

# Travel and tourism trends and factors

[Sport & Tourism](#)



## **Trends and Factors**

### **Trends**

A trend is something that is reoccurring more and more often until it becomes a popular thing to do.

The first trend I am going to explore is the greater flexibility of booking products. This has become possible due to alterations in the traditional chain of distribution. This relates to the trend of using the internet to book holidays as it is a lot through this in which people can book their products. The reason for this that the services such as the principals have their own websites, this makes it simpler and easier for the customers to reach them directly and book their holidays this way.

In November 2012, Thomas Cook, which has 1, 300 travel agent shops, was forced to turn to its banks for increased loans as it looked like it might not struggle to survive. The impact this has had is the fact that there isn't near as much demand for in branch travel agencies as everything is done virtually through the principals. However in doing this it has caused a reduction in cost for the travel agencies as they too have moved online.

With approximately 50 per cent of passengers travelling from the UK on budget airlines and almost 40 per cent of holidaymakers booking 'DIY' holidays, both offering added flexibility to a trip, ensuring the transportation of luggage is as cost-effective as the rest of the holiday is becoming more difficult.

This also has an impact on the tourist travel information centres as the principals generally only offer a basic service and therefore the tourist

information offered by some companies wouldn't be included in their service. So the tourist travel information centres would have to supply more leaflets and guides for the tourists so they can know about the local attractions and where to visit as a tourist.

Another thing it has an impact on is the need for accommodation, as it is possible to contact the hotels directly they may need to advance and expand their hotels to meet the demand for more customers instead of just the customers who book through travel agencies and tour operators as part of packages.

Principals do sell their products directly to their customers however the traditional chain of distribution is still existent but it is not at the forefront of the travel and tourism industry as it has been in the past. It is estimated that over 95% of holidays are now booked online, however it is only a small percentage of these that are booked as separate principals. In 2012, Thomas Cook Group made 25% of its sales through its own web channels, with web sales in Northern Europe at 69% and the UK package business at 35%.

Web distribution is a key area of focus for the Group going forward and will be developed as part of an Omni-channel distribution strategy.

The next trend I am going to explore is Adventure Holidays. The passport travel to adventure document (2009) state that the adventure travel market is worth £180m a year to the travel and tourism industry. This is an area of the Travel and Tourism industry that is rapidly growing due to the increase of people who want to experience thrill and adventurous and stimulating experiences in their spare time. The term Adventure can be used to talk

about a wide range of holidays; it can vary from something as simple as a cruise along the river Nile to trekking in the Himalayas, visiting the plains of Africa or Scuba diving in foreign waters.

There are certain countries that market their selves as adventure holiday destinations; an example of one of these countries is New Zealand. New Zealand offers a wide range of adventure activities such as Canyoning, Bungee Jumping, Hot Air Ballooning, Under Sea Canyoning and White Water Rafting.

The graph here shows the different locations and types of activities of adventure holidays. Some of these destinations are very remote and therefore the impact these adventure holidays would have is an increase in accommodation needed to cater for the increasing number of people. In doing this there would be an increase of jobs and also an expansion of facilities available in these areas. In the increase it would also invite new businesses to move into the area as there is a good opportunity to expand their businesses to there.

However as the businesses do expand to these locations there is the risk of Americanisation and the natural and remote locations could lose the natural beauty that many people come specifically to see. The reason that these holidays and this destination are becoming more popular is because people now have the opportunity and the communication available to them to book these things and try new experiences, also it widens the genre of holiday to a further audience and can cater for these people who would prefer an adventure holiday in comparison to a family or relaxing holiday. The YouGov survey (2009) 6 shows a predicted 70% increase in participation in adventure

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travel over the next 3 years. Based on our survey responses, compared to the previous three years.

The third and final trend I am going to explore is new destinations. What I mean by this is the new and exciting far away destinations that are now offered to customers due to the advance in aerospace technology. From the UK there are hundreds of destinations you can fly to. When commercial flights first began nobody would have been able to fly to the Caribbean or to South America. However now thousands of people visit every year. As the appetite for the long haul destinations has increased, in general the ticket prices have fallen which makes them available for many more customers who may have been out of the price range when they first became available.

Demands for destinations fluctuate all the times in response to a variety of factors. ABTA's Travel Trends report suggest that, for a destination to become "hot" and attract more visitors, it must score highly on the following six points which are safety, accessibility, infrastructure, affordability, weather and the X factor.

Erik Wolf, president of the International Culinary Tourism Association, said awareness of the importance of this sector has been increasing across the world for several years. He revealed that there are "always new destinations that catch the eye of culinary travellers" and described Singapore, Peru and South Australia as "particularly hot right now".

The impact of new destinations is the fact that there will be more people visiting these far out countries that will help them to develop and expand which will positively help their economy Destinations that ABTA says has all

of these are Dubai, Germany, Morocco, Canada and South Africa. Spain is a top foreign destination for EU residents in 2012. There has been 1% less business travellers in 2013 than in 2012. There are 6% more visitors to Spain in 2013 than in 2012. In 2005 there were 29.971 million visitors in the UK but increased in 2012 to 31.084 million visitors.

A hot favourite to become a new popular destination in 2014 and the upcoming years is Brazil. Due to the upcoming world cup and Olympic games.

### **Factors**

A factor is something that affects something whether it be positively or negatively, just like everything else there are factors that affect the travel and tourism industry.

The first factor I am going to explore is that of Natural Disasters. Natural disasters, such as volcanic eruptions, Tsunamis, floods and hurricanes, can cause havoc to a country's travel and tourism sector. The Asian tsunami that affected Indian Ocean countries in late 2004 and Hurricane Katrina's devastation of New Orleans in 2005 are examples that are all too familiar. The eruption of the Iceland volcano and subsequent ash cloud over Europe is another case in point.

Although tourism can be badly affected very quickly when such disasters occur, the sector has proved itself to be very resilient in the face of adversity. Tourism in areas affected by natural disasters usually returns to its former state, on the back of investment in new hotels, infrastructure and other tourist facilities. The tsunami in Japan in 2011 had a lot of negative effects on the Japanese travel and tourism industry. Japanese Travel & Tourism GDP fell

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4% during 2011, with domestic spending down 2.9% and visitor exports down 27% – in line with a 28% decline in international tourist arrivals. This in turn had a knock-on effect on capital investment in Japan's Travel & Tourism sector, which fell by an estimated 6.2%, despite major reconstruction efforts later in the year.

The next factor I am going to explore is that of Terrorism. Due to terrorism security throughout the whole of the travel and tourism sector has increased drastically. Britain is one of the safest countries in the world for tourists to visit and explore, but recent terrorist events around the world, and the London bombing of 7/7 2005 in particular, have made safety and security a key issue for tourism sector in the UK. Following 9/11, extra security measures were introduced at airports across the world, while the London bombing led to heightened security at railway stations across the country.

Although such measures can cause extra delays, most travellers are willing to sacrifice a little time in return for a safer journey. One of the worst recorded terrorist attacks was 9/11 which the occurrence that happened when two planes were hijacked and flown into the world trade centre. After the 9/11 attacks in 2001, New York City lost \$323.7 million in tourism revenue as visitors avoided the city in fear of another attack. And though tourism to New York City today is higher than it's ever been, it took several years to rebound.

The third and final factor I am going to explore is Cost of Travel. Travel costs are always changing in response to demand. When demand is low companies cut prices to stimulate demand, but when demand is high prices tend to remain high. The cost of travel has actually been falling relative to

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other costs in recent years. Competition among holiday companies, the growth of low-cost airlines and development of budget hotels have all helped keep prices down. The world recession of recent years has resulted in fewer overseas visitors coming to Britain.