tourism we need to make a few points by way of background.

Firstly, the term 'terrorism' is highly subjective. One person's 'terrorist' is another person's 'freedom fighter'. For example, the Resistance Fighters of Europe in World War II, fighting the Nazis were seen as heroes even though they carried out 'terrorist' type attacks on the Germans. Furthermore, some people accuse governments, sometimes, as acting like terrorists, in the way they deal with opposition and their enemies. 'Terrorists' tend to be people on the opposite side of an argument who use violence to try and get their way.

Secondly, terrorism is not new. It has a history which goes back centuries. In some places, terrorism has been a fact of life for decades.

The link between tourism and terrorism

In the past, tourists were sometimes victims of terrorism but usually they were not specifically targeted; they were simply in the wrong place at the wrong time. For example, in Northern Ireland, very rarely were tourists killed or wounded by terrorist action. However, in the past decade or so, terrorist groups have started to deliberately target tourists specifically.

Attacking tourists has distinct advantages for terrorist groups as follows:

- Attacking foreign tourists, who will usually be from the so-called developed countries, guarantees the terrorist group publicity for its cause in the tourist's own country.
- Given that many economies rely heavily on tourism, attacks on tourists can harm the tourism industry, thus damaging the economy and undermining the government.
- By attacking foreign tourists rather than the indigenous population, the terrorist group does not risk losing the support of the latter which can be very important.
- Foreign tourists often behave in ways which local opinion in the destination, and the terrorist groups themselves, find unacceptable. Thus these groups can see them as 'legitimate' targets because of their behaviour.

As a result, we have seen, in recent years, a number of attacks on tourists, pre-dating the current Al-Qaeda attacks, including:

- attacks in the 1980s and 1990s on tourist-related targets by ETA Basque separatists in Spain and Kurdish rebels in Turkey;
- the massacre of 58 tourists at Luxor, in Egypt in 1997;
- a suicide bombing outside a synagogue in Tunisia which killed 21 holidaymakers in 2001.

There have also been plots to attack tourists which were foiled by security services such as in Jordan in 2000 when a plan to attack tourists in Amman was uncovered and defeated.

In general, there are ways in which terrorist attacks have an impact on tourism, namely, where

1. tourists are deliberately targeted in their destination;
2. tourists are deliberately targeted in the transition or travel zone such as attacks on airlines or airports;
3. tourists are not targeted but become victims by accident;
4. tourists are not injured in an attack but where the publicity given to the attack damages tourism to the destination where the attack took place.

Let us now look at three major recent attacks and their link to tourism.

11 September 2001, New York

This tragic attack on the World Trade Centre was not, of course, aimed at tourists. However, by using civil airliners as their weapon, the terrorists made people frightened to travel by air. This clearly had great implications for the tourism industry, given its reliance on air travel, and was disastrous for the airline industry in the USA.

The Bali Bombing, October 2002

On 12 October, a massive bomb at the Sari nightclub in the Bali resort of Kuta killed nearly 200 people. There are suggestions that the terrorists targeted a nightclub because of its association with party tourism of which the terrorists and some local people disapproved. Nearly half the victims were Australians. Bali has always been a party destination for young Australians. However, it is important to recognize that Indonesians and people from 20 other countries were also killed. This shows the cosmopolitan nature of the market in many modern destinations. Interestingly, while Indonesia is 85 per cent Muslim, Bali is largely Hindu in religious persuasion. Perhaps the terrorists, who it is assumed were allies of Al-Qaeda would prefer to perpetrate an attack in a place where the population is not followers of the same religion as themselves.

Kenya Hotel Attack, November 2002

Terrorists attacked the Israeli-owned Paradise Hotel in Mombasa, Kenya. They destroyed the hotel and 12 people died. It was clear that the tourists were deliberately targeted because they were Israeli, by people who are anti-Israeli, particularly as a result of the situation in Palestine.

While the media focused on the targeting of Israeli tourists, it is important to note that the majority of the dead – nine – were Kenyan hotel workers. A BBC web site news story on 5 December 2002 noted that the Kenyan workers were now unemployed and had not been paid what they were owed.

Interestingly, the same day, terrorists tried to attack by missiles, an Israeli passenger jet after it left Mombassa airport.

This attack also focused attention on hotels which generally have had few if any security precautions to protect guests, unlike airports with their X-raying of baggage, and screening of travellers. Hotels were shown to be very vulnerable soft targets.

The effects of terrorism on tourism

Before we look at the effects which terrorism has on tourism we need to make two brief, but important points, as follows:

1. Terrorism affects local populations and non-tourists in general, much more than tourists in most attacks.
2. Tourists are also affected by other threats to their lives including disease epidemics wars, civil unrest, and crime. For example, in 1995 Robinson and Marlow noted that nine tourists were killed in 1992–1993 by robbers in Florida.

When attacks on tourists by terrorists do take place, they have a number of interrelated effects whereby tourism demand falls from specific national markets, or the market in general. This can affect a particular destination or it can be more general. This then reduces income and profitability for tourism organizations which, in turn, weakens national economies.

We will now look at some of the effects of terrorist attacks in detail:

- Until the peace process succeeded, the well-publicized 'troubles' in Northern Ireland prevented the rise of tourism in the region, even though tourists were not deliberately targeted and the country is beautiful.
- Attacks on tourists in Egypt in 1991/1992 led to a fall in tourist revenue from $2.1 to $1.3 billion between 1992 and 1993 (Robinson and Marlow, 1995).
- Kurdish attacks in Turkey in 1992–1993 caused a 30 per cent reduction in holiday bookings in 1994 (Robinson and Marlow, 1995).

However, 11 September 2001, which ironically was not targeted at tourists, has had the greatest impact on tourism, and on tourist confidence in general. Its effects have included the following:

1. The airline business, particularly on routes across the Atlantic, and within the USA, was drastically affected, causing airlines to adopt immediate drastic measures including the following:
   - *US Airways* cut 11,000 jobs and slashed its schedule by 23 per cent.
   - *Continental* cut 12,000 staff, reduced its schedule by 20 per cent and postponed the flotation of its ExpressJet unit.
   - *United Airlines*, *Delta*, *Air Canada*, *American Airlines*, and *American Air Trans* all cut schedules by 20 per cent.
   - *Midwest Airways* said it would abandon financial restructuring and proceed with bankruptcy immediately.
   - British transatlantic carrier *Virgin Atlantic* shed 1200 jobs.
   - Dutch *KLM* and Spain's *Iberia* both warned the attacks could lead them to report losses.
   - German *Lufthansa* cut three of its Transatlantic routes.
   - Irish airline *Aer Lungus* announced that it was to cut its operations by 25 per cent and would let go more than 600 temporary staff.
   - *Air France* said it was freezing hiring and retiring 17 planes from service.

   Transatlantic and domestic air travel fell by between 30 and 50 per cent. As a result the US government actually gave emergency financial aid to airlines in the USA. This was very controversial as many commentators believed that the airlines were in trouble before 11 September and cynically exploited the events of 11 September to gain government help. For example, a BBC study in January 2001, told of the woes facing American Airlines and US Airways under the heading, 'US airline profits fell to earth'. The downturn in the US airline market was due to the economic recession in the USA, even before 11 September. Of course, these events worsened an already bad situation. The aid for American airlines was also resented by airlines in other parts of the world where they were adversely affected by the attacks, but did not receive any aid.

It is interesting to note that certain airlines in Europe, notably 'budget' carriers like Ryanair and easyJet actually increased their passenger numbers during the time of this crisis.

2. Destinations suffered enormously and not just the USA. For example, the World Travel and Tourism Council (WTC) estimated that the events of 11 September in New York cost the Caribbean a fall of 13.5 per cent in visitors with a resulting loss of 365,000 jobs.

Destinations that rely heavily on US tourists have generally suffered heavily from the reduction in travel by Americans.

In 2002, in spite of the 11 September attacks, the European Travel Commission (ETC) noted that visitor arrivals in Europe, overall, were down only 0.7 per cent on 2001. However, they noted that tourist arrivals from the USA fell by the following amounts in the regions of Europe:

– 17 per cent in Western Europe, including the UK, France and Ireland;
– 14 per cent in Eastern Europe;
– 10 per cent in Central Europe, including Germany, Austria, and Switzerland;
– 8 per cent in Northern Europe, in other words, Scandinavia.

Source: 17th Annual ETC Travel Directors Meeting, February 2003

In October 2001 the UK government anticipated that the 11 September and its aftermath would cost the UK tourism industry up to £16 million over just 3 months (BTA, 2001).

But the greatest effects were of course felt in the USA. In the early days after the 11 September attacks, the statistics showed they had had a drastic effect on tourism in the USA. This led many to predict a dire future for the industry in the USA. The seriousness of the situation, as perceived a few weeks after the events, is illustrated by the following results of a World Travel and Tourism Council 'Roundtable' in October 2001:

– Tourism in the US could drop by nearly one-third in the coming months.
– US airlines are flying with 40–50 per cent of their seats empty.
– Across the US, 25 per cent of conventions and meetings scheduled before the end of 2001 had been cancelled.
– Per-room revenue is projected to decline between 3.5 and 5 per cent this year, the largest decrease in room revenue in 33 years.
– Hotels could lose US $2 billion in room revenue and other associated income.
– In New York, the overall occupancy rate is down to 45 per cent.
– In Washington DC, room occupancy plummeted from 80 per cent to less than 20 per cent.
– In Central Florida, many hotels are at less than 25 per cent capacity, where they would normally be more than 50 per cent full.
– In Seattle, where downtown hotels are typically 90 per cent occupied in September, it is now as low as 30 per cent.
– Travel agencies are losing an estimated US $51 million per day in sales.
– Corporate travel is projected to fall by 50 per cent by January 2002.
– One estimate states the US economy will decrease by 1.8 per cent of total GDP, a loss of 1.1 million jobs.

Source: WITC Travel Business Roundtable, 2001

The events of 11 September had an enormous impact on tourist confidence, which may have long-term implications for the tourism industry. This point is demonstrated by the result of research conducted in the UK by the English Tourism Council in October 2001, including the following:

> One in ten adults (10 per cent) say that their plans to take leisure trips between now and the end of December 2001 have been affected by the terrorism crisis. This translates into over 4 million people changing their plans.
>
> Those who have changed their plans are mainly:
>
> - holding off until the situation is clearer (mentioned by 48 per cent – around 2 million people);
> - postponing trips (28 per cent – over 1 million people);
> - cancelling trips (15 per cent – around three-quarters of a million people);
> - switching from taking a trip abroad to taking a trip in the UK (19 per cent – almost 1 million people).
>
> People changing their plans has mainly affected:
>
> - Trips abroad (84 per cent – over 3 million people have changed plans for trips abroad).
> - Holidays of 4 nights or more (51 per cent – over 2 million people) rather than short breaks (24 per cent – about 1 million people) and visiting friends and relatives (23 per cent – also around 1 million).
>
> Changes in plans for business are mainly cancellations (36 per cent of those changing plans) postponements (40 per cent) and holding off until the situation is clearer (43 per cent) – each of these affecting around half a million business travellers. And the changes mainly affect trips abroad (68 per cent) than trips in the UK (30 per cent).
>
> One in ten of those working (10 per cent – around 3 million people) say that their company does not allow employees to go on business trips abroad at the moment. This is roughly twice the level for business trips in the UK (5 per cent).
>
> Around four in 10 say that they might take a holiday or short break before the end of the year, but they will wait for the moment. This group represents about 18 million people, and they are fairly evenly spread across all demographic groups and parts of the country.
>
> *Source:* www.swtourism.co.uk

The Bali and Kenya bombings in 2002 also had very serious impacts on the tourist industry, although these effects have generally been confined to the destinations themselves rather than being more widely felt.

The fact that the recent terrorist attacks have had such a great impact on tourism is because

- they have been on a large scale and have been seen almost all over the world;
- they are not seen as 'one-off' events but rather as part of an ongoing series of attacks with no one knowing where or when the next will take place;
- it has taken place at the same time as an economic downturn.

Due to these factors we have seen no rapid recovery after the terrorist attacks. Egypt, where 58 tourists were killed in 1997 suffered a short-term fall in volume but by 1999 tourist arrivals were more than 20 per cent better than before the attack.

The larger the scale of the attack and the greater the media coverage, the deeper the impact, and the greater the need for action by the tourism industry to kick-start demand.

Responses to the terrorist attacks on tourists

The terrorist attacks in New York, Bali, and Kenya, and the rapid drop in tourism demand have led to a number of difficult responses from the tourism industry and governments, as follows:

- Airlines have rationalized and reduced capacity, laid off staff, and tried to kick-start demand with low fares.
- Tour operators have had to reduce capacity or even eliminate some destinations which their customers might consider to be risky.
- Destinations have tried to use promotion to re-establish tourist interest in them.
- Hotels, airports, and airlines have started to upgrade their security arrangements.

At the same time, governments have felt obliged to offer more advice to tourists on the terrorist risks in particular destinations. This advice is becoming very cautious particularly after claims that tourists were not influenced by known threats to tourists in Indonesia and Kenya before the attacks in 2002.

After 11 September, a wide range of destinations launched 'recovery plans' including many outside the UK. For example, in Ireland, the Shannon and west of Ireland Task Force launched a €1.5 million promotional campaign to help the area recover from the adverse affects on its tourism by the UK foot and mouth crisis and the 11 September attacks.

Supra-governmental organizations also held meetings and conferences to discuss recovery strategies for the global tourism industry. One such event took place in Madrid in January 2003, organized by the World Tourism Organization (WTO), with the following aim:

Public–private co-operation after 11 September and the current tourism situation: recovery strategies

During this time of uncertainty in world tourism resulting from the combined effects of terrorism and the economic downturn, the WTO Business Council proposes an opportunity to reflect on the situation and take stock of the recovery strategies implemented in the different regions and countries.

Let us do so within the framework of co-operation – not confrontation – between the public and private sectors. Such co-operation is a necessary condition for competitiveness and is thus a key objective of the Business Council. In the wake of 11 September, co-operation between the public and private sectors reached an unprecedented degree of cohesion in the design and execution of strategies in response to a scenario that was very different from past crises.

Representatives from the public sector of three countries (Spain, Costa Rica, and Chile) will present their particular experiences in order to illustrate this co-operation, as well as recovery strategies and the current tourism situation. Furthermore, three associations that are highly representative of the private sector will discuss the determining factors affecting three especially sensitive areas of the world: the US, the Middle East, and the Asia-Pacific region.

Source: WTO web site

Outside the USA, at least, a moderate recovery appeared to be underway by early 2002. In spite of the terrorist attacks in Bali and Kenya, however, the WTO reported, in February 2003, that international tourist arrivals rose by around 3 per cent between 2001 and 2002. North-East Asia achieved 12 per cent growth, 11 per cent was in the Middle East, South-East Asia achieved a little less than 4 per cent growth.

Secretary-General of the WTO, Mr Thungialli, took comfort from these statistics and said:

> We can be relatively satisfied with the year 2002 and cautiously optimistic about the development of 2003 (The WTO Security General). The statistics did meet our expectations, in some parts of the world they even exceeded them, however, we should not forget that the threats are anything but over.
>
> 'We have a lot of work to do to reaffirm positive trends, but first of all, to regain consumer confidence where needed. World tourism has never before felt such a need for co-operation as now', the Secretary-General points out. 'Taking all the problems into account, we can all be certain that tourism is firmly on the way to recovery, back to the trends predicted in Tourism 2020 Vision', says Mr Frangialli.

Then came the outbreak of war in Iraq and the severe acute respiratory syndrome (SARS) virus, and again, the future of global tourism looked problematic.

Government advice to tourists

Many governments now offer comprehensive advice to their citizens covering all potential risks in destinations. They are often accused of being over-cautious because governments do not want to be criticized for not warning tourists of risks, if anything ultimately happens to their nationals.

A good example of such government advice is the Foreign and Commonwealth Office in the UK.

In January 2003, they were giving this advice in relation to the following five countries:

> Kenya
>
> We believe that Kenya is one of a number of countries in East Africa where there may be an increased terrorist threat. UK nationals in Kenya should be vigilant, particularly in public places frequented by foreigners such as hotels, restaurants, nightclubs, and shopping malls. In particular there is a potential threat against Western interests in Nairobi. Britons in remote areas or border regions could also be targets of attacks or kidnappings.
>
> Following a specific threat to the British High Commission in Nairobi, the High Commission was closed on 5 December 2002. It reopened on 9 December 2002.
>
> Kuwait
>
> In a terrorist attack in Kuwait on 21 January, two US nationals working for the US military were shot. One was killed and the other seriously injured. A terrorist incident also took place on 8 October 2002, on the Kuwaiti Island of Failaka, in which one US marine and two Kuwaiti assailants were killed in an exchange of fire. On 21 November 2002, two US soldiers were injured in a shooting incident while travelling to a military camp.
>
> Although no incidents have occurred which directly affected British nationals, we believe that Kuwait, in common with all the Gulf region and many other countries, is a place where there is an increased threat to visible British institutions and organizations from global terrorism. Given the heightened tension in the Middle East region and the increased threat from global terrorism, you should be vigilant, particularly in public places frequented by foreigners such as hotels, restaurants, and shopping malls, and exercise good security practice.
>
> Indonesia
>
> We continue to assess that the threat to British nationals and British interests from terrorism throughout Indonesia remains high. In addition to the Bali bombings on 12 October 2002

a grenade exploded in central Jakarta very close to a US Embassy home early on 23 September 2002. A further bomb exploded in a McDonald's restaurant in Makassar in December 2002. The risk of further attacks on Westerners remains high.

British nationals who choose to remain in Indonesia should exercise extreme caution in public places of entertainment such as nightclubs, bars, restaurants, shopping malls, outdoor recreational areas, and places of worship. British nationals should be particularly careful throughout Java and Bali, and in cultural and tourist locations in other islands. All British institutions and businesses should keep their security arrangements tight, and under very regular review. We have been warning about threats to British and International schools. Information received in November 2002 about Jakarta underlined those concerns, British and International schools remain extremely vigilant.

Spain

On 17 December 2002, the Spanish police foiled an apparent attempt to bring explosives for later use into Madrid, when the suspect vehicle and its occupants were apprehended on a motorway north of the city. Police sources were subsequently quoted as saying that the explosives were destined for five large bombs to be placed and detonated in various Madrid shopping centres on New Year's Eve. This attempt followed the car bomb explosion in Santander for which a warning was received and in which no one was injured. These incidents followed a series of bombings during the summer of 2002 in resorts on the Costa Blanca and the Costa del Sol and other cities in Spain. These attacks followed the threat made by ETA in March 2001 that, to further its aim of damaging the Spanish economy, it would attack tourists to stay away from Spanish resorts. A number of embassies in Madrid have received a letter, purporting to come from ETA, which states that ETA remains strongly determined that tourist facilities will continue to be targets during 2003, and again warns tourists to stay away from the Spanish resorts or risk involvement in their actions.

In the summer of 2001 too, ETA carried out a number of mostly car bomb attacks in resorts on the east coast, and at Madrid and Malaga airports. In most cases, warnings were given and there were few casualties. The high-speed rail link between Madrid and Seville was briefly disrupted, and there was some minor evidence of planning against ferries operating between the UK and northern Spain.

During the autumn and winter, ETA attacks – shootings and car bombings – continued, though their number decreased. The main targets continued to be Spanish politicians, members of the security forces, judges, and journalists. But a car bomb in Madrid in May (near a major football stadium before a big match) was apparently aimed more at maximizing public impact.

In mid-May, the security authorities arrested two ETA terrorists in Madrid with bomb making equipment.

Despite the recent bombs on the Costas and in other parts of Spain statistically your chances of being caught in a terrorist outrage remain very low. But, given the many millions of foreign tourists who visit Spain each year, there will always be the chance of visitors becoming caught up in any further attacks in tourist areas by literally being in the wrong place at the wrong time.

If further incidents take place, tourists can expect disruptions from real or hoax terrorist attempts. Visitors should follow the instructions of the local police and other authorities.

Turkey

On 5 December, the US authorities issued an advisory stating American citizens should be particularly cautious if they travel into or out of Gaziantep airport. The airport in Gaziantep is being used as an alternative airport while the runway at the airport in Adana is under repair.

> Visitors should be aware that there have been occasional politically motivated acts of violence, sometimes causing casualties. These may continue, on a small scale. But we do not at present see them as a deterrent to tourists visiting Turkey.
>
> Travellers to south-east Turkey should exercise caution, keep to main roads and towns, and avoid travel at dusk or after dark.
>
> Bomb attacks targeted primarily against the security authorities, sometimes occur in Istanbul. On 10 September 2001, a bomb attack in Istanbul's Taksim area killed two Turkish policemen and an Australian tourist. More recently, there have been some incidents involving small explosive devices, but there were not deaths as a result.
>
> *Source:* www.fco.gov.uk, 24 January 2003

However, many destination governments, particularly in poorer countries, are very worried that this advice will destroy their tourism industries and damage their economies. Their views were reported on the BBC news worldwide on 4 November 2002, as follows:

> South-east Asian states have appealed to the rest of the world to stop warning travellers against going to their region because of fears of terrorism.
>
> The call came as a 2-day summit of the 10 member-states of the Association of South-East Asian Nations (ASEAN) in the Cambodian capital, Phnom Penh got underway.
>
> The leaders criticized Western government for their recent spate of travel warnings against visiting many parts of the region.
>
> 'We call on the international community to avoid indiscriminately advising their citizens to refrain from visiting … our countries, in the absence of established evidence to substantiate rumours of possible terrorist attacks' the statement said.
>
> The BBC's Jonathan Head in Phnom Penh says tourism – a multi-billion dollar industry in the Asean countries – is facing a deep crisis.
>
> He says that even before the Bali bomb, visitor numbers had already fallen sharply in parts of Philippines and Indonesia because of increasing lawlessness.
>
> ASEAN: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Thailand, the Philippines, Singapore, and Vietnam
>
> Our correspondent says that now – as tourism has collapsed in Bali as well – the Asean leaders are trying to dispel the perception that the region is unsafe.
>
> The leaders also deplored what they called a trend towards identifying attacks with particular religious or ethnic groups.
>
> The Asean Secretary-General pointed out that the discovery of terrorist cells in European countries did not result in tourists being warned away there.

The 'war on terrorism' and tourism

At the time of writing – April 2003 – the USA and the UK are waging what they describe as a 'war on terrorism' and are at war with Iraq. If this war on terrorism continues it will, inevitably, also have a serious impact on tourism. Tourists fear that any war initiated by the USA, UK, and their allies will stimulate further terrorist attacks, continuing the spiral of terror.

In terms of the current 'war' in Iraq, the industry remembers the Gulf War which led to a fall in tourist trips in 1992 and caused major problems for destinations in the Middle East and the Eastern Mediterranean, including Cyprus. Likewise, the Kosova conflict in 1999, a small event by global standards, caused reduced tourism in countries in the region including Greece. However, in both cases, tourist numbers grew again once the conflicts were over.

The difficulty here appears to be that the US 'war on terrorism' seems more like a more global 'war' and there seems little prospect of it being a short-term phenomenon.

The future of terrorism and tourism

The future impact of terrorism on tourism will, of course, depend on the future nature and scale of terrorism. It certainly looks today as if terrorism is now part of our everyday life and that the targeting of tourists looks set to continue.

We have made the following assumptions in relation to the future:

- terrorists will increasingly attack tourists;
- terrorist groups will target new destinations and facilities such as ferries and cruise ships;
- locations where foreign tourists congregate will become specific targets for terrorist groups;
- tourists from particular countries such as Israel, the UK and the USA will continue to be the main targets for terrorists;
- tourists' behaviour may become an increasing motive for attacks being made on them.

The industry needs to reassure tourists that travel is safe and will have to put more resources into security to achieve this. Hotels are likely to become more security conscious as they currently do little or nothing to protect their guests, specifically, from terrorists. Indeed security may become a way in which hotels seek to achieve competitive advantage.

Tour operators may feel obliged to make tourists even more aware of terrorist risks in particular destinations than they do currently, in case they are sued if their clients are harmed by terrorist action. Some sectors of tourism believe the concern over terrorist threats are a potential opportunity for them, including:

- small-scale tour operators who keep their clients well away from tourist 'honeypots' which appear to be the targets for the terrorists;
- places which are perceived to be 'safe' such as Scandinavia;
- rural 'off-the-beaten-track' destinations;
- video-conferencing companies who anticipate the terrorist threat may lead to a reduction in business trips.

The media will play a massive role in the future relationship between terrorism and tourism. The way they report terrorist attacks and threats will influence the perceptions and purchase behaviour of tourists.

In a perverse way, the growth of terrorist attacks on tourists will probably lead to a growth in the so-called 'Dangerous Place' travel where some people deliberately travel to risky places for the adrenaline rush.

Some host communities which are upset by the behaviour and impact of tourists may learn the lessons from terrorist attacks on tourists and try to use terrorism to change the way the tourism industry operates in their areas. This could involve kidnapping, and attacks on the property of major corporations, for instance.

Whatever happens, it seems certain that terrorism and tourism have now become inextricably linked for the foreseeable future.

Key issues

- Terrorist attacks on tourists are not new but tourists are becoming increasingly targeted by terrorists.
- Large-scale terrorist attacks can damage the tourism industry on a great scale around the world.
- Certain types of tourist and tourist behaviour can make particular groups of tourists greater targets than others.
- Tourists can be attacked both on their journey to their holiday location well as in their destination.
- Terrorism is just one risk to tourists and the tourism industry; others include crime, disease, war, and civil disorder.
- In the past destinations which suffered isolated terrorist attacks often recovered relatively quickly. However, the attacks in New York, Bali, and Kenya are part of a series of apparently linked attacks which show no signs of ending, with no one knowing where or when they will strike next.
- Many local tourism industry workers suffer death, injury, or loss of employment in the attacks on tourists.
- The terrorist attacks are making all sectors of the industry devote more resources to security which could lead to price rises and could either make tourists feel more nervous or more secure.
- Governments have been criticized for both giving too little information to tourists about potential risks in certain destinations, and being too cautious with their advice.
- If terrorism becomes a continuing threat to tourism then it might be an opportunity for competitive advantage for some remote destinations and small-scale 'off-the-beaten-track' tour operators.
- Terrorism is particularly damaging to tourism when it is combined with other factors such as economic recession.

Conclusion

In recent years tourists have gone from being accidental victims of terrorism to prime targets for terrorist groups. Since 11 September 2001 terrorism has become a constant consideration for the tourism industry and because there is no end in sight to the current spate of global terrorism, this is likely to continue in the future. On 11 September, in New York, and in Bali and Kenya in 2002, the tourism world changed, probably forever.

Discussion points and exercises

1. Compare and contrast the impact on tourism of the murder of 58 tourists in Egypt in 1997 and the Bali bombing in 2002.
2. Discuss the strategies that destinations can adopt to recover after terrorist attacks on them.
3. Critically evaluate government advice that is being given to tourists, currently, from the point of view of the tourism industry and tourists.
4. You have been employed as a consultant by a hotel in a destination of your choice. You must produce a report highlighting the measures they could take to minimize the risk of terrorist attacks on the hotel and its guests.

CASE STUDY 36

Vacation Costs, Different Destinations, and Independent Travellers

Around the world, in recent years, we have seen an increase in independent travel. More and more tourists are experienced travellers with the confidence to make their own vacation arrangements. Furthermore, the Internet has made it cheaper and more convenient for tourists to make their own travel arrangements, without the need for travel agents and tour operators. Growing competition between airlines and hotels, and the rise of 'no frills' airlines and budget hotel chains, has also kept prices down. At the same time, guidebooks such as the *Rough Guides* and the *Lonely Planet* series have provided valuable information to help independent travellers plan their trips. The rise of independent travel has also been fuelled by growing disenchantment with tour operators in terms of price levels and service quality. Finally, the growth in second home and timeshare ownership has reduced the need for package holidays and increased the demand for independent travel.

Independent travel, however, is not a single entity; there are different types of independent travel, including the following:

- city breaks,
- fly-drive holidays,
- backpacking trips.

These three examples give some idea of the scope of independent travel, but there are many other types.

There are numerous motivators for independent travellers, most notably:

- the desire to have a tailor-made itinerary that totally reflects the wishes of the traveller, rather than that of other tourists or tour operators;
- the pleasure and freedom of travelling alone rather than as part of a group which may contain members who do not get on with each other;
- the opportunity to visit places which are too inaccessible or inconvenient or unprofitable to be included by tour operators in their itinerary;
- the wish to visit destinations that are not crowded with tour groups;
- the idea that sometimes, independent travel can be cheaper than package tours.

The first four motivators have always been present in the tourism market but the last one is a more recent phenomenon. Until recently, it was often assumed that the cheapest way to visit a destination was through a package tour. One put up with the negative side of such holidays to benefit from the lower prices. Or people used the tour hotel as a base and then travelled independently once in the resort.

However, give the factors noted at the beginning of this case study, there is now a view that often independent travellers can put together tailor-made itineraries at lower cost than a package tour to the same place at the same time.

The authors themselves fully believe this, after the following three experiences in 2002–2003:

1. A 9-day trip to Arizona, USA which cost around £1350 for flights hotels, and car hire, about 25 per cent less than the prices quoted in tour operator brochures for a similar trip.
2. A 3-day trip to Paris, staying in a luxury hotel which cost £416 for flights and hotel, about £80 cheaper than the tour operator prices for the same hotel.
3. A 12-day trip to Madeira at a cost of £1320 for flights and four-star hotel; about £300 cheaper than the best tour operator prices.

Independent travel is not always the cheapest option, particularly in less developed destinations. However, it is clear that many tourists believe independent travel is less expensive.

Some tour operators are beginning to recognize this fact and try to develop products specifically for independent travellers. Most UK European city break tour operators now allow tourists to book accommodation only through them.

For independent travellers, prices are clearly a major issue in deciding:

- whether to go independently or buy a package,
- which destination to visit.

Taking this latter point into mind, this case study looks at the prices of the services independent travellers are interested in, in relation to different destinations.

Airfares

Exhibit 36.1 looks at long-haul air ticket prices in Spring 2003 from London, through the UK's leading airline and two leading Internet travel agents. The prices are for those booking online as this is the fashionable way of buying tickets, with often the lowest prices. Clearly, this data relates to only four routes and particular days but it seems to suggest that:

- Airlines often seem to charge higher prices than the Internet travel agents, even where, as in the case of New York, the flights stated offered by the Internet operator were actually British Airways flights.

Exhibit 36.1 Sample adult airfares to selected long-haul destinations from the UK, 2003

Flight	*Airline*		
	British Airways (on-line direct booking)	*Expedia*	*Airline network*
1. London–New York	298.50	283.69	282.40 (BA flight)
2. London–Dubai	339.40	301.19	306.60
3. London–Singapore	606.00	511.69	518.67
4. London–Sydney	703.20	575.69	637.14

All flights outbound 21 May 2003, return 3 June 2003 in Pounds Sterling. Fares include all taxes.
Source: Web sites – 9 March 2003.

- Price is not directly related to distance. London–Dubai is just over a quarter of the distance of London–Sydney but the fare was just under half of the Sydney fare, when it should have been nearer a quarter.
- All the fares, in real terms, are much lower than they would have been for travellers years ago. For most Britons, the fare to New York represents about 4-day wages for someone on the average national income. The equivalent, even in the 1970s would have been more than 12 days and in the 1960s it would have been more than 100 days!

Exhibit 36.2 compares the airline prices of British Airways with those offered by an Internet travel agent with a so-called 'no frills' airline on four short-haul European routes in Summer 2003. Again, although this is a tiny sample, the data seems to suggest that:

- The budget 'no frills' airlines are not always the cheapest, indeed they were the most expensive carrier on the Barcelona and Nice routes.
- There seemed to be no advantage in the short-haul market in buying from Expedia rather than directly from British Airways.
- The 'no frills' carriers do not operate from the main London airports.
- In general prices within Europe do seem to generally relate quite directly to distance. However, if we compare the short-haul and long-haul fares, the European ones are clearly more expensive per kilometre than the long-haul ones.
- British Airways seems to be more competitive in price on its short-haul routes than it is on most of the long-haul routes. Perhaps this reflects the effects of competition in the skies of Europe between major established airlines and the newer budget airlines. Interestingly, the only long-haul route where British Airways is quite competitive is London/New York, perhaps the one of the world's most competitive route. It is interesting to note that research conducted by the authors seems to indicate that fares to destinations without 'no frills' services in Europe, such as the Canary Islands, are still relatively high on all airlines.

It is important to recognize that the independent traveller who can be flexible on routes, dates and airlines can usually find very competitive prices on most routes.

Exhibit 36.2 Sample adult airfares to selected short-haul destinations from the UK, 2003, booked online

Flight	*Airline*		
	British Airways (on-line direct booking)	*Expedia*	*Airline network*
1. London–Barcelona	113.90	135.00 (easyJet from London Luton)	99.00
2. London–Oslo	119.10	91.64 (Ryanair from London Stansted)	306.60
3. London–Athens	215.30	178.21 (easyJet from London Luton)	215.30 (BA flights)
4. London–Nice	121.50	140.13 (easyJet from London Luton)	121.50 (BA flights)

All flights outbound 2 August 2003, return 9 August 2003. Fares include all taxes.
Source: Web sites – 9 March 2003.

Hotel prices

Exhibit 36.3 presents city hotel prices in August 2003 in 10 world cities. Clearly this data is highly selective and not at all conclusive, but it does suggest that:

- The five-star hotel prices in Dubai, Singapore, and Johannesburg often cost no more than three-star hotels in cities like Dublin, Paris, and Barcelona, and are generally less expensive than three-star hotels in Reykjavik.
- The price levels tend to be different between the Seligo and Superbreak brochures in most cities even for hotels which are all three-star. In the five cities which both companies include in their brochures, the lowest price hotel for four out of five is in the Superbreak brochure. However, the highest price hotel is in the Superbreak brochure three times out of five.
- In the five-star hotel market, the Seligo hotels are considerably more expensive in respect of both Dubai and Singapore.

Exhibit 36.4, again looks at comparable hotel prices, in Summer 2003, in seven selected European resorts. While this is just a tiny selection of the 4-star hotels in the region, again we may

Exhibit 36.3 Selected city hotel prices, August 2003

	Seligo brochure	*Superbreak brochure*	*Travel 4 brochure*
Singapore five-star hotel	114.00–410.00	75.00–129.00	–
Dubai five-star hotel	122.00–586.00	69.50–113.50	–
Johannesburg five-star hotel	–	100.00	80.00–106.00
New York three-star hotel	68.00–140.00	92.50–107.50	84.00
Paris three-star hotel	70.00–148.00	63.00–137.50	–
Dublin three-star hotel	104.00–132.00	89.00–136.00	–
Reykjavik three-star hotel	–	146.50–164.00	–
Prague three-star hotel	64.00–94.00	58.00–106.50	–
Barcelona three-star hotel	84.00–102.00	77.00–103.00	–
Zurich three-star hotel	–	89.00–102.50	–

Prices in Pound Sterling per double room, including breakfast and taxes per night
Star ratings may be tour operators' own grading.
Source: Company brochures.

Exhibit 36.4 Selected Mediterranean resort hotels

	Seligo brochure	*Superbreak brochure*
Four-star hotel Marbella, Spain	146.00–210.00	104.00–127.00
Four-star hotel Majorca, Spain	92.00	87.50–151.50
Four-star hotel Teneriffe, Spain	74.50 (half board) to 118.00	57.00–153.00
Four-star hotel Algrave, Portugal	118.00–140.00	74.00–165.00
Four-star hotel Nice, France	124.00–134.00 (three-star only)	78.50–139.50
Four-star hotel Malta	38.00–72.00	50.00–82.00
Four-star hotel Paphos, Cyprus	88.00–92.00	48.00

Prices for double room including breakfast and taxes, in Pounds Sterling, August 2003.
Hotel ratings may be tour operators' own rating system.
Source: Company brochures.

be able to suggest that:

- There are great differences in price levels between four-star hotels in different resorts. For example from the Seligo and Superbreak brochures the most expensive hotel in Malta is less expensive than the cheapest hotel in Majorca.
- The range of hotel prices in the same star category can vary dramatically. In the Algarve, for example, during the same time period there were 4-star hotels which varied in price from £74 to £165.
- Prices in resorts such as Marbella in respect of 4-star hotels in the peak season were much higher than those of most five-star hotels in Johannesburg, Dubai, and Singapore.
- Again, Superbreak prices seem to be generally lower at the bottom end than Seligo but higher at the top end.

It could be argued that hotel prices are still relatively high in relation to airfares as the Internet travel agencies and 'no frills' concept do not seem to have had the impact on the hotel industry yet that they have on the airline sector.

On the other hand, the rise of self-catering accommodation has provided competitively priced accommodation for those travellers who are not happy to pay hotel prices, particularly in coastal resorts in Europe.

Car hire prices

More and more independent travellers are taking fly-drive holidays so that the cost of car hire can be a very important issue in destination choice. Along with airfares it can also be an important consideration when deciding where to buy a second home.

The growth of consolidators, like Holiday Autos, who deal with different car hire companies so they can offer very competitive prices, has helped reduce the cost of care hire in recent years.

Exhibit 36.5 shows the cost of a week's car hire with holiday autos, in a number of popular destinations in Summer 2003 based on the cheapest car. While this is not a scientific survey, it does

Exhibit 36.5 1-week car hire for basic car in selected destinations including all taxes, in Pounds Sterling, Summer 2003

	Holiday autos
Florida	189.00
South Africa	119.00
Singapore	345.00
Dubai	139.00
Sydney	159.00
Ireland	169.00
France	139.00
Italy	179.00
Canary Islands	89.00
Majorca	105.00
Barcelona	129.00
Cyprus	169.00
Bulgaria	265.00
Iceland	459.00

Source: Company brochures.

seem to show that:

- Within mainland Europe, there are significant differences in car hire prices, from £105 to £179.
- Car hire prices do not reflect general living costs. For example, one of Europe's poorer countries, Bulgaria, has prices nearly twice as high as France, one of Europe's richest countries. This is because, in Bulgaria, those requiring car hire are usually affluent business people only who can afford higher prices.
- In some countries there are considerable variations in car hire prices between different parts of the country. In Spain, for example, car hire cost only £89 in the Canary Islands, compared to £105 in Majorca, and £129 in Barcelona.
- Iceland car hire for a three-door economy car cost £459 in Summer 2003; a similar sized car cost only £119 in South Africa.
- Car hire in the USA is more expensive than many people think, being more expensive in Florida than in South Africa, Dubai, Australia, and most European countries.

It is important to note that these prices are generally lower than one would find from the main car hire companies themselves. Finally, it is also useful to recognize that these prices include essential but valuable extra insurance costs. Cars can be hired for much lower prices but in the event of an accident or damage to the car, the driver will face a huge bill.

Attraction prices

Most tourists enjoy visiting attractions while on vacation; indeed in many places attractions are the main reasons for choosing to visit a particular destination.

However, as Exhibit 36.6 shows, attractions can be expensive ways to spend time on vacation. Using data from the brochure of Keith Prowse Travel in the UK, it seems that:

- Major US attractions tend to cost a little higher than those in Europe. For example, ticket prices at Legoland, California are £5 more for adults and £4 more for children than they are at Legoland, UK.
- US attractions tend to be bigger and require more time to explore them fully. You can even buy a 10-day ticket to Walt Disney World in Florida but a 2-day ticket is considered to be the norm at Disneyland Paris.

Exhibit 36.6 Attraction ticket prices, in Pounds Sterling, per adult and child in August 2003, from Keith Prowse brochure

	Keith Prowse Travel
Walt Disney World	10-day pass – £245 adult/£197 child (3–9)
Universal Florida	3-day, 2-park ticket – £83 adult: £74 child (3–9)
Legoland California	1-day ticket – £28 adult/£24 child (3–12)
Disneyland California	3-day ticket – £79 adult/£62 child (3–9)
Sea World California	1-day ticket – £30 adult/£24 child (3–9)
Universal Studios California	1-day ticket – £32 adult/£25 child (3–9)
Buckingham Palace, UK	1-day ticket – £33 adult/£29 child (3–16)
Legoland, UK	1-day ticket – £23 adult/£20 child (3–15)
Disneyland Paris	1-day ticket – £28 adult/£21 child (3–11)
Port Aventura, Spain	2-day ticket – £33 adult/£26 child (5–12)
Terra Mitica, Spain	1-day ticket – £22 adult/£16 child (5–10)

Source: Keith Prowse Travel brochure.

- Child reductions are often quite small given that most attractions are aimed at families with children. Of the 11 attractions shown in Exhibit 36.6, only one gives a child discount of more than 25 per cent.
- European attractions tend to be more generous than American ones by extending the age limit for child reductions to 11 or even 16 compared to the 9 which appears to be the standard in the USA at major attractions.

In contrast, tourists can choose to visit the thousands of attractions owned and/or subsidized by the public and voluntary sectors, which charge generally lower prices and may even be free.

City tour prices

Independent travellers often need to buy a city tour when visiting a city compared to the package tourist whose holiday package will usually include such a tour.

Exhibit 36.7 gives the price for the cheapest available coach-based city tour in 12 major world cities. This data seems to suggest that:

- The price of tours varies substantially, from £14 to £57 in our sample of cities. This can, however, be a function of the length of the tour. Maybe, there is more to see in Rome than in Prague and Toronto.
- Tour prices in Australia seem very high compared to those in the USA and Europe.
- The prices do not seem to completely reflect the relative success of cities as destinations. For instance top city destinations like London often have cheaper tours than 'lesser' destinations such as Melbourne.

One of the cheapest options in coach tours of cities, and one of the most likely to appeals to independent travellers are those where passengers can 'hop' on and off the bus as often as they like until they have completed the full tour itinerary.

Exhibit 36.7 Least expensive coach-based city tours in selected cities, in Pounds Sterling, per adult, in August 2003 based on Keith Prose Travel brochure

Los Angeles	£32
San Francisco	£26
New York	£33
Toronto	£14
London	£26
Paris	£35
Rome	£57
Prague	£14
Vienna	£22
Dublin	£15
Sydney	£54
Melbourne	£53

Source: Keith Prowse Travel brochure.

Food and drink costs

Eating and drinking costs are very important to most tourists including independent travellers. The data in Exhibit 36.8 is based on figures given in mainstream tour operators brochures in the UK in

Exhibit 36.8 Food and drink prices in Pounds Sterling in selected European resorts, Summer 2003

	Three-course meal including wine	*Glass of beer*	*Bottle of wine*
Cyprus	9.00	1.00	4.00
Madeira	8.00 (without wine)	0.58	3.00
Majorca	5.00	0.80	4.00
Malta	15.00	1.15	4.00
Tenerife	8.00	0.90	3.00
Tunisia	13.00	1.00	4.00
Turkey	11.00	1.00	6.00

Source: Tour operator brochures, 2003.

Summer 2003, for popular European coastal destinations. This data indicates that:

- There are big variations in prices between destinations for a three-course meal with wine. There is, for instance, a 300 per cent difference in the price of a meal between Majorca and Malta. However, this may reflect different standards between the two destinations.
- Price does not seem to reflect general standard of living. Tunisia, for example, is relatively expensive compared to Majorca, Madeira, and Tenerife, but it generally has a lower standard of living than all three.

In destinations where eating out is relatively expensive, self-catering is a particularly attractive option for the independent traveller.

Key issues

- The rise of independent travel has been partly stimulated by a belief among tourists that many vacations can be arranged independently more cheaply than they can be purchased as packages from tour operators.
- Independent travel is not always cheaper than package travel.
- The price advantage of independent travel, where it occurs, is usually the results of lower airfares rather than reductions in accommodation costs, due to the role of Internet travel agents and 'no frills' airlines.
- Being an independent traveller is not equally easy in every country. In this case study we have focused on the UK where independent travel is highly developed, perhaps more than in any country, because of a combination of factors including:
  - the fact that mass market tourism has been around for 50 years and there are many tourists who are experienced enough to have the confidence to make their own holiday arrangements;
  - the relatively high access to, and use of, the Internet;
  - the existence of more 'no frills' budget airlines than in an other country in Europe, and the high level of competition between airlines;
  - the fact that English is spoken widely all over the world;
  - the tourism industry is highly developed with travel agents who can help travellers plan individual itineraries rather than just booking them standard packages.
- Destinations are also not equally suitable for independent travel. The best destinations for independent travel are those with the following characteristics:
  - places with a wide range of accommodation to suite all tastes and budgets; the high level of competition ensures keen prices;
  - accommodation units that are geared up to dealing with individual travellers rather than just tour operators group;

  - destinations with an infrastructure of attractions that can be accessed independently;
  - reliable, highly developed Internal transport systems;
  - locations where independent travellers can live at least as cheaply as those on package tours.
- For a variety of reasons, air travel has become relatively cheaper over time and this has partly driven the rise of independent travel. However, this trend has yet to reach many parts of the world such as Asia where prices remain quite high. This, along with other reasons such as culture and language, account for the continuing popularity of package travel in the markets of Asia.
- Accommodation prices have not fallen in real terms in the same way that airfares have. However, budget hotel chains and national 'hotel passes' have helped keep down accommodation costs for independent travellers.
- Costs of things like car hire, hotels, and eating out do not relate directly to the cost of living of the country as a whole. Instead, they tend to be low if there is a large inbound tourism industry or high if the country is poor and the bulk of tourism is business travel conducted by the economic elite or on an expense account.
- Most tourists are attracted to destinations with lower prices than their own country as this will keep down their vacation costs. However, these price differences are more important to independent than to package travel tourists because
  - independent tourists have to buy the things they need in the country without the benefit of the discount which tour operators can obtain;
  - most independent travellers' expenditure is in the destination while for the package tourist their greatest expense is the price they pay for their package in their own country.
- When deciding if they can afford to visit a destination, independent travellers do not seem to consider all the costs equally. The first priority is the air ticket price; some people in the UK make decisions to take a trip they had no intention of taking when they see an advertisement for a very cheap flight. This does not tend to happen with advertised hotel offers, for instance. The availability of reasonably priced accommodation comes next. In general, very few independent travellers think about other costs – such as attractions and eating out – when deciding where to go, even though these may exceed the cost of the flight or accommodation in the final holiday expenditure.
- Independent travellers who want to visit a specific but very expensive place, can endeavour to make the trip affordable by:
  - visiting in the off-peak season;
  - using very basic accommodation or private rented rooms which are usually types of accommodation not utilized by tour operators.
- One form of independent travel is particularly cost sensitive, namely backpacking. Here the aim is to survive on a small amount of money. It is not a form of tourism which can be practised easily in developed countries, hence its concentration in parts of South-East Asia, Africa, and South America.
- Not all independent travel is price motivated; however, many independent travellers are willing to pay more to ensure that they can enjoy exclusive travel experiences, away from the bulk of tourists.
- Independent travel often allows tourists to enjoy similar holidays at a lower price than a packaged holiday, but it costs much more in terms of the time taken to plan the trip.
- In the future it seems certain that independent travel will grow internationally, particularly in countries where the outbound tourist market is currently dominated by package tours and group travel, such as Japan, Taiwan, China, India, Spain, and Italy. Then the destination costs we have considered in this case study will become even more important to more and more tourists.

Conclusion

Independent travel is growing around the world and is already a very significant aspect of the outbound tourism market in some countries such as the UK. Destination costs, including the price of travel to the destination, determine if people will choose independent or package travel, and which destinations they will choose to visit. As the desire for independent travel around the world forms the issues about holiday costs which we have discussed in this case study will assume ever greater importance.

Discussion points and exercises

1. Discuss the reasons why independent travel has grown in recent years in the UK faster than in many other countries.
2. Critically evaluate the reasons why hotel prices vary between different countries.
3. You should interview several people who have taken independent vacation trips in recent years. You should ask them about their motives for choosing independent travel rather than package travel and about their experiences of independent travel. You should also find out the role which the cost of travelling to, and staying in a destination, played in their choice of destination.
4. You should carry out an exercise in which you plan a vacation of one of the following types, in a foreign country:
   - a 3-night city break,
   - a 14-night vacation in a coastal resort.

You should look at booking a trip via a tour operator and trying to book the same trip independently, as far as possible.
You should note which is easier and which is cheaper, package travel or independent travel.

Section 5

The Future of Tourism

CASE STUDY 37

Hotel Bourazani, Greece – An Entrepreneur's Contribution to Sustainable Tourism

In the author's opinion, too much of the debate on sustainable tourism focuses on governments and large-scale tourism organizations. Yet, as we know, tourism is an industry dominated by small and medium enterprises, usually family-owned concerns. Many proprietors of these businesses are people with deep roots in the location in which they operate and a genuine interest in its future well-being. They can, therefore, make a great contribution to sustainable tourism, at the local level, through their own actions.

An example of this is the Hotel Bourazani, in north-west Greece, based on an estate owned for nearly a century by the Tassos family. One of the authors, John Swarbrooke, has worked with the family which owns this hotel since 1998, when he met them as part of a wider project concerned with developing ecotourism in the Epirus region of north-west Greece.

The Hotel Bourazani is a hotel and restaurant, but, over the years, it has developed many other attractions.

Perhaps we should let Yorgos Tassos, one of the family, tell the story in his own words:

> Bourazani, a small valley next to Aoos River, is located by the Greek-Albanian border. My family was the owner of a forest property of 350 hectares and in 1973 my father and my uncle decided to set aside an area of 120 hectares in order to create a game farm and a hunting area. In 1983 Hotel Bourazani was built. The first structure had 10 rooms intended to give shelter to hunters. In our small hotel restaurant, wild game (boar, deer, etc.) was served, cooked in various ways. Soon we became aware that, although many hunters still visited our hotel, most of our visitors were families, which they had nothing to do with hunting. Their main purpose was to enjoy the nature, to observe the wild game in their natural environment, to feel our hospitality and to taste our delicious food.
>
> In 1991, because of the increasing number of our guests, we faced the demand for more space. Therefore, we added 10 more rooms in the existing hotel and we enlarged the dining room. In 1992, soon after my postgraduate studies in the veterinary medicine, in France, we established a new philosophy for our company, giving up completely the idea of hunting. We therefore transformed the game farm into a well-organized Environmental Park.
>
> With the assistance of European Programmes, in 10 years we constructed roads and warehouses for the storage of the food for the animals, as well as special buildings for the reception

of our guests, providing information in matters concerning the biological life cycle of the animals and the flora and fauna of the area. The special buildings within the Environmental Park of Bourazani are:

1. The 'Peripteron' of Environmental Education, a visitor centre constructed in 1993.
2. The Workshop, where we turn the fallen horns of the animals into souvenir products.
3. The Main Building, a well-organized conference hall, constructed in 2001, with audio–visual facilities which can be used by educational groups.

Today in the Environmental Park of Bourazani, we host 850 wild animals, which belong to six species: the fallow deer, the red deer, the roebuck, the mouflon (wild sheep), the kri-kri (wild goat), and the boar. These animals live free within an area of 120 hectares and each year give birth to approximately 60–70 newborn animals. Every year we are obliged to remove 60–70 animals in order to maintain the balance of the animal population and keep stable the number of animals we host. Consequently, animals which weigh too much, have teeth, bone or muscle troubles, or are aggressive are culled and after the necessary veterinary and hygiene controls, their meat is used exclusively in our restaurant.

Since 1992 we have clearly understood that in order to maintain a constant progression in our business we should try to better organize tourism in the whole region around Bourazani. As a result, from 1992 onwards we started to record and restore monuments and areas that could attract visitors:

1. In 1992 we informed the authorities for the European Commission (EC) Programme LEADER 1 and at the same time we restored the watermill of Bourazani.

   In 1997 in collaboration with the Development Company of Zagori, Municipality of Konitsa, Municipality of Gordes, in France and the Forest Association of Norcia in Italy, we transformed the Bourazani watermill into a Centre of Water Movement (today one can see the miller washing clothes or grinding wheat, corn, etc. to make flour). Furthermore, there is a path next to the river.
2. In 1995 the Tsipouro – the local eau de vie drink – Distillery Association was created in the nearby village of Molyvdoskepastos, where there is a small shop selling tsipouro and other local products. In our collaboration with the Association we made them realize that it is more important for the visitors to understand the production process of these local products than to merely buy them. Consequently, we encouraged them to show to the visitors the apparatus used in distillation and explain to them the way it works.
3. In 1996 we contacted the Municipality of Konitsa and the University of Athens, Department of Biology, and we made all the necessary steps to raise a fund of €15,000 so that *Konitsas' Flora and Fauna Guide* could be published, in 2000.

   In 1998 we were funding members of a project about the development of ecotourism in Epirus, involving collaboration with Mr John Swarbrooke, with the support of the British Embassy in Athens. As part of the entrepreneurs group who worked with Mr Swarbrooke for the common project of Epirus tourism and its promotion in the European market, I gained a lot of things and I started considering the tourism issue from a different point of view.
4. Since 1994 we have studied the flora of the vicinity and until 2002 we have recognized and classified 600 flowers, 45 of which belong to the Orchid family. It is worth mentioning that all over Greece there are 90–100 species of orchids and 45 of these have been recognized in Bourazani, so far.

   In 2002 the first group from England came to Bourazani for plant and bird watching, with a specialist tour operator.

5. In 2001, we undertook scientific research in collaboration with the Biological Department of Freiburg University in Germany, the Department of Natural Resources Administration, University of Ioannina and the Forest School of Thessaloniki.

   With the help of the above-mentioned scientific and research organizations we realized that the flora biodiversity of our area is unique in Europe.

   Through the above-mentioned steps for the development of the vicinity and our already Bourazani Hotel and Environmental Park, the number of the guests to the area has been increased rapidly (c. 70,000 visitors per year).

People visit the area all the year through but mostly during March–May. It is that time of the year that groups with environmental interests from all schools in Greece come and spend 2 or 3 days in Bourazani, in order to attend the Educational Environmental Programme which we organize in our Environmental Park.

Besides the schools, students from the Biological Departments of the Greek Universities arrive at the same period of the year for education and observation of the flora and fauna.

Guests in general can easily spend 3–5 days in our hotel following a wider visit – programme, in the surrounding area, in carefully selected and worth-seeing places, and the occupancy of our hotel comes to 55–60 per cent annually.

The aims of our company for the future are:

1. To establish an Exhibition Centre for the 600 species of plants growing in our vicinity, 45 of which belong to the Orchidaceae family. For this reason, since 1998, we keep catalogues and take photographs of the plants.
2. To add 10–12 more rooms in our hotel. Moreover, a few kilometres from Bourazani, at Mertziani, a new Customs House was built to serve the needs with the nearby Albania. Through the national and international roads which are under construction, or will be, we estimate that, in 10 years from now, we will be able to pass Albania transit and arrive in Dubrovnik (Dalmatian Coast) in 6 hours and in Trieste, Italy, in 16 hours. Thus by the end of this decade, European visitors will travel through the Dalmation Coasts and passing through Albania, will arrive in our area, via Mertziani Customs. The increased tourism, nevertheless, can result in damage to the environment and the buildings, when the necessary precautions are not taken. Therefore we, as a company, encourage the authorities to protect the environment in order to secure the future of our vicinity and our enterprise. In collaboration with the Local Authority and the General Secretary of Epirus, we achieved the funding for the area planning study.

   In this way, we hope to assure and protect all our educational and cultural elements, to have a uniform model for new buildings so they conform to the traditional architectural style, and to establish only suitable uses of land in order to have a future.

It is very impressive to see a Greek entrepreneur, whose second language is French, able to contribute such an elegantly worded description of the ethos of his family's operations in English! In recent years, the Hotel Bourazani has established an excellent reputation, as can be seen from the description of it in the 2002 edition of the '*Charming Hotel and Restaurants of Greece*' guide, which is as follows:

Hotel Bourazani

Well off the beaten track though it is, this really is a place not to miss, well worth the detour. The Hotel Bourazani would qualify for an entry on the strength of its surroundings alone, standing as it does among lush, almost tropical forests of plane and chestnut trees beside one of Greece's loveliest rivers. Its comfortable rooms and good restaurant (with a menu which features wild boar and other game in season) are an unexpected and welcome bonus.

You might almost think yourself at a private safari lodge in Africa, as the hotel is surrounded by a 120,000 square metre private park, close to the splendid Aoos National Park and on the banks of the ice-blue Aoos River. And it even operates its own guided photo-safaris, which take about two and a half hours, during which you can see deer, mouflon and the rare Cretan krikri. Originally pasture land belonging to the Tassos family, who still run the park and hotel, Bourazani became first a game reserve, then a private environmental park. Rooms are large and light, with simple decorations, big floor-to-ceiling windows and polished wood floors, and a separate coffee table and seating area.

Furthermore, following the project referred to earlier in which John Swarbrooke participated, the hotel has now become well established on the itineraries of UK-based specialist tour operators, as the following examples illustrate:

1. Greentours offer a 2-week nature tour of the Pindoos mountains of Greece. The Hotel Bourazani is the base for 1 week of the tour and the tour operator's web site says 'The lovely Hotel Bourazani is our base for the week. Quietly situated among meadows and woods, just a 100 metres from the beautiful Aoos River, the Bourazani is run by the charismatic Yorgos and his helpful family …. The liquid of regional Golden Orchids cascade through oakwoods next to the lovely Bourazani, a hotel worth coming for alone …'
2. Himalaya Travel offer an 8-day lakes and ecological parks tour through the whole of Greece, which includes a visit to the Bourazani environmental park.

The personal web sites of many travellers also include very references to the Bourazani.

As we will now see, the example of the Hotel Bourazani tells us a lot about entrepreneurship and what an individual enterprise can achieve.

Key issues

- The Hotel Bourazani is a family enterprise in a country, Greece, where family is very important. It is also part of the history of the family because the land on which it stands has been owned by the Tassos family since 1916 when great grandfather bought the land on which it stands, as farmland. The family is therefore strongly tied to this enterprise and the land on which it stands.
- The development of the Bourazani estate over the past 20 years has been a result of the vision of the family and their willingness to take risks and try new things.
- The hotel, the restaurant, and the environmental park, have all developed a high quality reputation as well as international recognition.
- Unlike many entrepreneurs, the Tassos family have not just been concerned with their own business. They have also acted as a catalyst for tourism development in the surrounding area through their leadership and the example they have set. They are as committed to the future of their region as they are to their own business.
- As well as tourism, the Tassos family are true nature lovers and have taken a lead in nature conservation in the region, through the research projects they have worked on, and their environmental park.
- They have also played a significant role in protecting traditional architecture and industries, through their contribution to the Monastery and the Tsipouro Distillery, respectively.
- The family has networked effectively with local government and has looked throughout the whole of Europe for funding (the European Commission (EC)) and research partners (Germany and Italy).

- Within the Epirus region, Yorgos Tassos is now a leading figure in the tourism field, although this can make him, like other people in a similar position, a target for envy, by less dynamic entrepreneurs.
- The family has successfully managed the transition from hunters to nature tourism providers and rural conservationists. This was quite a gamble in a country where hunting is still very much part of leisure lifestyles and popular culture. At the same time, the approach to wildlife is not sentimental and culling still takes place to prevent over-population of the environmental park.
- A major, and very worthwhile, part of the activity of the Bourazani estate is environmental education for schools and university students. The facilities are excellent and this is a very good market in a country where environmental education is in its infancy.
- The family continues to be successful because they are always thinking of the future, not resting on their laurels and standing still. For example, they are already looking to exploit the growth of cross-border leisure tourism between Greece and Albania, through a border crossing, a few kilometres from the hotel.
- The Tassos family are also always developing new products and skills to help them keep their enterprise successful. For example, they now offer 'photo safaris' of the environmental park and Yorgos has started learning English so he can negotiate better with UK-based tour operators, who are increasingly interested in including Bourazani in their itineraries. They have also developed a web site in English and Greek.
- Yorgos has also succeeded in marketing Bourazani because he has taken advice and used it effectively in his marketing. For example, when John Swarbrooke identified the potential market for Epirus from UK specialist tour operators, it was Yorgos who took this advice on board and put in hard work to turn this idea into reality. He is always looking to learn new ideas and techniques rather than saying as some entrepreneurs do 'I've been in this industry for *x* years; there is nothing left for me to learn', or 'we tried that and it failed'. Interestingly, Yorgos is a well educated, trained veterinary scientist which perhaps gives him more confidence to try new things, than a less well-educated self-made entrepreneur.
- Finally, while most of the more dynamic entrepreneurs in Epirus have foreign connections, such as foreign wives or husbands, perhaps, the Tassos family are a wholly Greek family. However, Yorgos' studies at the Sorbonne in Paris may also have helped widen his horizons, which is helpful when trying to market an enterprise to foreign tourists.

Conclusion

The Hotel Bourazani is an excellent example of what dynamic, visionary entrepreneurs can achieve in terms of sustainable tourism. As the owners and operators of a real business they can actually achieve things that governments can only encourage through policies and funding schemes. It shows what entrepreneurs with a social conscience can do by combining good business sense with commitment to the local community and the physical environment. It is an example of the currently fashionable concept of 'corporate social responsibility' (CSR). However, such entrepreneurs still face envy and distrust, and they also need complementary action to be taken by others throughout the region, otherwise they will be isolated examples of good practice in an inadequately developed tourism region, which could ultimately threaten their own long-term sustainability.

Discussion points and exercises

1. Critically evaluate the Hotel Bourazani enterprise, noting its strengths, and the questions it raises, in relation to sustainable tourism.
2. Discuss the problems which may face a hospitality or tourism enterprise if it tries to develop a more sustainable form of operation.
3. You should search for other examples of entrepreneurs who are trying to develop sustainable tourism in their own area, and then critically evaluate their efforts.
4. Discuss the policies which governments could adopt to facilitate the development of projects such as the Hotel Bourazani.

CASE STUDY 38

Tomorrow's Tourists – 'Kate'

Effective tourism management is all about anticipating future demand and planning accordingly. Demand is, of course, the result of the preferences and personal decisions of millions of individual tourists. Therefore, the authors thought it would be particularly interesting to look at the views of one young woman, on her current holidays and her ideas about the holidays she is likely to take in the future. Kate, at the time of the research, was a 15-year-old young woman from Sheffield. The authors asked Kate to talk about what she likes doing on holiday, her last holiday, the kind of holidays she thinks she will take in the future, and her perceptions of destinations.

The words which follow are Kate's own.

Kate's last holiday

The last holiday I went on was Cyprus, and I enjoyed it because the weather was nice, and I thought the place was really lovely.

I went to Cyprus with my dad. The part we stayed in was called Limassol. Limassol was a vibrant cosmopolitan town and it was the largest coastal resort on the island.

The things I liked about the resort were that there were plenty of water sports, restaurants, and bars. Also, if you wanted to, you could hire a car and tour the island. We hired a car for a few days and went to various places including Paphos, Ayia Napa, Nicosia, and the Troodos Mountains. There was also a frequent bus service and numerous taxis.

The thing I disliked about the resort was that there were not enough shops (clothes shops).

The accommodation we stayed in was a 3-star hotel called Elena Beach Hotel. It was set in a convenient seafront location within walking distance of bars, restaurants, banks, and supermarkets. I thought the hotel was quite nice and the swimming pool was quite large. We were half board. The meals we had were very nice; they put on a variety of food.

The beach was just at the back of our hotel, so we didn't have very far to walk, which was good, so we could just get straight on the beach.

Kate's holiday activities

The things I like doing on holiday are lying on the beach, swimming, going in the pool at the hotel, going to the pubs, doing water sports. Sometimes doing a bit of sightseeing, but not too much because it gets a bit boring after a bit. I prefer to just stay on the beach all day and then sometimes go for a little walk, further up, or whatever.

We sometimes hire a car, but just for a few days, because I don't like looking at museums and things like that much; I find it a bit boring, and I'd rather go on the beach.

A typical day on holiday would be getting up quite early and going on the beach, until around 2.00 p.m., and then perhaps having a stroll further up the beach, or having a look around the shops. Having a dip in the sea, swimming pool, and then going back to the hotel to get ready for tea.

If we are going to hire a car for the day, we again get up early and plan a route to go wherever, and then go there for the day, then come back, and then by that time, it would be time to have our meal.

Things I would least like to do on holiday, would be to visit museums, because I'd be bored out of my brain. I'm not into things like that. That's what my dad's into. He'll drag me round places like that sometimes. Backpacking, it's not really my idea of fun. Learn the local language – I think that would be a bit difficult. I wouldn't call that a holiday, I'd call that school.

I'm not really that bothered about taking a coach excursion to a pretty village, or horse riding. Things that I'd most like to do would be go shopping, do water sports, go sunbathing, go clubbing, eat out in smart restaurants, things like that.

Sunbathing, because isn't that the main reason you go on holiday – to relax and to come back with a tan – otherwise it's just a waste of time going.

My hobbies or interests are sunbathing, shopping, water sports. I love shopping, when I go shopping, I shop all day, providing I've got the money to shop.

My interests and hobbies don't really affect how I spend my time on holiday because I can do more or less the same things there. I like the shops, and little markets, and places to look round.

Kate's perceptions of places she has never visited

- *Paris* – At this age I don't really have any desire to go there, but I would like to go there when I am older. I think it is more of a place you go to with your partner because it is supposed to be the city of romance (I think).
- *Florida* – I would love to go there. From what I have heard it sounds like a really fun place to go on holiday. It has Disneyland there, which I would love.
- *Canary Islands* – I would like to go there because I have heard it is very hot and it is very relaxing. The thing that puts me off is that the beaches are man-made.
- *Ibiza* – This is a place I would like to go to with my friends for my first holiday without my dad because a lot of young people go, because it has good nightlife, really hot, nice hotels, lots of water sports.
- *New York* – I would like to go there to see all the different sights but the only thing that puts me off is everything that has gone off (Twin Towers, etc.). I definitely wouldn't want to be there on 4 July.
- *Australia* – I've never had any desire to go there. This is the kind of place that wouldn't interest me. There are sharks, which is not good.
- *Venice* – I think this kind of place is like Paris. It's not a place I would go to with my friends. Most people that go are older and tend to go with their partner.
- *Dublin* – I would really like to go with my friends for a weekend there as my cousins have been, and they say it's a really lovely place with lots of pubs.

Out of all these places, the one I would most like to go to is Florida, because there's lots of things to do for young people. The place I would least like to go to is Venice because I think I would find it boring.

Kate's future holidays

I'll probably start taking holidays with my friends when I'm about 17 or 18, because by then I should have some money, hopefully, and I'll hopefully be allowed to go, as I'll be the same age as my other friends. Some might have to be 18, for their parents to let them go, but by then I'll probably have a little job to help me pay for my holiday. I think we are responsible enough to go away without parents at that age. Also I think this will be the age that my dad will allow me to go.

The kind of holiday I think I might take when I am:

- 18: somewhere young people go, where there's lots to do and has good nightlife e.g. Ibiza;
- 35: if I have my own family by then, I would want to go somewhere that caters for families like Spain.

Places that I'd visit when I'm 35 would be possibly Majorca. I've already been there for a week – but I wasn't that keen on it because it rained twice, and when it rained, it 'chucked' it down, so you've got to go when you can guarantee good weather. Therefore, I'd have to keep my fingers crossed that the weather would be nice.

Places I'd go to when I'm 65 would be Portugal because I've heard it's quiet, and I'll be older then.

Kate's 'dream holiday'

If money is no object, two dream holidays I would like to take are America and Ibiza. America because there is so much to see, and it would be such a good experience. I'm willing to travel and I would like to travel to California, Hollywood, and all those places.

Ibiza, because there's apparently brilliant nightlife, nice beaches, good weather, so I could get a tan, water sports, nice hotels, but you need a few people to go, to have a good time. I'd like to go to a very posh hotel, with nice swimming pools.

Key issues

- Kate appears to confirm the generally held view that young North Europeans are attracted to beach and 'party tourism' type destinations. She is also clearly a keen leisure shopper but is less enthusiastic about sightseeing.
- Kate clearly reinforces the idea of demographic segmentation as a key determinant of tourist behaviour, for she clearly believes her holiday-taking activities will change as she gets older.
- Her current holiday-taking activity, at 15 years of age, is clearly determined by her father but she envisages that she will be holidaying with her friends, rather than her family, within 2 or 3 years.
- Kate has some strong perceptions of destinations she has never visited, both positive and negative. It is likely that these views come from a variety of sources, including her family, friends, and the media. Her interest in Dublin, for instance, seems to be due to what she has heard about their trip from her cousins.
- She obviously appreciates the impact of terrorism on destinations and her expressed desire not to be in New York on a special holiday such as 4 July shows she has a sophisticated understanding of potential future terrorist targets.
- Given that Kate is nearly entering the age group where backpacking is most commonly seen, her dislike of this form of tourism is interesting. She clearly sees it as hard work. She also thinks it would be good to learn the language of her destinations for this form of holiday and she does not like this idea because she did not enjoy learning languages at school.
- When asked what her dream holiday would be if money were no object, Kate did not choose very expensive holidays or exotic destinations. Instead she chose Ibiza, the icon of party tourism, and California, USA.
- Kate said little or nothing about some aspects of the vacation experience, notably what she eats on holiday or the flights to and from the destination.
- In spite of all the publicity over skin cancer, it is clear that for Kate, like many people, getting a tan on holiday is still very important.
- Kate, although young, is clearly influenced by her past experiences, for example, her rather negative view of the weather in Majorca, because it rained on her first visit.

Conclusion

Kate seems, on the face of it, to be a stereotypical North European teenager who loves beaches, sunbathing, and the idea of partying, while seeing sightseeing and museums as quite boring. However, it is also important to recognize that her current holidays, future holiday plans, and perceptions of destinations, are in some ways unique, reflecting the influence which her family and friends, and her own experiences, have had on her views. It is important for tourism planners and marketers to realize that every tourist is unique and does not fit neatly into the 'boxes' identified by segmentation specialists.

Discussion points and exercises

1. Discuss the extent to which you feel 'Kate' is typical of young British people in her attitude towards holiday activities and her perceptions of destinations.
2. Discuss the factors that may mean that 'Kate's' views might be different if she were American or Chinese or Spanish.
3. Critically evaluate the lessons we can learn from this case study about the motivations and determinants of tourist behaviour, in general.
4. You should carry out a survey in which you ask similar questions of a small sample of young people in your own country. Then, compare and contrast their views with those of 'Kate', trying to explain any differences.

Bibliography

It is quite difficult to provide a conventional bibliography for this book because much of it is not based on material contained in published books or journal articles. Instead, most of the text has been found from a wide range of sources, including:

- the web sites of organizations and destinations;
- data provided by organizations in response to requests from the authors;
- personal empirical research by both authors.

The references to these, where appropriate, have been included within the text.

In this bibliography, therefore, the authors will focus on four types of references, namely:

- any books and journal articles which have been used to a significant degree in the text;
- books which cover the issues in international tourism management which have been discussed in the case studies in this text;
- pedagogical texts which explore the use of case studies in teaching and learning;
- journals which are valuable sources of current/future issues in international tourism management.

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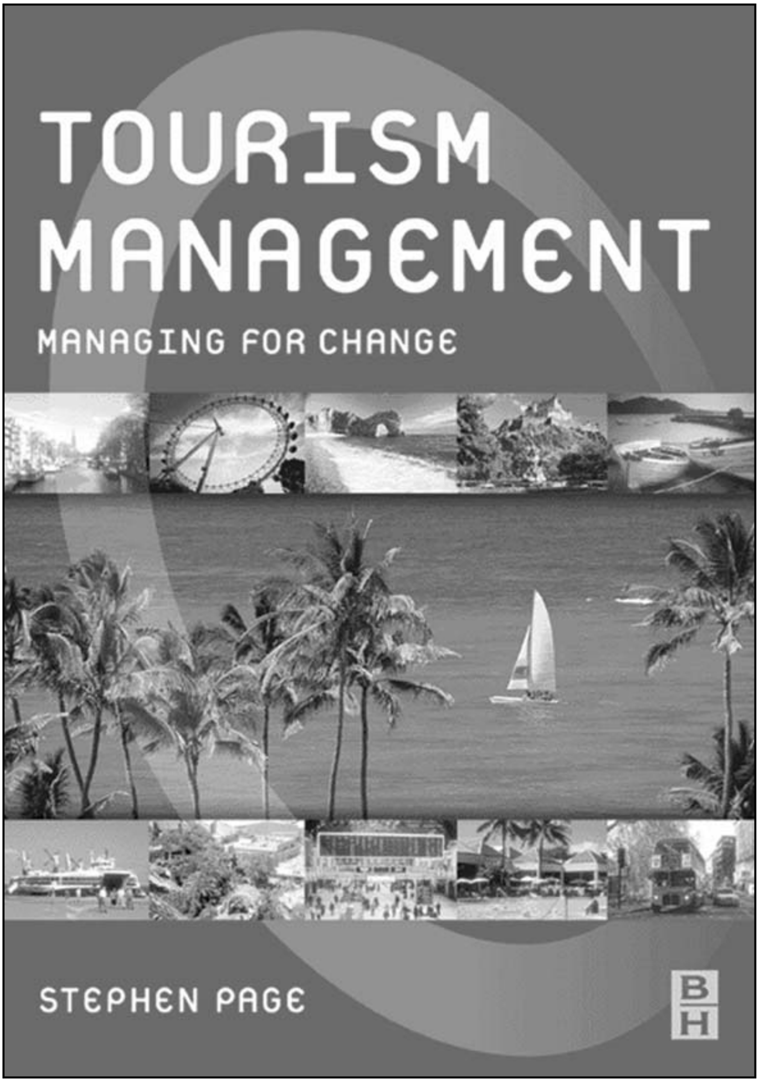

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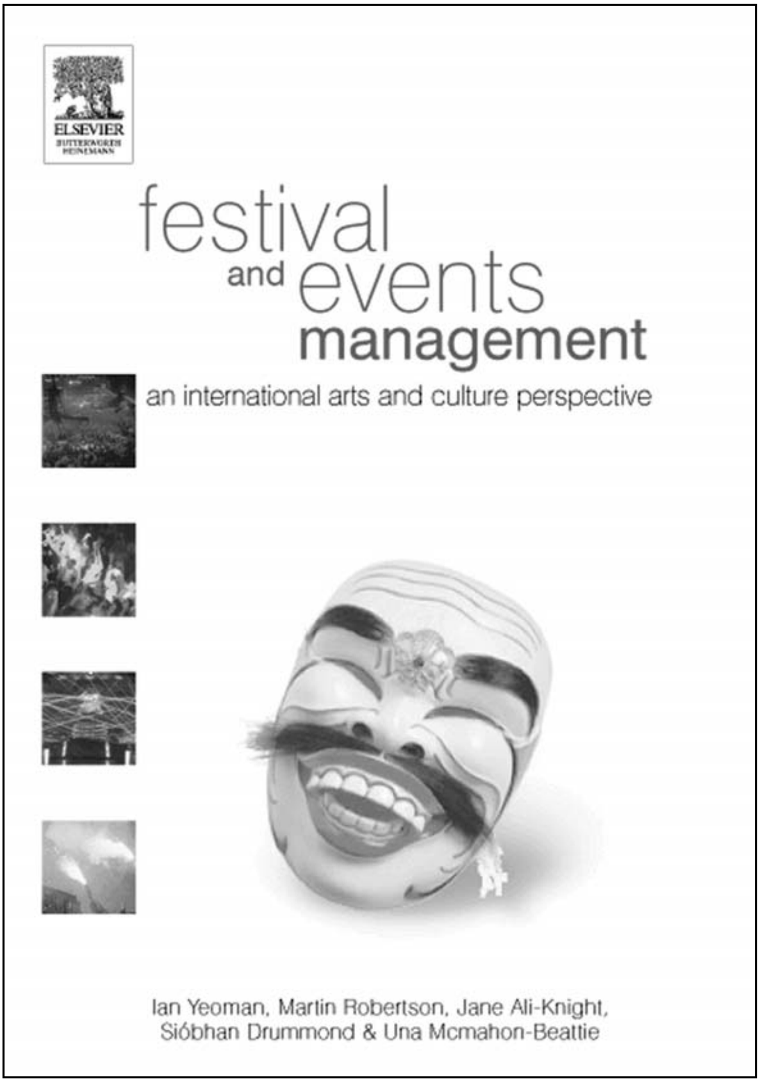

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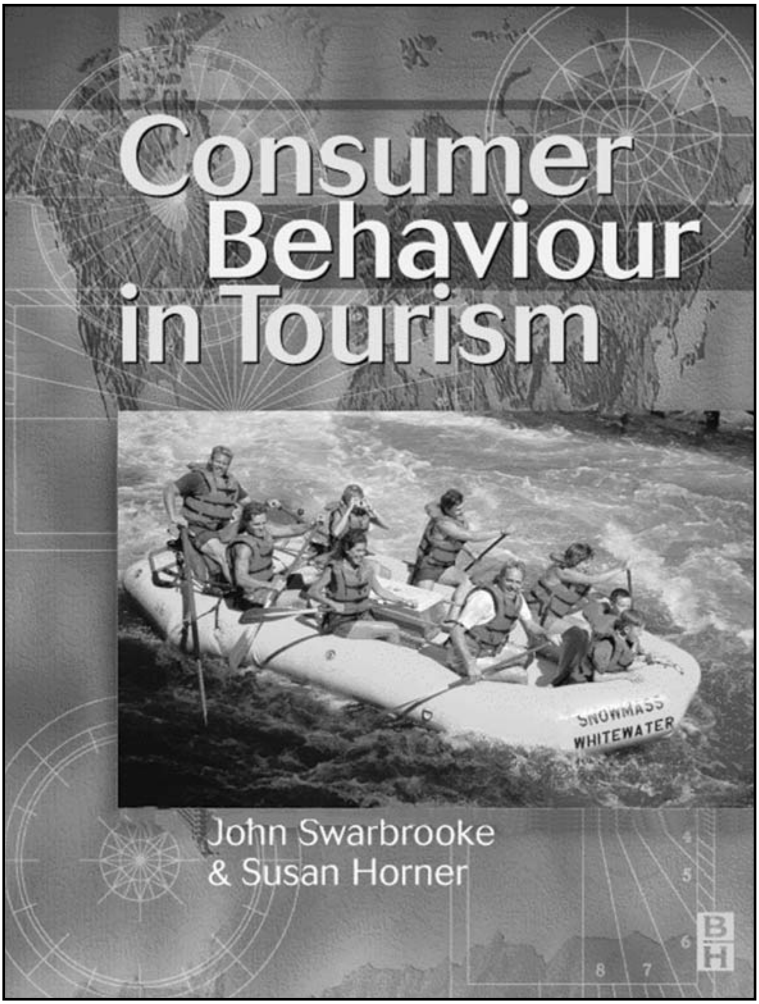

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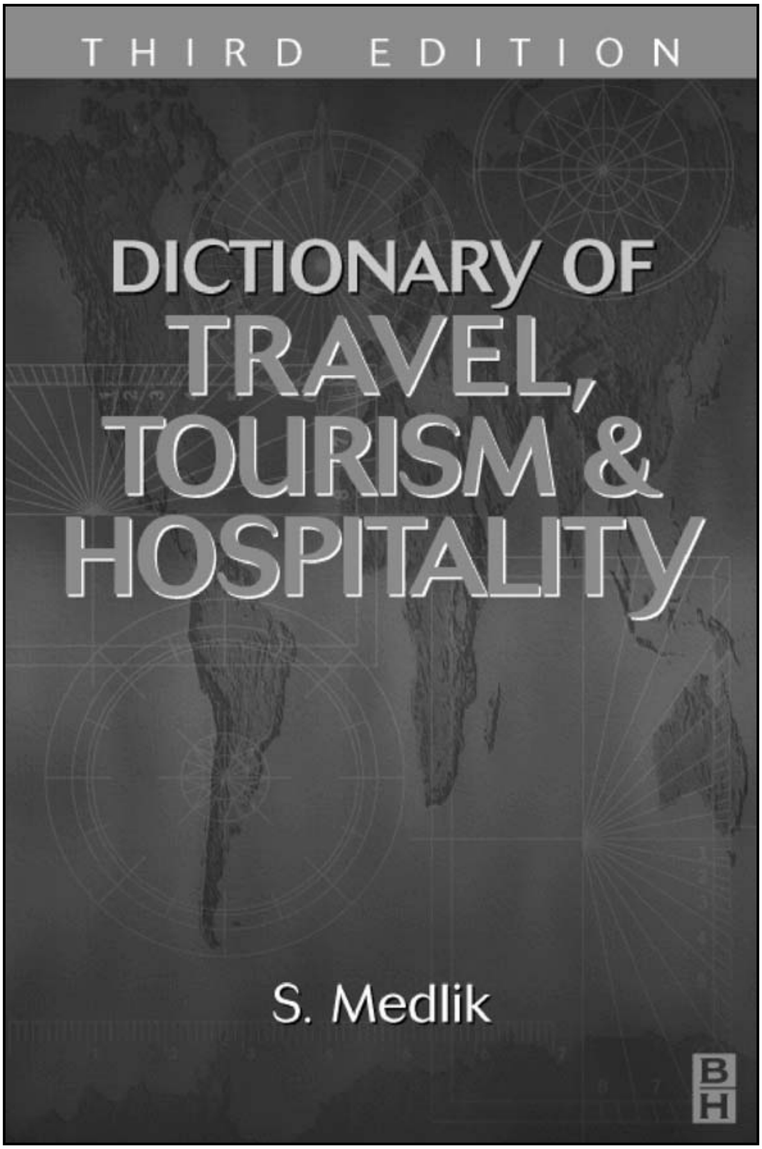

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