

# *The Travel & Tourism Industry*



## Introduction

The substantial growth and development of tourism-related activities clearly marks tourism as one of the most remarkable economic and social phenomena of the past century. For example, the number of international arrivals shows an evolution from a mere 25 million international arrivals in 1950 to over 900 million in 2008, corresponding to an average annual growth rate of 6.6 per cent.

Today travel and tourism is one of the world's largest industries, employing approximately 231 million people and generating over 10 per cent of world GDP. Indeed, world travel and tourism is expected to generate in excess of US\$13 trillion over the coming decade.

You are likely to have some personal experience of travel and tourism. For example, just think about the following:

- › Where did you last go on holiday?
- › Was it in your country or abroad?
- › How did you travel?
- › What type of accommodation did you stay in?
- › What did you eat and drink?
- › What activities did you do on holiday?
- › How was the holiday organised / booked?



From the answers to the above questions you will have examples and illustrations of the following aspects of the CIE Travel and Tourism Syllabus content:

- ✿ If the holiday was in your home country you were a domestic tourist, if abroad you were an outgoing tourist.
- ✿ The destination, if abroad may have been long haul or short haul; at home it may have been a short break or VFR.
- ✿ Different methods of transportation by land, sea and air may have made up part of the holiday. • You may have travelled using principals owned by large private sector companies.
- ✿ The accommodation used may have been serviced or self-catering, such as a four star hotel or a camp site, and you may have had half board or an all-inclusive meal plan.
- ✿ Whilst on holiday you may have visited natural and built tourist attractions and used the services of a local TIC or guide.
- ✿ The holiday may have been booked through a travel agency, or direct with a tour operator.



It is important to understand and appreciate that the development of travel and tourism can take place at a variety of scales. This means that you should be aware of developments within your immediate local area as well as within your country as a whole. Furthermore, an international perspective is also required. It should be remembered that in examinations candidates will always obtain credit for providing specific details about facilities and locations that are appropriate to a particular question.

## Who are the tourists?



It is easy to refer to tourists as if they were just an anonymous mass of people, but of course there are many different types of tourist, each with their own different needs and motivations. Tourists can be:

- › International tourists - people from overseas.
- › Domestic tourists – people from your own country.

Tourists can be classified in many ways but it is usual to divide them up in terms of purpose of visit. We can now briefly look at three major categories of visit.



## Leisure Tourists

These are people who are visiting somewhere for pleasure rather than business-related reasons, in other words they are on holiday. Tourism, in everyday language, generally means people engaging in leisure-related activity, making use of their free time and using their own economic resources (money) in order to do so. Leisure visitors can be further divided, according to whether or not they are day trippers, overnight visitors, short break or holiday takers.



## Business Tourists?

Business travel is one of the most important elements of international tourism. It includes travel to business meetings including sales trips; attendance at conferences and trade shows; and government business. In general, business travellers are high spending and make extensive use of premium fares on trains and with airlines as well as staying in quality hotels. MICE (Meetings, Incentives, Conferences & Exhibitions) tourism is the recent growth area in international tourism and relates to various forms of business tourism.

Meetings are defined as events designed to bring people together for the purpose of exchanging information, either from within one company or organization or from a broader spectrum of people.

Incentives are the second category of this market segment and include travel to a foreign country or domestically as part of a motivational incentive scheme to increase or reward employee effort.

## Visiting Friends and Relatives (VFR)



Visiting friends and relatives may well be for the purposes of leisure, recreation and holidays and this is frequently a main reason. There are also others factors, however, to do with family occasions (births, weddings, funerals), which are not traditional vacations or holidays. In many societies, returning to the community from where one's family originated (indeed, where family members may still reside) is an important part of the annual calendar, especially at religious or cultural holidays and festivals.

The importance of the contribution made by VFR to the development of tourism in a given destination can be illustrated by the survey findings listed in Fig. 1

## Survey Results

1. I usually buy in extra food when people come to stay with me  
**88% AGREED**
2. I always try to find a local event or attraction to go to when I have visitors  
**45% AGREED**
3. I always take my visitors out to eat in local restaurants at least once during their stay  
**58% AGREED**
4. When going out with my visitors I avoid places I know will be overcrowded with other tourists and day trippers  
**63% AGREED**
5. If I didn't have room for visitors to stay overnight at my house I would recommend other accommodation locally  
**69% AGREED**
6. I feel I should pay for everything when I have visitors to stay  
**47% AGREED**
7. Going out with my visitors makes me realise how much my local area has to offer  
**61% AGREED**
8. Staying overnight with friends or relatives is a cheap way of having a holiday  
**62% AGREED**
9. Many of my friends live so far away from me that visiting them requires staying overnight  
**68% AGREED**
10. I try to combine trips to visit friends or relatives with an event of interest to me in the area  
**41% AGREED**
11. It's important that the people I am staying with come along with me to visit local attractions or events  
**57% AGREED**
12. When I stay overnight with relatives it is usually because of a family event or special occasion  
**53% AGREED**
13. By going to stay with friends or relatives you get to see parts of the country you may not otherwise visit.  
**77% AGREED**

**Source:**

English Tourism Council research carried out amongst representative sample of 959 adults in the UK

## What is the travel and tourism industry?

Travel and tourism is a global industry, involving approximately 1 out of every 11.5 people on the planet. The industry has experienced tremendous growth in the last 40 years and is now considered to be one of the most important industries in the world. However, what exactly are we talking about when we say “the travel and tourism industry?” To put it simply, it is that whole mix of businesses and agencies that works together to serve the needs of people who travel. Some do this directly, such as airlines, bus companies, hotels and holiday companies. Some do this indirectly, such as advertising agencies, consultants and government bodies. The various sub-sectors that go to make up the travel and tourism industry are shown, in a simplified form, in Fig.2.

### The component sub-sectors of the international travel and tourism industry

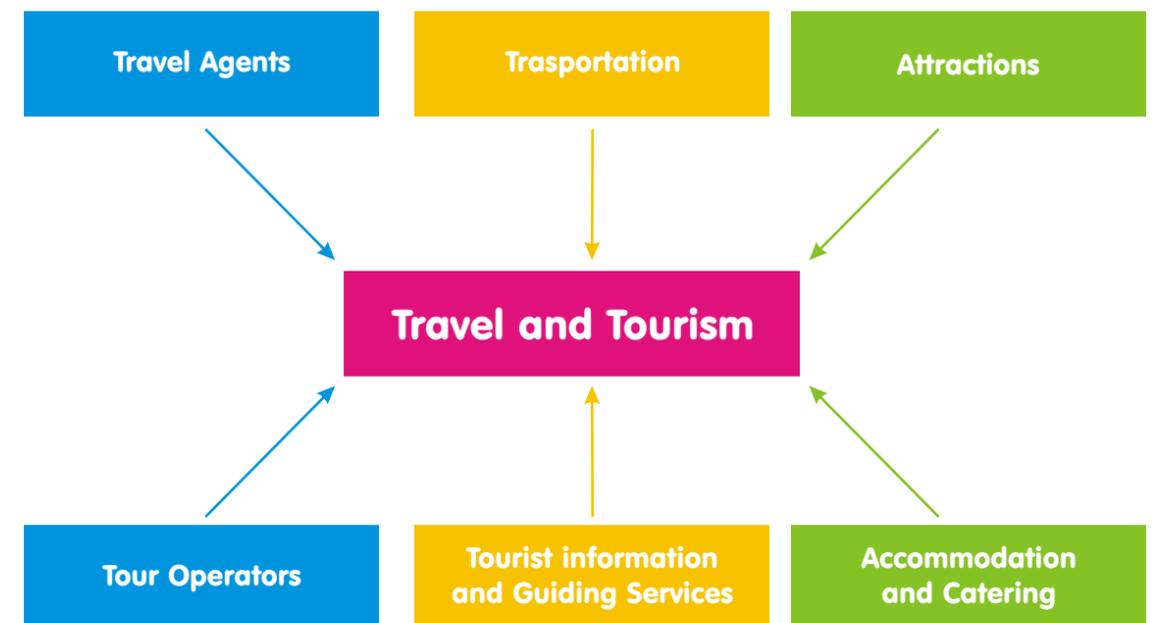


Fig. 1