

Factors contributing to industry growth tourism essay



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CLASSICAL TIMES TO 1800 AD

EGYPT: Evidence of pleasure tourism are to be found on early pyramids and graffiti found date to 1244BC. The urge to leave behind something to posterity is not of modern origin.

ANCIENT GREECE: The Olympic Games at Olympia had tens of thousands of visitors and can be considered as an example of the oldest tourist resort.

AD 100-500: THE ROMAN EMPIRE: A superb network of roads with proper foundations and drainage covers the empire. International travel becomes more efficient and more effective.

AD 1100-1300: PILGRIMAGES: Visits to holy places of veneration. The word holiday is derived from holy days. Pilgrims consist of all social groups but are mainly middle-class. Some 300, 000 visitors flock to Rome in the year 1300.

AD 1550-1800: SPA TOURISM: The term originating from the Latin Salus Per Aqua meaning health through water. In Europe there are many old towns where natural springs offer palliative care for those who believe. In the UK famous spas are Bath, Tunbridge Wells, Epsom. Bath becomes a fashionable watering place with invalid accommodation, theatres and entertainment being attached to the pools and pump rooms.

The period of 1600-1800 heralds a democratisation of tourism. The Grand Tour enables a young gentleman to prepare for prospective placements furthering a career. It develops into sightseeing rather than education with the professional middle class now engaging in such pursuits visiting Turin, Verona, Venice, the Rhone Valley, Austria, Switzerland and Germany. The

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Grand Tour like all tourist movements was the product of a particular social and cultural environment.

THE BIRTH OF THE SEASIDE RESORT: A certain Dr Richard Russell wrote a tract entitled Concerning the Use of Sea Water which gained popularity in knowledgeable circles and to the realisation that minerals to be found in the spa water with relaxing and balming effects could be found in seawater also. Seaside resorts appeared everywhere along the coast with Blackpool, Brighton and Southend becoming prominent. Facilities were supplied providing entertainment, food, accommodation. Some benefited from the inauguration of a steamship service operating at the beginning of the eighteenth century with the provision of piers still surviving in the present. Rapid extension of the railway network in the nineteenth century resulted in growth of seaside resorts; their distance from dense urban conurbations having been dramatically reduced. The Fleetwood line gave birth to Blackpool. The railway companies even promoted the favoured few. Cleethorpes arose with the Great Central; Morecombe by the Midland Railway.

The **HOLIDAY CAMP** appeared in the 30s and rapidly mushroomed after the WWII with Butlins and Pontins showing the way, only to wane in popularity with the emergence of the package tour.

FACTORS CONTRIBUTING TO THE GROWTH OF THE INDUSTRY: Car ownership assumed increasing importance after the World War as it provided for personal freedom through time flexibility. There was an increase in the amount of trips around the country and to the coast. An indication of this

urge for personal freedom provided by the car is to be seen by the figures for ownership. These amounted to 2 million in 1950 to 11 million in 1970 and more than 20 million for 2000. This rate of progress inevitably affected public transport figures. Rail journeys fell from 48% of total journeys in 1950 to barely 9% in 1990.

The really significant progress has been with the aircraft industry. Rapid technological advance in aircraft design as a result of war provided climate for application to the commercial sector. Holiday travel by air became a reality for the first time because of the proliferation of surplus aircraft available and the emergence of able entrepreneurs such as the likes of Harold Bamberg and Freddie Laker. Britain was foremost for the jet age with the arrival of the Comet. However tragic misfortune occurred because of metal fatigue and the model was withdrawn; only with the arrival of the Boeing 707 in 1958 did it become feasible to accommodate the needs of mass tourism. The 1960s witnessed a demand surge for scheduled and charter flights. Multipart provision developed with accommodation and couriers offering what is called the package tour.

TIME OF THE ENTREPRENEUR AND PACKAGE HOLIDAYS

The huge surplus of transport aircraft that became available featured a very useful and resilient aircraft the Douglas Dakota together with experienced pilots to fly them. These were commandeered and utilised for innovative charter flights into Europe; Ostend, Paris and other destinations becoming very popular. It was the time for the entrepreneur. Vladimir Raitz pioneered the way in 1950 with his newly fledged company of Horizon. A two-week holiday was organised for an all-inclusive cost of £32. The following years

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witnessed rapid progress. Palma(1952), Lourdes(1953), Costa Brava(1954), Sardinina(1954), Minorca(1955), Porto(1956), Costa Blanca(1957), Costa del Sol(1959). Parallel to such developments as this was a steady rise in domestic living standards which with low unit costs provided by the carriers sustained international development for travel.

The devaluation of the Spanish peseta at the end of the fifties highlighted this country as a particularly attractive proposition. It had a very low cost of living index. Spain with the Balearic Islands became a focus of destination peaking around the 1980s. British tour operations were constantly searching and the Algarve in Portugal was also included together with the Greek Islands, Morocco, Turkey, Tunisia and more recently Croatia. Long-haul destinations involving flights across time zones such as the USA, India, the Far East and Australia have become more popular supported by the inevitable advancement of aircraft technology and the provision of reasonable prices. British tourists are favouring such destinations as Florida, the Caribbean, Hong Kong and South Africa.

ELECTRONIC BOOKING SYSTEMS:

The Travel and Tourism industry has of necessity always responded to any technological advancement. The computer has become indispensable with commonplace infrastructure within industry consisting of extensive databases and sophisticated layered central reservation systems(CRS). Advancements in transportation such as the Channel Tunnel and recent aircraft design have been accompanied by applied tailor-made seamless computer systems. Various booking systems are able to deliver instantaneous access on behalf of the customer into banks of relevant data.

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Global computer reservation systems such as Galileo, Worldspan, Sabre and Amadeus facilitate information transfer for tourist destinations, transport, railways, ships, aircraft.

Rapid developments in technology infrastructure of transport systems with the arrival of the jumbo jets and low-cost airflights have now enabled a variety of choices to become available.

SOME FUTURE DEVELOPMENTS:

Parallel to such developments are marked improvements for standards of living. People are living to a greater age and now have more time for leisure and are becoming more discerning as to what they now require for a satisfying away-break. In recent years second holidays have appeared because of more discretionary income-income available after other household costs have been met-becoming available. A popular combination consists of a package to an all-inclusive resort and a seasonal variation such as a ski resort, weekend breaks or visits to other cities.

There will be more leisure time available with a consequent demand for shorter time span holidays. The population will contain a far larger proportion of senior citizens who will have a greater concern over matters of personal health thereby promoting a demand for medical tourism and spa destinations. The youth market will probably seek more adventure themes and customized holiday programmes may well affect the packaged format. Transport and accommodation prices might rise significantly because of Government action through taxes concerning greenhouse gas emissions. Borders will dissolve via the internet enabling customers to locate cheap

products. Internet predominance will be the driving force for travel and tourism distribution methods. Marketing will be directed towards the experiential prompting the question of what is there to do when I arrive. The development of new airports will give rise to new destinations but for shorter trips the railway will become prominent.

The airship has always figured in futuristic considerations and it is quite possible that hotels of the skies will appear. Solar-powered patterned on dirigibles. Under the sea is another voyeuristic domain, the Hydropolis being constructed in Dubai and expected to be operational in 2009 is a forerunner of such splendid enterprise and endeavour. On the surface it is likely the cruise ship will develop a stage further becoming literally a floating city. And in areas where a resort is unacceptable for various reasons, including the political it is likely that the floating pod will appear able to be constructed literally anywhere on planet's surface.

THE FRAMEWORK OF THE INDUSTRY is usually acknowledged to consist of at least six categories. They comprise firstly in any order of ATTRACTIONS- these being of nature or constructed by Man. The Lake District and the beach at Blackpool are good examples. Any theme park for the family and others such as the London Eye. TRANSPORT is vital for the prospective tourist to be able to reach any chosen destination with at least two options of assisted transportation being necessary to do so. High standards of information are assumed and expected in our times.

Extensive modernisation has been applied to the railway network and there are now a number of private companies actively competing with each other.

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Eurostar, GNER and Virgin for example. There has been some decline for train journeys but the industry seems to be holding its own and there are reported to be some 5 million passengers a year conveyed by Eurostar alone. A very decent and economical mode of transport is the coach network exemplified by National Express and Eurolines who have more than 12 million passengers a year visiting over 1200 destinations.

At least three quarters of the ever popular package tour makes use of the airways. Time scheduling is a prominent feature of modern times and so it is with the airways who either supply the business person or are used for arrivals at no set time by the charter firms/airlines.

Sea ferries have maintained a high level of preference and suitability for passengers to Ireland and France. The P&O is still viable and very much so with cruises becoming more and more popular for the Mediterranean.

Another vital category for the holiday is of course ACCOMODATION. Again in modern times overall standards have had to improve. There is a variety available for any traveller of whatever category. Self-catering villas are becoming very popular and there are other forms such as the Travel Inn, B&B's, caravans and camp-sites.

It is the TOUR OPERATOR who puts together a miscellany of necessities that comprise the package tour. It is he who deals with and negotiates contracts for supplying the accommodation and transport to the destination. Bulk purchasing provides low unit and overhead costs enabling provision for the prospective tourist who is able to receive the prepared brochure of what has been put together in the package.

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On the present scene there are essentially four major tour operators. First Choice, Thomson, Thomas Cook and My Travel and these together form what is known as TUI. They have formed themselves via a phenomenon known as vertical integration that functions at more than one level within what is known as the holiday chain. They are examples of mass market suppliers. The industry has been transformed as a result of repeated integration resulting in a market for specialised clientele; the singles market, gourmet cookery vacations for example who are being catered by small niche companies who are still able to survive despite the Big Four.

INTEGRATION AND ITS IMPACT

Vertical integration has an organisation taking over another at a different level of the buying chain.

Tui Travel buys Travelmood

Wednesday, June 11, 2008

Russell Parsons

Tui Travel has acquired Travelmood for an undisclosed sum in a bid to strengthen its long-haul portfolio.

This latest acquisition follows the £85.2 million Tui Travel has spent on 10 acquisitions between since last September.

There can be advantages to such happenings as it enables the organisation control over pricing with excellent communication at all levels of the distribution chain.

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What is called Horizontal integration is less common and this as the name implies concerns an organisation buying another on the same level of the chain. British Airways was bought out of its acquisition of Go by EasyJet with power branding being a resultant so that all logos were owned by EasyJet. EasyJet had more market space available for self-promotion. Horizontal integration can reduce effective competition. Stenna Sealink and P&O argued such a case for a prospect of immediate service improvement.

There is a much more larger share of the market to be had by tour operators as compared to travel agents with the rate of commission available to the tour agent being controlled by the tour operator.

Horizontal and Vertical integration has reduced competition within the industry that has been accompanied with ever present public demand. The Big Four and large companies should be able to weather storms but the smaller concerns will have their backs to the wall in harder times that may be with us for some time.

Tour operators have a much larger market share than travel agents. Thus upon integration with a tour operator the agent sells and promotes the services of the operator. The rate of commission is in the control of the tour operator.

The independent travel agents are seriously affected by integration. The tour operators and airlines will sell their products over the internet directly. As a result niche markets are developing to meet the needs of the customers in the high street who prefer personal attention in such matters

The airlines have also been affected by integration. British Airways tried to merge with American Airlines but IATA said no, because such a pairing would dominate totally transatlantic flights.

Horizontal and vertical integration has significantly reduced competition within the industry. The demand from the public has set a pattern. Smaller companies are not going to be able to cope. A large organisation can absorb failure impact if the arrangement does not work but for a smaller company such failure would spell ruin.

TRAVEL AGENTS do their job of selling the brochures. This is the link between tour operators and the public. They usually cater for specialist holidays.

There are multiple travel agents with agencies all around the UK. The most famous are Going Places, Thomson and Lunn Poly. There are miniples consisting of about twenty to thirty shops. Independent travel agents are small and family owned. Very popular are Call Centres where the customer can book a holiday by phone.

TOURISM AND DEVELOPMENT situated all over the country ensure that prospective visitors learn of their location and all it has to offer by extensive advertising and promotion work with availability for advice and information including the capability to undertake research. Blue Badge guides have very intensive and specific training to provide tours of their respective regions for visitors. A chain of distribution therefore comes into existence by which a product eg a package holiday is distributed from the principal/producer to the tourist/consumer. This occurs very often via the tour operators and travel agents(wholesalers and retailers).

There are services related to the Travel and Tourism industry provided by public, private and voluntary. Public sector services are accountable to elected bodies. Most are non-profit making. Local authorities support tourism information centres. Visit Britain is an example of the Public Sector. Its objectives are to promote Britain as a tourist destination to overseas customers and to encourage domestic customers to take more frequent and longer holidays within the country; to provide advice and support for broader government objectives; for other tourist boards to partner them in building a tourism industry within the country; and for its staff, to achieve goals by utilising resources more efficiently, through openness, accessibility, professionalism, accountability and responsiveness.

PUBLIC PRIVATE AND VOLUNTARY SECTORS

The private sector consists of a multitude of commercial companies whose aim is naturally to generate profit in services and products provided for their customers. Household names include Thomas Cook, Rank and Granada.

These contribute significantly to the wealth of the UK.

Voluntary sector organisations consist essentially of volunteer staff. Their status is of a charity operating on a non-profit basis. They may have rate and VAT relief on any investments, deposits or covenants. If registered as charities they have to satisfy certain conditions. Objectives may be charitable, with purposes beneficial on behalf of the communities they serve.

LIEPER'S TOURIST SYSTEM

Without the Tourist would be no tourist industry so what is of special interest to which there are many unanswered questions is the phenomena of mass

flows of tourists as to their origins and other related matters of interest. A systems approach is favoured, and that of Leiper's system lends itself to clear thought heuristic In Leiper's basic tourism system there are three defined geographical regions/entities. They consist of the Traveller generating regions. The Tourist destination regions and the Transit route regions The travel and tourism industry concerns itself with free flow circulation and the activities of the tourist within the three defined regions. The generating region is where there is preparation for the journey with consequent arrival at a destination. The generating region pushes motivation towards travel. Here they make their booking and check out. Destination is where the tourist actually becomes a tourist; it is where the tourism activity occurs. Here managers effect their strategies. Geographically the pull factor is variable, dependent upon the actual location. Demand is created here. The transit region encompasses all places visited along the way to the actual destination. It should be self evident that one part of such a system cannot function without the others.

Europe, Australasia and Indonesia, Philippines with Brunei are the push regions for Singapore for example. Many tourists within the variety of flows visiting the country will use it as a stop over location.

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