

Policy and Practice for Global Tourism

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Policy and Practice for Global Tourism

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Foreword

Taleb Rifai

Secretary-General of the
World Tourism Organization (UNWTO)

Tourism is one of the world's largest and fastest growing economic sectors, emerging over the past fifty years as a key instrument for global growth, development and job creation. Nevertheless, in the aftermath of the global economic downturn, it is clear that the sector faces a number of serious challenges, from the economy to longer-term sustainability issues.

In order for UNWTO to play its role in addressing the challenges ahead, it is more critical than ever for the public and private sectors to work together. Public-private dialogue and partnerships are the building blocks of an enabling environment for tourism, one that allows it to grow sustainably and decisively contribute to global economic and social development.



'Policy and Practice for Global Tourism' provides an excellent introduction to the major themes and trends in world tourism today. This publication also demonstrates UNWTO's firm commitment to promoting public-private partnerships in global tourism.

UNWTO is unique within the United Nations system, in that its membership embraces not only governments, but also non-governmental stakeholders, with over 400 Affiliate Members from 80 countries significantly enriching the work of UNWTO through their invaluable knowledge, experience and innovation.

Directed at all those working directly in tourism, as well as those simply interested in learning more about this dynamic sector, this publication clearly demonstrates the added value that the integration of UNWTO Affiliate Members has brought to the work of the Organization. Examples of UNWTO's work in key areas, as highlighted throughout the publication, have been enormously enriched by a spectrum of expert opinions from business leaders, destinations management organizations, academics and NGOs. I would like to thank all those who participated in this publication and invite more to contribute their best practices and experience for the benefit of all.

Introduction and Acknowledgements

Javier Blanco

Director, UNWTO Affiliate Members

As part of its ongoing commitment to encourage the exchange of knowledge and promote collaboration between the public and private sectors in global tourism, the UNWTO Affiliate Members Programme is proud to present this publication Policy and Practice for Global Tourism. It is intended to serve as an easy-reference guide to the major themes in world tourism today and is directed to all those who work in, or are interested to find out more about this exciting, and increasingly significant sector of the global economy.

I would like to express my sincere thanks to all of the Affiliate Members and non-Affiliates from around the world that have contributed to making this publication as rich, diverse and inclusive as possible through commentaries and case studies. Global tourism reflects the complex society that drives it, and thus it is our duty to ensure that Policy and Practice for Global Tourism is continually refreshed with authoritative texts, opinions and case studies. We invite all readers to reflect upon these perspectives and share your own experiences and ideas by engaging in fora such as UNWTO's www.platma.org, the professional platform for the exchange of knowledge in global tourism.

Finally, I would like to extend my thanks to Tourism Enterprise and Management Ltd (UK) for their extensive collaboration in this project as well as my colleagues from the UNWTO Secretariat (see below), in particular Márcio Favilla, who contributed to ensuring the publication's development, coordination and accuracy.

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1

Introduction
Understanding
global tourism

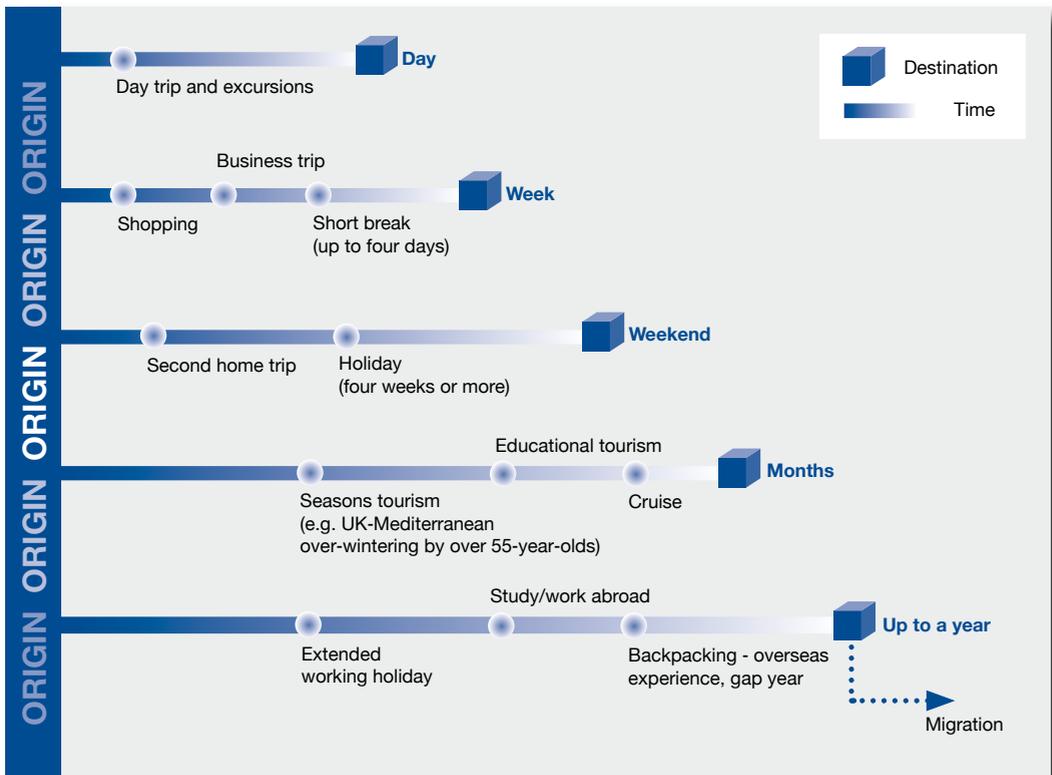
1.1

Growth and evolution of tourism



Over the last six decades tourism has grown consistently from 25 million arrivals in 1950 (when international travel started to become more accessible to the general public) to 277 million in 1980, to 438 million in 1990, to 683 million in 2000 and reaching 919 million in 2008 but with a decrease to 880 million in 2009. In terms of receipts this has risen from US\$ 2.1 billion in the 1950s to US\$ 941 billion in 2008, although this was down in 2009 to US\$ 852 billion (UNWTO, 2010a). However, it should be noted that this has not been a smooth growth, and the development of tourism over the last 60 years has been punctuated by declines and recoveries (instigated by man-made or natural crises – see Chapter 10).

Figure 1.1 Expanding notion of tourism in the last 50-60 years



Source: Page and Connell (2009)

Figure 1.1 illustrates the diversification of tourism since the 1930s and 1940s. The figure demonstrates how new forms of tourism have emerged and how the concepts of leisure and tourism have blurred.

Tourism has experienced continued growth and diversification to become one of the largest and fastest growing economic sectors in the world. In 2009 the contribution of tourism to economic activity worldwide is estimated at some 5% (UNWTO, 2010a). Many new destinations have emerged alongside the traditional ones of Western Europe and North America. Almost all countries in the world now receive visitors. Growth has been particularly high in the world's emerging regions, the share in international tourist arrivals received by developing countries has steadily risen, from 32% in 1990 to 46% in 2008 and 47%

in 2009. By 2020 international arrivals are expected to reach close to 1.6 billion.

Tourism has become one of the major international trade categories. The overall export income generated by international tourism including passenger transport reached US\$ 1 trillion in 2009, or US\$ 3 billion a day. Tourism exports accounted for as much as 30% of the world's exports of commercial services and 6% of overall exports of goods and services in 2009. Globally, as an export category, tourism ranks fourth after fuels, chemicals and automotive products. For many developing countries it is one of the main income sources and the number one export category, creating much needed employment and opportunities for development (UNWTO, 2010a) and becoming a key 'invisible' earner.

However, according to the UNWTO *Handbook on Market Segmentation* (2007a), the scale of participation in international tourism is still relatively low at a global scale. For example, in 1970 there were 4.5 international trips per 100 population globally, which grew to 11.5 by 2000. This is expected to grow to 21 by 2020, a quadrupling in 50 years, but remains low due to barriers to travel. Yet what these statistics suggest is that participation in international tourism is still not universally accessible and is unlikely to be so for the foreseeable future for many of the world's population, with constraints such as cost, availability of time, inclination and other restrictions, making it an entirely discretionary activity. This is one factor associated with the increased competition amongst countries and destinations seeking to capture the market for tourism, due to its economic benefits. This is reflected in more than 200 National Tourism Organizations charged with competing for such business for their countries.

In 2009, the most significant destination countries in terms of international tourist arrivals and international tourism receipts were the United States of America, Spain and France. France (74 million tourists) continues to lead the ranking of the world's major tourism destinations in terms of arrivals and ranks third in receipts. The United States of America ranks first in receipts with US\$ 94 billion and second in arrivals. Spain maintains its position as the second biggest earner worldwide and the first in Europe, and ranks third in arrivals. China and Italy rank fourth and fifth, respectively, in arrivals, and in reverse order for receipts. The United Kingdom is sixth in terms of arrivals and seventh in receipts. Both Turkey and Germany climbed one rank in arrivals, occupying the seventh and eighth positions respectively. In receipts, Germany kept its sixth place and Turkey the ninth. Malaysia entered the 2009 top ten taking the number nine spot in arrivals. Completing the top ten ranking in arrivals were Mexico (10th) and in receipts, Australia (8th) and Austria (10th) (UNWTO 2010a).

If growth and development were major priorities in the period since the 1950s, the new millennium is characterised by intense destination competition. Traditionally western developed nations have dominated the market share of arrivals (particularly during the 1980s and 1990s). Now, however, new developing countries and greater diversification present increased competition and challenges for the traditional Western destinations.





1.2 Measuring tourism

The economic impact of tourism is one of the most politicised aspects of tourism, often used as the main justification for the investment by public and private sector organizations seeking to expand or pump-prime tourism development. The measurement and analysis of the economic impact of tourism has, therefore, assumed a high priority in tourism research to develop appropriate methodologies and approaches to quantify the costs and benefits of tourism and to illustrate to governments and stakeholders the contribution tourism can make to sustainable development. The UNWTO has played a major role in ensuring reliable data exists and since 1995 has been advancing an initiative to measure the economic contribution of national economies: the Tourism Satellite Account (TSA).

The relatively poor state of tourism statistics in relation to the tourism economy resulted in concerted efforts to address these shortcomings in the 1990s with the introduction of Tourism Satellite Accounting. This has increased the quantity and quality of data available to model the tourism economy, and has been pivotal, as has the UNWTO's role, in demonstrating to government policy-makers the position of tourism in their national economies. This has also enabled governments to quantify the potential value of tourism.

The TSA uses data from the UN framework of a System of National Accounts for countries from which estimates are derived using the economic data associated with a specific economy. It maps out monetary flows and calculates a measure of the value added to tourism as opposed to just the total expenditure and so helps to assess the value to national production. The use of a TSA has a number of potential benefits in the measurement of the economic impact of tourism:

- TSAs are an established internationally accepted methodology to set out key economic information on the impact of tourism related to GDP, gross value added, employment, taxation and the indirect and direct value of tourism added to the economy as well as the dependence of the national economy on tourism activity. They enable a country to assess the level of risk its economy may have in relation to dependency on a limited number of economic sectors that are dependent upon consumer spending.
- Tourism can be compared with other sectors of the economy to assess its perform-



ance relative to other sectors.

- It helps to address the critical question of which sectors of the economy provide inputs to the tourism sector.
- Above all it provides policy-makers with unequivocal information of a robust nature on the impact and significance of tourism to help lobby support and investment as well as policies required to support and develop the sector.

To date a total of 53 countries are identified as already having produced or currently developing a TSA exercise (UNWTO, 2010b).

1.3 Tourism and the global economic crisis



After suffering the deepest recession since World War II during 2008-09, the world economy is showing signs of recovery. According to the UNWTO Barometer of World Tourism (UNWTO 2010c), worldwide, international tourist arrivals declined by 4.2% in 2009 to 880 million. By region and sub-region Northern Europe shows a decline of -6% overall with Southern and Mediterranean Europe showing a decline of -4%. Central and Eastern Europe showed negative growth of -10% while North Africa and Sub-Saharan Africa had a more positive growth of 3% each, while for South America the decrease turned out to be less pronounced (-2%). The Middle Eastern region had negative growth of 5%.

Results through August 2010 prove that international tourism continues to recover from the decline of 4.2% suffered in 2009 under the impact of the economic crisis. In the first eight months of 2010, the number of international tourist arrivals exceeded the record achieved during the same period of the pre-crisis year 2008. According to the latest issue of the UNWTO World Tourism Barometer, worldwide arrivals between January and August 2010 totalled 642 million, some 40 million more than during the same months of 2009 (+7%) and 1 million more than in the same period of the record year 2008. Based on current trends, the number of international tourist arrivals is projected to increase in the range of 5%-6% over the full year. In 2011, growth is expected to continue at a more moderate pace, at around the long-term average of 4% (UNWTO 2010c).

In response to the economic events of recent years, the UNWTO has formed the Tourism Resilience Committee (TRC) - a platform for Members to receive and share information on the current economic downturn and its impact on the

Box 1.1 Roadmap for Recovery

I. Resilience:

1. Focus on Job Retention and Sector Support
2. Understand the Market and Respond Rapidly
3. Boost Partnerships and 'Co-opetition'
4. Advance Innovation and Technology
5. Strengthen Regional and Interregional Support

II. Stimulus

6. Create New Jobs - particularly in Small and Medium Enterprises (SMEs)
7. Mainstream Tourism in Stimulus and Infrastructure Programs
8. Review Tax and Visa Barriers to Growth
9. Improve Tourism Promotion and Capitalize on Major Events
10. Include Tourism in Aid for Trade and Development Support

III. Green Economy

11. Develop Green Jobs and Skills Training
12. Respond Effectively to Climate Change
13. Profile Tourism in all Green Economy Strategies
14. Encourage Green Tourism Infrastructure Investment
15. Promote a Green Tourism Culture in Suppliers, Consumers and Communities

tourism sector. The TRC has:

- Supported the tourism industry in the face of global economic slowdown
- Collected and analysed economic and industry data to provide real time market information
- Encouraged the exchange of information, experience and good practice regarding response measures.

Led by the Core Working Group of the Tourism Resilience Committee, a Roadmap for Recovery has been developed. The Roadmap includes a set of 15 recommendations based on three interlocking action areas: Resilience Stimulus Green Economy aimed at supporting the tourism sector and the global economy. These are outlined in Box 1.1.

Case Study 1.1 outlines key policy conclusions identified in the recent report in response to the recession, *Australian Tourism: How Deep The Recession? How Will Tourism Fare During The 'Great Recession' Of 2009*.

Case Study 1.2 Findings from Australian Tourism: How Deep The Recession? How Will Tourism Fare During The 'Great Recession' Of 2009

The following are key findings from the above report. The report was produced by the Tourism & Transport Forum (TTF). TTF is the peak industry group for the Australian tourism, transport, aviation and investment sectors. A national, member-funded CEO forum, TTF advocates the public policy interests of the 200 most prestigious corporations and institutions in these sectors.

- Governments should not protect particular industries and provide financial support to them. History shows that these measures rarely work well. There are recent examples of such inappropriate measures in Australia that smack of protectionism. Globally, increased protectionism is world trade destroying. Tourism will be a major victim of such consequences. In addition, governments should not increase cost structures faced by the Australian tourism industry where there is no justification for doing so.
- Public sector investment in 'tourism and community infrastructure' may have both counter-cyclical and longer-term merits in the current and prospective environment, provided its social return justifies the use of taxpayer funds involved. Government should focus on tourism planning and investment policy which facilitates an earlier tourism recovery. Government should continue planning and investment for infrastructure, such as airports and major convention centres, that have well understood capacity constraints and long development lead times. Capacity expansion is not likely to be a good private investment proposition for the next year or so. In some cases, contraction of currently available capacity may be needed. This is not to say there is no case for new investment. It is to suggest that such investment should be confined to depreciation repair and quality upgrades, without expanding capacity. Targeting hi-yield tourism business means having high quality facilities to cater for such customers.
- Caution from governments in relation to unused leave. Even if accrued leave is converted to actual leave, there is no way of ensuring it will be used to take a holiday away from home in Australia. The report sees merit in government promotional efforts encouraging employees regularly to take recreation leave as an occupation health safety, and productivity-enhancing measure, with, hopefully, incidental tourism expenditure benefits.



Source: Geoff Carmody & Associates for the Tourism & Transport Forum (2009)

www.ttf.org.au

The second T.20 Ministers' meeting held in Republic of Korea, October 2010 confirmed the importance of tourism as a key sector of the global economy, a major creator of jobs and a powerful source of export revenue. The 2nd T.20 Ministers' Meeting is committed to:

- Encouraging economic prosperity through travel and tourism
- Boosting tourism's employment contribution
- Reaffirming tourism's contribution to the global development agenda
- Advancing sustainable tourism.

1.4 Barriers to tourism



Despite the significant growth in international and domestic growth of tourism since the 1950s, there is also a range of obstacles and barriers which continue to inhibit the growth of tourism. These have been analysed in detail by OECD's (2008) *Tourism in OECD Countries 2008: Trends and Policies* in relation to the specific obstacles and the respective policy responses which may help to overcome the barriers which is describes as:

- Air transport liberalisation, including the licensing of low-cost carriers to reduce the cost of travel and to grow passenger volumes so that state monopolies or other monopolies on air routes are reduced to lower prices.
- Utilities and infrastructure provision, which is a development precondition for tourism growth, so that the existing infrastructure is upgraded (e.g. telecommunications and access in rural areas). In less developed countries, the provision of energy sources to enhance tourism development due to the demand for electricity from hotels and other tourism businesses.
- The supply of hotel accommodation to increase capacity for tourism growth and as a source of employment.
- Financial services to provide access to capital for the tourism sector, often involving foreign banks where indigenous capital is unavailable.
- Education and training (as discussed in Chapter 9) to strengthen the private and public sector provision of tourism services and to grow the capacity for tourism provision.
- Promotion and marketing of the sector internationally in a coordinated way with private sector engagement and involvement.
- Removal of anti-competitive practices such as the impact of cartels, abuse of dominant position and buying power of key providers and control of the supply chain to the detriment of the local tourism sector to prevent unbalanced market structures. This applies to the tourism and allied sectors where monopolies or oligopolies or collusion limit the cost benefit to consumers and growth of the destination.



In each of these instances, policy measures require action at a national level by the state. To ensure the sector's full potential is realised requires strong tourism institutions in the public sector to coordinate with other government departments and other stakeholders to remove obstacles to development. At a transnational level, trade liberalisation has also been identified as a key to assist in liberalisation measures such as APECs role in air transport liberalisation in Asia to remove impediments to trade including tourism. Recognising that tourism is a form of international business that needs a liberalised policy framework to facilitate the free movement of visitors, encourage investment and encourage sustainable development will improve the region's tourism competitiveness.

1.5

Policy and practice for global tourism: key themes



This publication identifies ten themes affecting professionals working in tourism today. These themes are explored in detail in the following chapters. In each chapter a theme is discussed and explained in a practical way. The work of the UNWTO is discussed with key initiatives and document from the organization summarised. Each chapter is illustrated by examples of practice and by opinion pieces from influential leaders and thinkers within the sector. In both cases these have been primarily from UNWTO Affiliate Members. At the end of each chapter information sourced from UNWTO publications is suggested. The chapters may be read sequentially but will be equally informative if read in isolation from the rest of the publication.

The chapters are summarised as follows:

Chapter 2: Understanding the visitor

The themes commence with Chapter 2 which examines the visitor as crucial in creating demand for products and services. As such the chapter commences with motivations to understand some of the key factors in shaping decision making. The chapter then explore the key drivers of change associated with visitor consumer behaviour and the impact of key trends on visitors. These key trends include globalisation, the rise of low cost carriers; an aging population and increased life expectancy; changing household composition; population location and migration; increased prosperity; ethical values and attitudes; technology and fragmentation of tastes. We conclude with an illustration of some of the key growing outbound markets that are likely to shape travel in the next 5-10 years (China, Russia and India).

Chapter 3: Sustainability

Chapter 3 provides an overview of sustainable tourism. We start with introducing the problems of defining sustainable tourism, and stress the important work of UNWTO in providing a synthesis and framework for a universally agreed point of reference for the analysis of sustainability issues in tourism. This is followed by a critique of the tools for achieving sustainable tourism, introducing the notion of the green economy, public policy intervention and Global Sustainable Tourism Criteria. The social and cultural impacts of tourism, ecotourism and the environmental dimensions of sustainability are reviewed. Climate change and global warming are also introduced and addressing these issues is illustrated by industry good practice.

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Chapter 4: Tourism as a force for societal growth

Following closely from the discussion in Chapter 3, Chapter 4 takes a wider look at sustainable tourism in terms of additional direct benefits, enhancements and contributions which tourism can bring to people and communities. The chapter also includes wider issues related to tourism, from the rights of individuals to the responsibilities of large corporations and looks specifically at codes and ethics (including UNWTO Global Code of Ethics for Tourism); corporate social responsibility (CSR); tourism, poverty alleviation and community well-being and social marketing. We explore each of these concepts as a way of moving the theory of tourism as a force for societal growth toward achieving this in practice.

Chapter 5: Destination development: competitiveness

Competitiveness is one of the major themes associated with destination development as it affects the profitability and long term sustainability of destinations. Chapter 5 examines the notion of competitiveness emerging as a global issue and is an important starting point for any discussion of destinations, since it determines how successful an individual destination or region is. The chapter looks at the concepts of destinations and destination management; factors of competitiveness; tools to improve competitiveness; ways in which competitiveness can be improved through a better understanding of the visitor experience; the role of knowledge management to innovate and the importance of the SME sector in tourism in improving competitiveness.

Chapter 6: Innovation in destination management

Following on from Chapter 5, here we look at how destination management organizations have to become more focused and specialized to stay ahead of the pack. Chapter 6 provides an overview of three key factors that characterize innovative and successful tourism destinations. These are: being strategic and intelligent, outlining a model for strategic planning; striking up active and sustainable partnerships, illustrating some of the primary and secondary activities of destination management; and functioning with innovation and creativity, in particular achieving the best return on investment and impact on the market place.

Chapter 7: New media marketing for tourism businesses

Tourism businesses need to understand and be able to operate in the unstructured here-and-now of the online world in order to thrive. Chapter 7 aims to provide a rounded picture of all the communication and business process tools that matter to smaller tourism businesses now, as well as those they should expect to adopt in the future. This chapter covers sections on the main challenges; key e-marketing techniques associated with the customer journey; 10 keys to successful e-marketing and a look ahead to market and technology trends.



Chapter 8: Working the partners and other stakeholders

Working with partners has assumed increasing global significance as one of the underlying tenets of UNWTO policy activity to positively promote a greater collaborative culture across the different stakeholders involved both directly and indirectly in the tourism sector. Chapter 8 examines a number of key themes intended to inform successful partnership working: Public-private partnerships (PPPs); tourism business networks; coordinating role of the DMO; wider collaboration and future agendas

Chapter 9: Human resources

Tourism is first and foremost a people business. The high level of human involvement in tourism experiences is key to creating value for the consumer. In Chapter 9 we discuss three critical and interconnected elements to human resource development: education, training and management of human capital. For each we discuss how these elements can be enhanced and developed to create a high value tourism labour force.

Chapter 10: Crises and disasters: managing through to recovery and business continuity

For a successful tourism sector to prosper, there needs to be a high degree of macroeconomic stability and relative stability in the factors which shape visitor decision-making such as the perception of the destination. Chapter 10 explores the growing interest in preparations for crises and disasters and presents case studies of best practice in relation to different aspects of crisis management, particularly showcasing the work of UNWTO. The chapter aims to illustrate some of the principles and tools which businesses and organizations need to follow to develop a greater resilience towards the onset of crises.

Chapter 11: Tools and techniques to develop our understanding of the future of tourism

We conclude the publication with Chapter 10 on understanding the future of tourism. Anticipating changes in tourism is crucial, especially as the public sector needs to understand the implications of tourism growth to develop the infrastructure and facilities required in the future. This chapter commences with a discussion of what exactly is meant by the future and how we can try to understand it. This is followed by a review of some of the principal techniques used to evaluate the future. Key trends to watch in the future are given and the publication closes with four possible scenarios for tourism in the next 20 years.

1.6

Other sources of UNWTO information

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2

Understanding the visitor

2.1 Introduction



The services and goods which the tourism sector provides are primarily developed to meet the needs of the visitor as a consumer. The visitor creates the vital demand which destinations and businesses require for their prosperity and development. This raises two fundamental questions for the tourism in the twenty-first century:

- Why do visitors travel to make a tourism experience?
- Which underlying motivations shape visitors' behaviour and how?

Tourism involves extensive pre and post-consumption stages, preceding and following the customer journey (see also Chapter 5) from pre-planning and decision-making, through to booking, experiencing and post-travel evaluation and recollection. This makes it different from many other consumer purchases as the experiences sought cannot be tried or tested in advance and may be emotional purchases. This chapter examines visitor motivations; some of the key drivers of change associated with visitor consumer behaviour; and the impact of key trends (such as the rise of the low cost carriers, changes in demographics and the role of new technology). These are illustrated by a number of commentaries and case studies. We also illustrate some of the key growing outbound markets that are likely to shape travel in the next 5-10 years.

2.2 Visitor motivation

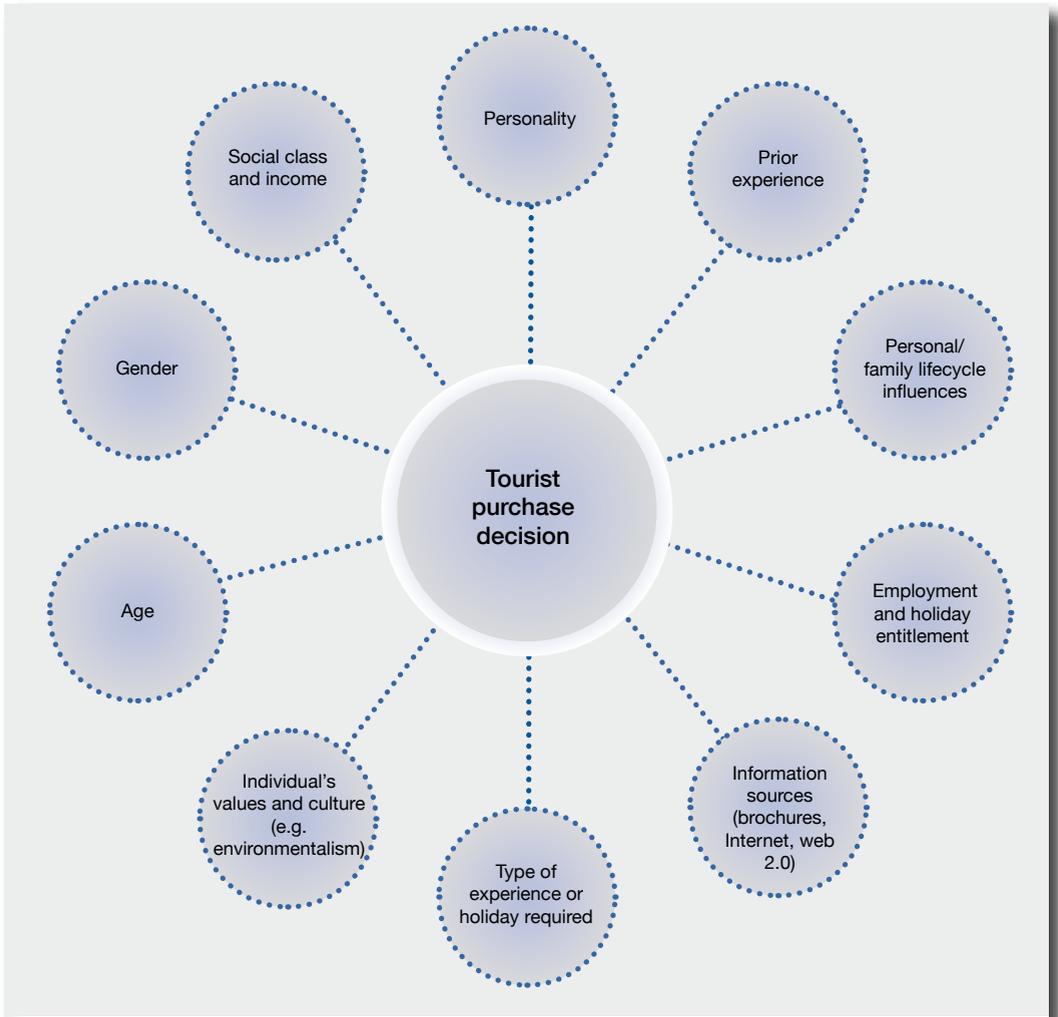


Seeking to understand the visitor as a consumer has largely been studied by social psychologists since the 1970s (e.g. Pearce 1982; Pearce 2005). This research has been concerned with why visitors choose to travel, their choices of the different types of holidays and experiences that they consume and the influences upon their behaviour. Trying to understand motivation, decision-making and consumer behaviour in relation to travel and holiday-making has two critical aspects:

- First, it helps businesses and organizations in the public sector to plan for visitor activities.
- Second, in an increasingly competitive sector, it is essential for destinations, businesses and other operators to be able to understand what types of visitors and market segments they are attracting and wish to attract.

Although there is not space in a short piece such as this to explore all the motives and deep seated needs and desires associated with visitor behaviour, we focus on the practical application of these motivational issues and their implications. As a broad overview of the relationship of motivation to visitor purchasing decisions and decision-making, Figure 2.1 illustrates some of the commonly cited motivational factors that will shape specific forms of demand.

Figure 2.1 Some of the factors shaping the visitor purchase decision



In addition, a useful overview of the current motivations and trends shaping global tourism is provided in the UNWTO (2009a: 3) Handbook of Destination Branding:

Travel motivation is becoming increasingly characterised by a search for leisure, emotional recharge, authenticity, fulfilling experience, outdoor activities/adventure, and a general desire to participate and explore, rather than merely relax. In particular, there is a need to 'get away from it all', and to use travel and holidays as discovery of place, cultures and of self.

A broad summary of some of the key factors shaping visitor motivation are summarised in Box 2.1 and provides an overview of many of the factors to be discussed in the next section.

Box 2.1 Travel motivation Key points

- People in the larger, more established source markets are increasingly seeing themselves as 'travellers', rather than 'tourists'. They are looking for immersion in a culture, an understanding of the destination's human and physical environment, and personal fulfilment from their holiday experience.
- Tourism is experiential: The total experience of the holiday has become larger than the sum of its individual parts and travellers are looking for new sensations and unique experiences, even at established traditional destinations.
- Tourism is experimental: Holidaymakers seek out adventure and "freedom from the limits imposed by things familiar and owned".
- Tourism is existential: Travellers are striving for purpose and self-realisation, whether indulging in sporting challenges, learning a new skill, participating in an exciting new activity, or just searching for personal space in natural surroundings and an emotional reconnection with their own soul or with their partner.
- People are increasingly focusing on the personally regenerating, fulfilling power of a holiday, and on the opportunity to reconnect with a partner and sometimes with the family.
- People are increasingly seeking escape, authenticity, emotional recharge and exploration, rather than passive sightseeing or just relaxing on a beach.

Source: UNWTO (2009a: 2)

These motivational factors are often used as a starting point for the analysis of grouping different visitors into discrete groups and classifying them according to market segments. This process of segmentation allows marketers and analysts to try and identify common reasons for the purchase of tourism products. Case Study 2.1 demonstrates how an understanding of the visitor and their motivations can enhance the appeal of the destination.

Case-study 2.1 Understanding alternative motivations to improve the visitor's experience

The Instituto de Planeamento e Desenvolvimento do Turismo (IPDT) is an association of private, non-profit organization with charitable objectives. IPDT works with Portuguese speaking countries (mature and emerging destinations) to help them become more competitive through the identification of niche markets that look for alternative holiday experiences.

IPDT has developed an environmental scanning model to produce knowledge that could be used to attract these markets. At the same time, the consumer behaviour of these markets has been analysed through a series of research projects, with the specific purpose of getting information, in real time and at low cost, to instruct promotional campaigns to attract these niche markets.

The results of this work include the transformation of some of the weaknesses of the destination countries into sustainable development opportunities, as summarised in the examples presented below:

- Remote African islands without tourism infrastructure, specifically formal accommodation units, are attracting niche markets whose motivations are to live with the local community and experience the culture and the living habits of the local community and participate in their day to day activities.
- Lack of formal directions (for example signs) in an area of low tourism development of a mature destination. This was turned into a great attraction for those wanted to experience the sensation of discovering the destination on their own. The experience of getting lost several times, makes for an even more interesting stay as it gives visitors the opportunity to discover new and exciting sites for themselves and interact with local people.

- In some regions the pollution levels resulted in high quantities of plastic accumulating on the beaches, brought by the winds. This was characteristic of the region. Instead of hiding this weakness, the destination informed potential (environmentally conscious) visitors about this and asked them for help, calling people to spend holidays in the destination and join local volunteer teams to help with the cleaning of the beaches.

Source: IPDT - Instituto de Planeamento e Desenvolvimento do Turismo

www.institutodeturismo.org

2.3

Trends shaping the visitor in the 21st Century



A number of key trends characterise tourism in the twenty-first century. Whilst the following discussion is not exhaustive, it does summarise many of the most influential trends, many of which are overlapping, which are shaping tourism demand and more specifically creating different forms of visitor activity. Some of the trends have been influential for a long period of time while others are relatively new and their long-term implications are far from clear. Some of the following have been identified in the UNWTO (2001a) *Tourism 2020 Vision* and should not be seen in isolation from the discussion of future trends in tourism discussed in Chapter 11. The trends have also been compiled with reference to World Tourism Organization and European Travel Commission (2010), *Demographic Change and Tourism*, UNWTO, Madrid.

2.3.1 Globalisation-localisation divide

Globalisation and localisation are two concurrent but apparently conflicting developments. At one end of the continuum, globalisation is facilitated and fostered by continuing advances in information technology and allied to the privatisation and deregulation movement. All countries are integrally locked into the global economy and no aspiring market leader can succeed without operating (or establishing networks in) all major industrialised and emerging markets. At the other end of the continuum is localisation with populations responding to this globalisation of economies, markets, systems and cultures by looking to their own identities.

Implications

The spread of the multinational and transnational corporations in travel and tourism continues and will continue through their economies of scale and scope. These travel and tourism transnational companies cater for a large volume of visitor movements, accommodation, mainstream or mass tourism. At the local scale are niche operators offering special products, services and experiences to individuals and groups.



2.3.2 Rise of low cost carriers and greater accessibility

Another significant trend is the rise of the low cost carriers. The growth of these airlines has been fundamentally important in the overall growth and democratisation of air travel and the development of secondary destinations. Affordable transport in general, and in particular the growth of low-cost airlines and cheaper long-haul travel, has made most parts of the world accessible and the increased use of regional airports favoured by LCCs has led to improvements in infrastructure and increases in local tourism. In addition, the rise of the internet has enabled travellers to access information on most parts of the world electronically and to make their own independent travel arrangements. Some analysts describe this as a buyer's market - when the rise of technology and low-cost airlines are combined. It helps explain the rapid boom in low cost travel among a new generation of consumers who have never used a travel agent for their travel arrangements. Dynamic packaging, which enables consumers to build their own package of flights, accommodation, and a hire car instead of a pre-defined package has further enhanced accessibility and flexibility for the consumer. Relaxation in visas requirements has also facilitated greater freedom of movement across borders.

Implications

Low cost flights have resulted in declining yields per passenger km travelled, meaning that passenger volumes are now required more than ever to ensure profitability. Mass customisation and the selling of ancillary services (both à la carte and cross-selling – see Box 2.2), are increasingly important to ensure profitability. Much tourism demand is now characterised by customisation based on the use of electronic technology and the Internet. Segments are identified and products and services are developed and marketed to a public that shares characteristics, attitudes, behaviours and interests. The scale of the segment may not always be large but there are many where the airline or tour operator is able, through the available technology, to develop what appears to be, and in many instances is, a bespoke product or service. Such flexibility also allows for trading up, for example the package holiday maker travelling long haul who trades up to fly business class to enjoy a little luxury. An associated trend is the mixing of experiences, for example where expenditure is restricted on one aspect of the experience (i.e. flying on a low cost carrier) but at the destination, staying in a 5 star hotel.

Box 2.2 Mass customisation, facilitated by the internet.

Mass customisation is particularly evident in the airline industry and the addition of ancillary revenue (once exclusively the preserve of low cost carriers) is now a major issue for traditional, hybrid and low cost carriers alike.

As identified in The Travel Gold Rush 2020 prepared by Oxford Economics in partnership with Amadeus (2010b), in terms of ancillary services, this refers to:

- À la carte Ancillary Services, products and services which were previously included in the ticket price such as checked baggage/ sports equipment, seat assignment, priority boarding, in-flight meals, snacks, beverages and pillows. This also covers totally new added value services such as “elite security” lanes or guaranteed exit row seats.
- Cross-sell Ancillary Services which are commission-based additional services provided by a third party supplier which a travel provider, such as an airline, sells to its customers and includes items such as travel insurance policies, car hire and hotel rooms. Cross-sell Ancillary Services can be offered by various providers including airlines, hotels and cruise companies, they can also be sold by intermediaries like travel agents.

See <http://www.amadeus.com/amadeus/goldrush2020.html>

Source: Oxford Economics in partnership with Amadeus (2010b)

2.3.3 Aging generation and increased life expectancy

There is massive growth worldwide of the 60+ generation. An aging population will be particularly evident in developed nations. Alongside increased life expectancy is an increased in healthy life expectancy with people enjoying good health in their later years. There is, therefore, an expected increase in older visitors who not only live longer, but who are also relatively fit with a younger outlook. These 'young older' are becoming a primary target market both domestically and internationally.

The market is:

- More active, healthy, fashion conscious
- More media and Internet aware
- More experienced and discerning
- More independent
- More interested in travel.

Implications

The 'young old' will play a major role in the tourism industry over the next two decades. Those catering for this market will need to be cognisant of their needs. For example there may be requirements for the proximity of medical facilities and for accommodation and transport to be designed for those with reduced mobility. Staff training which meets the needs of the older population is also a consideration. Consumers may become more interested in well-being therapies and sporting activities in order to stay healthy. There will be an increase in medical and therapy-related tourism. This demographic may also be able to travel outside of the school holiday periods and therefore help address some of the issues of seasonality.

Case Study 2.2 below demonstrates an understanding of the senior tourist in Portugal.

Case Study 2.2 INATEL Foundation, Understanding the Senior Tourist

The INATEL Foundation promotes better conditions for the fulfilment of leisure time of workers (active or retired), developing and valuing social tourism, cultural enjoyment, physical activity, inclusion and social solidarity.

The senior and retired population in Portugal constitutes 17.6% of the total population, i.e. there is a total of 1,760,000 people over the age of 65 years (based on 2008 data). According to a study (INE- 2008), the proportion of younger people will continue to decrease and the older population will increase.

The INATEL Foundation requested the Portuguese University of Aveiro to develop a Study of Socio-economic Impacts of the Senior Tourism Programme from 2001 to 2005, to better understand the senior market. The findings are summarised as follows:

- The senior tourists' most common motivations for taking holidays are to get away from daily routine, to rest and relax, to get to know other people and socialize with relatives, to widen horizons and to get to know other places, and to undertake physical activities (mainly outdoors).
- As far as travel behaviour is concerned, senior travellers prefer groups and pre-packaged trips (as they are more convenient) for visiting attractions and historical sites. These travellers are increasingly demanding in relation to quality (Huang & Tsai, 2003).
- On the whole, there is strong evidence for some heterogeneity in the seniors' tourism motivations and preferences, both at the international and national level. There is a general increase in the level of education within the Portuguese population, and in the future the senior market may demonstrate an increased interest in diversified and cultural tourism experiences and in services of high quality. The tracking of

these changes, through regular and continuous studies of the senior and pre-senior markets, will be necessary for a continuous improvement of the quality of INATEL's Programme fitting the seniors' changing needs.

Source: INATEL Foundation Portugal

www.inatel.pt

2.3.4 Changes in household composition

Other demographic trends include a growing rate of divorce, increasing rates of remarriage, older parents with younger children, single parent families and family groups which include grandparents and even great-grandparents, all of which are changing the conventional model of a household and of the traditional holiday. The rise in the developed world of the single traveller has also been a significant development. This reflects a growing trend for young people to spend some time living alone or with friends before starting a family. Newly economically advantaged youth are also a potential market, with youth tourism accounting for 20% of the global market. Case Study 2.3 below demonstrates the significance of youth tourism in Germany.

Case Study 2.3 The importance of youth tourism in Germany

Bundesforum Kinder-und Jugendreisen E.V is a federal organization which promotes youth welfare service in the fields of child and youth recreation as well as educational foreign travel. Their key target is the promotion and quality assurance of child and youth travel. These objectives are mainly achieved through representation of interests, safeguarding educational content, project planning and implementation, scientific research, advanced training courses and conferences, edition of publications, symposia for the members. A recent report from Bundesforum Kinder-und Jugendreisen E.V. entitled Deutsche Kinder- und Jugendreisen (Volume and Structure of German Youth Travel), 2008 demonstrates the importance of youth tourism in Germany.

For the first time, all the available data on child and youth travel in Germany have been published in one document. The results show that child and youth travel has an unprecedented economic importance and, in 2008, more than thirty million young people aged up to 26 made trips with a duration of at least two days. This represents a third of all holidays in Germany and represents a combined spend of 11 billion.

The report also shows that in some regions of Germany, at least half of all children stay in a youth shelter. Around 10 million nights are spent in the 550 or so German Youth Hostel Association properties.

Source: Gleu und Kosmale (Herausgeber) (2008)



Implications

Flexible accommodation will be required which allows for different groups to stay together. This may include single parents, families of different generations (e.g. grandparents spending time with their grandchildren) and groups of friends. Babysitting services may need to be offered for single parent families. Entertainment may also need to be provided which meets the diverse needs of many generations. Flexible costing which can accommodate different family groups and single travellers, without supplements, will be more important (this applies to both accommodation and transport pricing). Marketing and communication also needs to reflect an understanding of the requirements of these new household compositions.

2.3.5 Population location and migration

The so-called BRIC economies (Brazil, Russia, India and China) have, in recent years, become among the most dynamic of global foreign exchange reserves - half of world exports of the emerging markets are the BRIC economies. These countries contain half of the world's population and, as their economies grow, so too do the urban middle class (in China, for example, 50 million of the population are middle class which will rise to 170 million by 2020). Around 5% of these populations have currently travelled overseas (compared with nearly 50% for developed countries), with increasing disposable incomes and an appetite for travel, these markets have considerable potential. An increase from 5% of the population to, say, 25% will have a seismic impact on international tourism. In the BRIC countries, patterns associated with the developed world such as the growth of single persons travelling (singletons) and later marriage is creating a more affluent segment. More broadly, Europe's proportion of the global population is set to decline. By 2030, it is estimated that Asia will account for 60% of the world's population, with India and China each contributing just less than 20%.

Migration is also a significant phenomenon to consider. Migration makes important social and economic contributions to destination countries, culturally enriching their society, enhancing the tourism product and providing labour for the travel, tourism, hospitality and catering sectors. Two distinct concepts arise:

- **Tourism-led Migration (TLM):** The growth in international tourism and mobility has given rise to TLM. Examples include the movement of young people from central Europe to fill tourism employment gaps in Western Europe and the migration of male labourers from South Asia to meet the construction demands of the tourism boom in the United Arab Emirates (UAE). Other relevant examples include pensioner migration in Asia and new residency for owners of 'second homes' in western Europe and North America.
- **Migration-led Tourism (MLT):** Migration has led directly and indirectly to significant growth in tourism to both origin and destination countries through increased visibility, especially in the 'Visiting Friends and Relatives' (VFR) sector, and to the development of new tourism infrastructure and transport routes in and between countries.

Further commentary on the relationship between migration and tourism can be found in the UNWTO (2010d) publication *Tourism and Migration - Exploring the Relationship between Two Global Phenomena*.

As a final general point, there is an increase in urban dweller, who are typically more cosmopolitan in outlook and are considered more likely to travel abroad.

Implications

With destinations and countries competing for visitors, there is a clear distinction between the types of markets destinations now compete for: the established markets and those which are emerging. Strong potential markets are emerging from the BRIC countries. Understanding the different profiles within the

emerging countries is crucial for effective marketing strategies and those providing services for the sector will need to have a good understanding of their different cultural needs and requirements. For further information see recent publications from UNWTO with the European Travel Commission (ETC) (2008, 2009a and 2009b) these are outlined in Box 2.3 at the end of this chapter.

Increased migration will see a boost in VFR, though migrants and their families with a limited income may have a greater requirement for low cost transport options. Migrants within Europe will be a significant source of labour for the tourism sector.

Finally the increase in urban dwellers is an opportunity as it is suggested that urban dwellers have greater propensity to travel than rural dwellers. This may bring opportunities for urban / rural house swaps, and for back to nature experiences.

Recent trends in tourism in the Asia Pacific region are presented by PATA in the commentary below.

*Commentary from Greg Duffell CEO, PATA:
Tourism trends in the Asia Pacific region*

While the global travel and tourism industry in 2008-09 saw the worst contraction in aggregate international arrival numbers since records began some 60 years ago, Asia and the Pacific as a sub-region fared better than most. With a contraction of 1.3% in 2009, the resultant loss in arrivals amounted to around 2.4 million for the year, compared with losses of 27.6 million in Europe, 6.8 million in the Americas, and 2.8 million in the Middle East. Only Africa increased its international arrival numbers during this period (+1.3 million), to reach a total inbound foreign tourist count of 45.6 million for the year.

From a receipts perspective however, the picture appears a little worse, with Asia and the Pacific seeing contractions of around 2.7% when measured in US dollars, and around 2.5% when measured in euros.

Even so, the aggregate view disguises some positive outcomes under these rather dismal economic conditions. Northeast Asia for example, contracted by around 2.9% in international tourist arrivals, but still managed to realise a gain of around 5.9% in receipts when measured in euros, and around 0.4% when measured in US dollars.



A particularly interesting feature during this period of economic gloom was the rapid shift (in part) by some economies in the region away from the international inbound markets to those of the domestic sector. Lessons learned during the traumatic SARS outbreak in 2003 were quickly brought into play and stimulation of domestic travel once again went a long way to keeping tourism services open and functioning, even if not at full capacity.

The response by some economies to the sudden downturn in international tourist arrivals and of course the lowering of their receipts base, has meant that some destinations, are placing greater attention on what

PATA calls the Totality of Tourism (or Total Tourism). The concept of Total Tourism empowers PATA to promote travel “from” Asia Pacific. Previously, PATA’s mandate had only been to promote travel “to” and “within” the region. Seventy-five percent of Asia Pacific’s outbound travel is currently to destinations within the region. The shift recognises the new realities of the Asia Pacific marketplace. PATA has also launched its Allied Partner programme, which allows local, regional and national tourist bodies outside Asia Pacific to gain access to the region’s outbound markets.

Travel movements to, from and within a destination generate value irrespective of where the travellers originate. In a sense, a focus on the sum of all travel dimensions ‘inbound + outbound + internal’ provides a more balanced tourism portfolio and allows for greater flexibility under changing external conditions.

www.pata.org

Examples of the acceleration of tourism in the Asia Pacific region are given in Case Study 2.4 below.

Case Study 2.4 Accelerating tourism in Asia Pacific region

This case study has been provided by the Pacific Asia Travel Association (PATA), a membership association acting as a catalyst for the responsible development of the Asia Pacific travel and tourism industry.

On December 1st, 2009, China’s State Council promulgated ‘The Opinion on Accelerating the Development of Tourism’ programme, which identifies travel and tourism in China as a strategic pillar industry of the national economy. It also elevates the development of tourism from the industrial, departmental, and economic levels, to the strategic level of national development. The promulgation of this opinion signifies that travel and tourism as an industry, has formally entered the national strategic system of the People’s Republic of China.

In similar fashion, the ‘10th Malaysia Plan’, covering the period 2011 to 2015, has, for the first time ever, specifically identified and included the tourism industry as a major economic player in the development of the nation’s economy. According to this report, Malaysia has set its sights on improving its position to be among the top ten countries in terms of global tourism receipts by 2015.

Source: PATA

www.pata.org

2.3.6 Increased prosperity and attitudes towards work, leisure and tourism

Consumers place high value on annual and multiple holidays in both the developed and developing world – seeing holidays as a necessity rather than a luxury. Rising incomes and prosperity over the last 20 years have seen a propensity to take more holidays and more short-break holidays. Even during the recent credit crunch consumers substituted international travel with domestic tourism (popularised in 2008 and 2009 by the concept of the staycation) rather than forgo a holiday altogether. However, despite rising affluence, at a certain level people cease to feel the benefits of prosperity. Where incomes have stagnated and cost of living has increased people are feeling dissatisfied.

Changes in work practices are summarised as follows:

- Less full time employment and more contract work may result in more but shorter holidays, and less distinction between work and leisure time (manifested through an increase in combined work and pleasure trips). The rise of serious leisure is apparent, where leisure activities are added on to work functions such as a business trip.
- Time poor / money rich travellers may account for the trend in holiday experiences to escape from workplace stress ranging from a visit to a spa to an adrenaline rush adventure tourism experience which recharges the visitor's batteries before re-entering the world of work.

Implications

The effects of the economic downturn are expected to be reflected in peoples' holidaying decision making for some time to come. There is a need to cater for shortbreaks so that visitors can maximise their time, offering flexible start dates and packages. Shorter booking times may be anticipated. There may be greater opportunities for domestic holidays. Finally, customers will increasingly want to see value for money (and time).

2.3.7 Ethical values and attitudes

In general terms there is a shift in the market which demonstrates a gradual or incremental move towards ethical spending with research indicating consumer awareness of issues such as the impact of air travel on climate change. This awareness is further increased by media reporting on major problems such as threat to rainforests, pollution, global warming, coral reef bleaching and issues like the dwindling water supplies worldwide resulting in a proportion of the world's population living under stress conditions. Such reports in the media are likely to lead to increased scrutiny on the part of the consumer in destination decision-making. Nevertheless, there is conflicting evidence regarding the extent to which travellers are willing to modify their travel behaviour to become more responsible.

Implications

There will be a growing impact of consumer-led campaigns for sustainable tourism development and for trade in tourism to be "fair" in its distribution of the rewards of tourism to destinations, particularly in the developing country destinations. Although sustainability and fair trade are seen by the south as a northern obsession, since the bulk of visitors come from the industrialised countries, it is important that destinations acknowledge and orientate their policy development and marketing process and strategies towards the principles of sustainable tourism development. In addition, sustainability has become a globalised theme with common concerns for all, particularly with regards to climate change. However, there will be a growing conflict in the minds of the travelling public between this increased socio-environmental consciousness (manifested in increased scrutiny of destinations for sustainability in approaching their tourism development) versus the urge for travel consumption on the other. It must also be noted that there is a tendency to 'think' green, but not to 'act' green. Service providers need to ensure that responsible choices can be easily made, without over-burdening customers with feelings of guilt.

The following commentary has been provided by The International Ecotourism Society and identifies some of the key issues and trends regarding increased social and environmental awareness of travellers.

Commentary from, Ayako Ezaki, Director of Communications, The International Ecotourism Society (TIES): Understanding and responding to shifting traveller values

Changing travel preferences and patterns

In recent years, the travel and tourism industry has seen a fundamental change in traveller preferences and patterns, due to various factors – such as experiences with severe economic recession, travel safety threats, extreme weather and increasing attention to climate change. In this context, recognizing the importance of sustainability as a market driver has become more and more critical for tourism businesses in order to stay competitive. Such shifting consumer values and demands bring opportunities, as well as challenges.

While an increasing number of travellers are embracing alternative travel experiences and socially and environmentally responsible values – as seen in the growing popularity of such trends as slow, ethical, and local travel – it appears that consumer demand for sustainability remains elusive. As reported in CMI Green 1st Annual Green Traveller Survey Report (2009¹, travellers who identify themselves as being conscious of their – and the tourism industry's – footprint “come with many types of motivations – and varying degrees of commitment”.

The key to successfully navigating the new age of shifting traveller values and increasing awareness, therefore, would be to implement effective strategies for understanding and responding to the needs, demands, and preferences of the new travel consumer who are ever more mindful of the values they receive for their money, ever more conscious of key elements of sustainability and social responsibility, and more than ever – connected with each other via easy access to online word-of-mouth reviews, exchanges and discussions.

1. CMI Green website and study information can be accessed at: <http://www.cmigreen.com>



The example of voluntourism

As seen in various networks and online communities (e.g. Local Travel Movement), an increasing number of travellers are seeking authentic, educational and memorable experiences, and are taking advantage of tourism's potential to make a positive impact. Actively supporting and promoting awareness, the local travel advocates call for “bottom-up” approaches to sustainable tourism, with a distinct emphasis on the local people, the local environment, the local culture, and the local economy.

In this context, host communities in both rural and urban destinations face significant opportunities to take advantage of conscious travellers' new and growing appetite for uniquely local and respectful travel experiences.

Another trend or movement that deserves attention in the area of social and cultural impacts of tourism is “voluntourism”. As Voluntourism (travel experiences that incorporate volunteer activities that give back to the host community) is gaining recognition as a unique and effective way for travellers to contribute to the communities they visit, businesses and organizations offering voluntourism programs are increasingly facing the need to differentiate themselves not only as a

community project with a philanthropic mission, but also as a consumer product with a strong competitive edge.

As with various other areas within sustainable tourism, the voluntourism sector is dealing with increasingly technologically savvy, well-informed groups of travellers who are mindful of their impact. Perhaps even more so than in other sectors, however, voluntourism providers face the unique challenge of proving the return on investment (ROI) by travellers in a tangible way. Voluntourists are willingly spending money in order to participate in volunteer activities. Their expectations in terms of ROI is knowing and being satisfied with where their money goes.

As noted in the report “Give a Little, Gain a Lot” (2010, based on a survey conducted by Merriah Michel, Dan Miller and Stephen Cheung of Georgian College Research Analyst Program, in partnership with TIES, Planeterra and Gap Adventures)², in order for travellers to be satisfied with the cost of participating in a voluntourism trip, clarity in how the money supports the volunteer program and how it leads to benefits for local communities is among the most important factors influencing their purchase decisions.

2. Full report can be downloaded at: <http://www.ecotourism.org/voluntourism>.

2.3.8 New technology

Technology empowers the consumer in travel-related consumption. Acquisition of information and booking can be undertaken at any moment, from every place and travellers have less reliance upon traditional sources for guidance and information. It has also made travel planning and booking a flexible process and changed the way people experience and rate tourism. New social media such as Web 2.0 and social networking has meant that people can access information from their friends and recent visitors about destinations and products from social media sites such as TripAdvisor. Electronic technology will become all powerful in influencing destination choice and distribution, changing the way the public obtains, considers and acts on information concerning travel and tourism products.

Implications

Organizations will need to maximise their virtual presence on an ongoing basis (website usability, including usability for mobile devices, search engine optimisation). Use of social media in particular has led to a ‘democratisation’ of information whereby visitors are relying less and on official sources of information. These new trends are related not only to the new technology and what it can facilitate but has also placed a greater emphasis on tourism as an experience and has encouraged post-trip reflection and evaluation. This can have both very positive benefits and also negative outcomes where poor ratings are placed in the public domain. Organizations can react to this by monitoring and responding to content on social networking sites (See Chapter 7).

2.3.9 Fragmentation of tastes

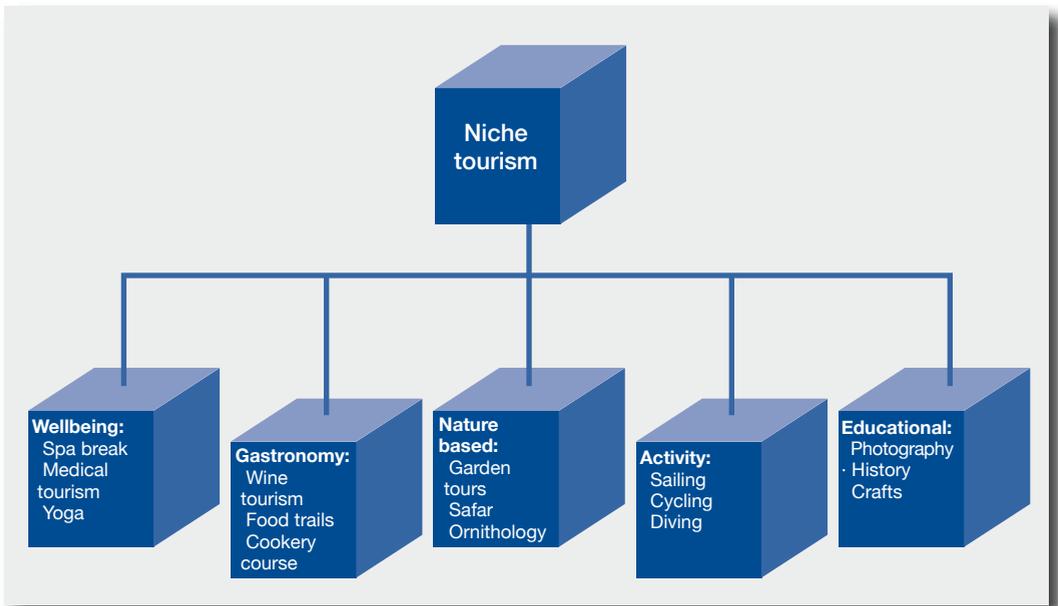
People looking for a unique experience that expresses who they are. There is a clear shift towards new experiences which has seen a move from mainstream products aimed at the wider market to more targeted experiences and products that appeal to a narrow range of interests and tastes. “The industrialised world is in transition from the service to the experience economy, with the peaking of the service econ-

omy in such countries already achieved. The focus is switching to delivering unique experiences that personally engage the consumer and the very clear implication of that for tourism is the need to differentiate tourism product development and marketing, both by destination and operator” (UNWTO 2001a). In this conceptualisation of tourism as an experience, engagement with the visitor is critical to fulfilling expectations in order to derive meaningful experiences. There is also evidence to suggest that the further development of the experience economy concept is seeking a greater attention to authenticity.

Implications

Those responsible for marketing and product development need to be aware that they are not selling to a homogenous block. A number of these tailored niche products and experiences which allow consumers to express themselves as individuals are shown in Figure 2.2. One advantage of niche experiences and products is that they have the potential to yield higher profit margins and present opportunities for greater levels of satisfaction.

Figure 2.2 Examples of niche tourism products and experience

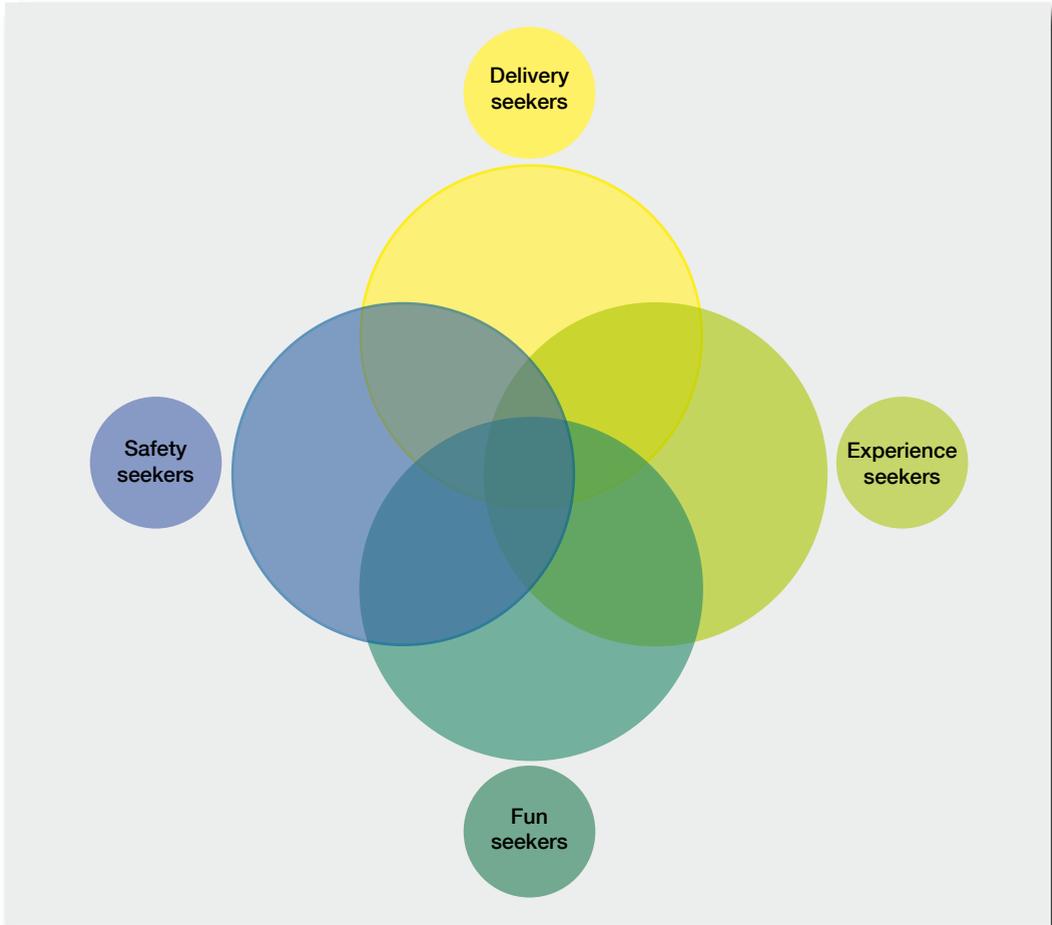


2.4 Market segmentation



Market segmentation provides a useful framework for understanding the different visitors and their motivation. For example, the Arkenford system of segmentation is based on Schwartz’s model of universal human values (see Figure 2.3). Value segmentation is likely to be more reliable than other types of segmentation, such as demographics, as people’s values remain fairly consistent over time.

Figure 2.3 Value based segmentation



Source: Based on Arkenford segmentation

However, a certain degree of caution is required in applying these segmentations. The boundaries of these segments need to be fluid to accommodate the flexible nature of today's visitors - independent young travellers (fun and experience seeker) may find a packaged fortnight in Spain more suitable when they start a family, while the delivery seeker who buys a package with a reputable company will perhaps buy an adventurous experience as part of the package. The challenge for destinations is to accommodate this flexibility and allow for personalisation and customisation, to develop their cultural cachet and uniqueness, and to offer experiences at a range of levels of participation.

Box 2.3 Understanding emerging tourism markets: The prospects of the outbound Russian, Indian and Chinese markets for Europe

The UNWTO (2009a) *Handbook of Destination Branding* made a distinction, albeit an artificial one, between the established and developed tourism markets of the world (e.g. the United States of America and Europe) and the importance of fast growing markets with their potential for destinations. Examples of travel boom potential in the past included Japan in the 1970s and 1980s and the South Korean market in the mid 1990s when restrictions on travel were lifted. These expanding markets have been followed in the late 1990s with other Asian

markets growing, as a result of the rise of the Asian Tiger economies. Since 2000, a number of other outbound markets have demonstrated significant growth potential, namely Russia, China and India. In 2008 and 2009, UNWTO undertook studies of each of these markets with the European Travel Commission. The following examples illustrate the reasons associated with the growth in these markets, how segmentation has been used to identify the growth markets and what types of products and experiences the markets are seeking.



Russia

The population of Russia is around 142 million and currently only about 15% of the population have ever travelled abroad. Growing prosperity (albeit targeted to specific social groups), a strong currency (the rouble) and rising incomes are creating significant pent up demand for travel. As an outbound market, Russia is ranked as the 9th largest, generating US\$22.3 billion in overseas spending in 2007 as a result of 34.3 million outbound trips (of these, only 9.4 million were holidays reflecting the predominance of long-established patterns of business travel). The growth potential of this expanding market is reflected in the annual growth in outbound volumes of travel of 9.4% per annum whilst spending rose at a much higher rate of 14% per annum. This illustrates the growing value of outbound expenditure although this will vary according to the diverse range of market segments:

- The rapidly emerging middle classes
- The funky young professionals
- The upper income group
- The ultra rich (comprising 53 billionaires)
- The golden youth (the offspring of the ultra rich)

These groups make a high usage of the internet as Russia had 59 million users in 2007 (43% of the total population). Aside from the internet, word of mouth and recommendation plays an important part of holiday planning. Nearby destinations such as Turkey and Egypt are favourite sun and sand destinations and holiday travel is growing at a faster rate than business travel. European destinations in Scandinavia and former Eastern Europe countries (especially CIS states) are popular, as well as China and some long-haul destinations such as Thailand. In terms of demand, the majority of outbound demand for packages is concentrated in the major urban areas of Moscow and a large proportion of trips are booked within 2 weeks of departure. The UNWTO report identified the major growth potential for European tourism and a growing demand for higher quality experiences and facilities. There is a large potential of first-time travellers which will switch to repeat visits or the pursuit of quality experiences. New segments are expected to grow, such as the meetings and incentive travel segments along with special interest trips.

India

The outbound Indian travel market has grown almost three-fold in the ten years since 1997, from 3.7 million to 9.8 million trips, with annual growth rates since 2004 of over 16% per annum. This is almost four times the annual growth rate of world tourism in the same period. Outbound expenditure has risen from US\$1.3 billion in 1997 to

US\$8.2 billion in 2007. By 2020 it is expected that the number of outbound trips will reach 50 million. Currently Europe captures around 30% of Indian outbound trips, dominated by the United Kingdom, France, Italy, Germany and Switzerland.

In terms of market segments, the market is dominated by male travellers, being from well-educated households in the upper socio-economic groups. In the short-term the majority of visitors to Europe are first-time visitors although many will have travelled abroad once before as couples or groups. The culture of Europe and sight-seeing are the principal motivations to visit with more diverse motivations among repeat visitors. Other key destinations in the long-haul market are: the United States of America, Australia and New Zealand with short haul destinations such as Dubai, Singapore, Thailand and Malaysia.

The top five factors shaping Indian's destination choice are:

- Safety and security
- The variety of things to see and do
- Overall image of the destination
- Good visitor facilities
- The infrastructure
- Ease of obtaining a visa.

Additional factors that are deemed important are: a friendly environment; good weather; availability of holiday packages; availability of Indian/vegetarian food; cultural affinity; value for money.

The major barrier to travel is obtaining a visa, along with the high cost of activities. Among the key drivers of further growth in this market over the next 5-10 years will be the continued growth in the Indian economy, the continued growth in the earning capacity and prosperity of the middle classes, an expanding population of working age (in direct contrast to many mature western economies) and a greater interest in travelling overseas as their knowledge and willingness to travel grows. This reflects macroeconomic trends which are leading to a greater global integration of the Indian economy, greater business travel (combined with leisure travel) and family accompanying businesses travellers. The growth in student travel for education is also expanding the Indian diaspora and will lead to future travel linked to migration. These growth prospects are underpinned by projected expansion of India's population by 41% from 2001 to 2025 from 1.02 billion to 1.42 billion, The fastest growing segment is the 15-54 year age group, which will comprise 59% of the country's population by 2025.

China

China's outbound travel growth has been nothing short of spectacular. The volume of outbound travel has grown by an average of 22% per annum since 2000, reaching 34.5 million trips in 2006. UNWTO expects it to be the fourth largest market in the world by 2020 with 100 million trips annually expected to be reached before that date. Europe attracts 6% of trips, with 70% of trips to either Hong Kong or Macao. Europe's growth in this market has been developed since 2004 with the granting of Approved Destination Status³ to most European countries and this has facilitated the growth in the group leisure market. Yet much of this market has been low yield and so future development of more profitable segments is expected to focus on special interest tourism and meetings and business travel.

Much of the growth in the outbound travel has been fuelled by growth in earnings from the urban Chinese largely concentrated in three regions/cities: Beijing, Shanghai and Guangzhou. Much of the growth has come from the young affluent middle classes which are expected to grow from 17.5 million people in 2008 to 500

3. Approved Destination Status (ADS) is a bilateral tourism arrangement between the Chinese Government and a foreign destination whereby Chinese tourists are permitted to undertake leisure travel in groups to that destination.

million by 2025. Older working age empty nesters are also expected to be a growth market. The majority of trips occur in the Golden Weeks (the three week annual holiday periods) although visa control still plays a major role in outbound trips. Even so the market is dominated by 90% of trips destined to other Asian countries. In addition, the ratio of domestic to international travel is 38:1 illustrating the future growth potential in the Chinese outbound traveller. As the UNWTO report confirmed, data on the Chinese market are still relatively poor but the outbound tourist does show future potential for continued growth.

For further information see World Tourism Organization with European Travel Commission, The Chinese Outbound Market, UNWTO, Madrid; World Tourism Organization with European Travel Commission, The Russian Outbound Market, UNWTO, Madrid; and World Tourism Organization with European Travel Commission, The Indian Outbound Market, UNWTO, Madrid.

Sources: UNWTO and ETC (2008); UNWTO and ETC (2009a); UNWTO and ETC (2009b)

2.5 Protecting the visitor



During the last 20 years, developments in consumer law in many countries have required the tourism sector to pay greater attention to its Duty of Care for passengers. Much of the impetus for this can be traced to the Package Travel Directive-PTD in 1990. This Directive has been an important milestone in the protection of European consumers going on holidays and also applies to other travel arrangements provided that there is a “package” combining at least of the following: transport, accommodation, other visitor services. The Directive defines a range of the organiser’s and retailer’s obligations and liabilities as well as the related consumer rights and insists on:

- Clear information in brochures.
- Certain essential information to be provided to consumers at the pre-contractual stage.
- Certain standard terms to be included in the contract.
- Providing consumers with assistance on the spot, if they experience difficulties in relation to their holiday or travel arrangements.
- Protection against being provided with substandard services and compensation where these are provided. and,
- Insolvency protection if the tour operator went bust.

During the two last decades, the development of the internet together the emergence of low-cost air carriers have revolutionised the way in which visitors as consumers organize their holidays. An increasing number of consumers now arrange their holidays themselves, instead of buying pre-arranged travel packages. This creates a certain amount of legal ambiguity and uncertainty for businesses and consumers and the number of consumers protected by the PTD is decreasing. Steps are being taken to revise the PDT to ensure consumer protection for those who have put together their own ‘dynamic packages’.

In this context, UNWTO appears to be well positioned for the task of drafting an instrument of international law that can provide a minimum level of guarantees for visitors/consumers as well as for travel organizers at a world level. UNWTO supports efforts to remedy the inadequacy of international legal instruments. Actions have been implemented to start this process.



There is also a move to understanding visitor well-being and the wide range of agencies needed to care for the traveller as a host in a country and to make provision for their needs when staying in a strange and unfamiliar environment. For example, many popular resorts and destinations have introduced a Tourist Police Force to manage the impact and effect of increased levels of crime associated with the development of tourism and the rise of visitors as targets for crime and harassment. Similarly, major destinations have to cope with the seasonal rise of visitor health issues in the existing medical infrastructure primarily designed for residents so as to help protect the well-being of the visitor when accidents, injuries and trauma occurs. This raises the thorny issue of whose responsibility is visitor well-being and who should be charged with the coordination and management of well-being issues in the destination, highlighted in scenario planning exercises associated with the impact of crises (e.g. a flu pandemic). Issues are raised regarding how to handle the tourism population as a mobile and visible element of the destination upon which the local economy depends.

2.6 Conclusions



This chapter has shown that the visitor as a consumer is a constantly evolving and changing phenomenon, in part reflecting changes in society and the prevailing trends in consumer behaviour. Three principal themes run through this chapter which are shaping the way in which the visitor creates a demand for different experiences:

- Trends in terms of the type of products and services which the visitor seeks
- The increasing development of specialised niche products and experiences that cater for a diverse range of tastes and expectations
- Emerging markets and groups which are new to tourism and experiencing tourism for the first time.

The rise of these new markets are unlikely to repeat the development path which other markets have followed, as specific cultural drivers shape the types of experiences and products they seek. Add to this the rise of globalisation and the impact of new technology, and we can see that the visitor is becoming far more demanding in relation to what they expect from experiences. This is shifting the emphasis from

a supply-led philosophy that is often associated with mass tourism to one where greater targeting of the product is needed to meet the specific forms of demand.



This chapter concludes with a summary of tourism trends and marketing strategies from UNWTO with some key publications highlighted.

Commentary from, John Kester, Programme Manager and Valeria Croce, programme collaborator, Tourism Trends and Marketing Strategies Programme UNWTO

A tourist is a person temporarily involved in a trip lasting at least one night, but less than a year, in a destination outside their usual environment. A tourist is one of two typologies of travellers, who are engaged in tourism, and who are classified as visitors: same-day visitors (or excursionists) and overnight visitors (or tourists). As a consequence, tourism is understood as the phenomenon encompassing all the activities of persons travelling to and staying at a destination both for personal and professional purposes, the only exception being those activities related to employment in the place visited.

Understanding tourists' behaviour is crucial for all stakeholders operating in this sector. From a public perspective, this is needed to develop effective policy and guidance and make the sector more attractive for investors, enhancing the quality of available resources (e.g. labour), improving integration with the local infrastructure (e.g. airports and highways) and ensuring the quality of public (e.g. parks and museums) and private attractions, which in turn pursue the goal of enhancing the overall social and economic well-being



of residents. Understanding tourists' specific characteristics and needs across the whole decision-making process is, for public tourist organizations, directly in charge the promotion of the destination and of the provision of information services to the visitors, as relevant as it is for private operators. In both cases, an effective product-market match can be achieved through actionable market intelligence, combined with up-to-date knowledge of innovative marketing techniques, as support to strategic marketing decisions.

Understanding behaviour in tourism requires a multifaceted investigation of the process, which culminates with the 'consumption' of a trip. This consumption behaviour comprises the way people shape their preferences for a type of trip, the decision making process about what place to visit, and when, the path followed to acquire and combine the necessary services and products, until the experience is realised and a sense of satisfaction (or dissatisfaction) is attached to it. Tourist behaviour is doubtless a knotty problem, which can be more easily unravelled with a knowledge-based approach to the analysis of tourists' needs and decisions, steering research activities towards current, relevant tourism indicators. Focussed market intelligence activities then provide the necessary 'back-end' structure to deliver holistic and coherent customer experience, bringing a competitive advantage to organizations.

The UN World Tourism Organization (UNWTO) is long committed to the creation and evaluation of tourism-related information, to support members in the process of acquiring quantitative and qualitative information relevant to their objectives. Through the continuous activity of data collection, analyses and ad-hoc studies, UNWTO has positioned itself as a worldwide reference for tourism analysis. Its centralized knowledge of the tourism sector and of its dynamics, intertwined with overall economic development, is regularly disseminated through a number of publica-

tions concerning tourism development in the short- and long-term.

The UNWTO World Tourism Barometer is probably the best known example of UNWTO's regular publications about the short-term evolution of tourism. Since 2003, the Barometer has been issued three times a year (January, June, and October), with two interim updates (April and August). This publication provides an overview of short-term tourism data from destination countries, air transport and other relevant economic indicators, as timely support for short-term planning. A retrospective and prospective evaluation of tourism performance by the UNWTO Panel of Tourism Experts completes the analysis, providing indications about the "temperature" of business confidence in the sector. A concise overview of international tourism in the world based on annual results is available in the UNWTO Tourism Highlights, a booklet offering an overview of the most relevant statistics and analysis on international tourist arrivals, international tourism receipts and outbound tourism, including a summary of results by region. It includes the ranking of top tourism destinations, by arrivals and receipts, and the top spenders list. UNWTO regular activity in the assessment of long-term trends has as worldwide reference the Tourism 2020 Vision publication, a set of 7 reports, including 6 regional volumes, with long term forecasts for Africa, Americas, East Asia and the Pacific, Europe, Middle East and South Asia and a global report on World Forecast and profiles of market segments. Current figures for key tourism indicators are also accessible through the organization's website (www.unwto.org/facts).

A series of ad-hoc market studies, realized jointly with the European Travel Commission (ETC), fulfil a timely information need related to specific markets or segments, including emerging outbound markets such as Russia, India and China. These studies provide a quantitative assessment of these markets

combined with qualitative information about local travel habits and fads, and provide a map of promotion channels to access the market. In order to maximize members' use of this information, UNWTO also undertakes capacity-building activities about relevant techniques in the field of marketing and analysis. In addition, a series of publications, which include handbooks on tourism market segmentation, branding and evaluation techniques, training activities and seminars, provide members with a solid the foundation to

plan, implement and monitor their marketing activities.

All studies and publications can be ordered through UNWTO's website at the URL: www.unwto.org/pub.



2.7

Other sources of UNWTO information

- World Tourism Organization (2007), *Tourism Market Trends*, UNWTO, Madrid
- World Tourism Organization (2007), *Handbook on Tourism Market Segmentation – Maximising Market Segmentation*, UNWTO, Madrid
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3

Sustainability:
the impacts
of tourism

3.1 Introduction



Sustainability is the biggest single issue facing the tourism sector globally. It is an all-embracing umbrella term used to describe a paradigm that now affects all aspects of human activity, given the concerns over the long-term future of the planet's resources and ability to support the activities of a rapidly expanding population. Tourism has become a central part of the debate on global sustainability because of the relatively recent desire for increased levels of travel at both a domestic and international level as discussed in Chapter 1. This increasing level of consumption of travel and tourism services has brought with it the inevitable rise in the negative impacts of tourism. Sustainability is the focal point for understanding the interconnections between the visitor, the tourism sector and resources so as to develop policies and plans to reduce the negative impact of tourism activity and to increase the range of positive impacts (e.g. as a tool for community empowerment and development).

The evolution of the sustainability paradigm has evolved since the 1960s from a focus on the destructive impacts of tourism on the environment to a recognition that the tourism-environment relationship is symbiotic and based on mutual dependence (i.e. each partner depends on the other for their existence). The physical environment-tourism relationship has further evolved since the 1980s to a more sophisticated understanding of the mutual interdependencies that exist between the different stakeholders involved in tourism (i.e. the community, the resource-base, the tourism sector, the public sector and other relevant parties). This focus has been broadly labelled as sustainability since the application of this approach to the analysis of tourism and its impact is how to seek to balance the needs of these diverse partners so as to allow development whilst ensuring the resource base will be managed for use by future generations. The emergence of this sustainability focus has also seen continued development and refinement through the 1990s and into the new millennium. As this chapter will show, there has been a renewed focus on how to harness tourism as a tool for sustainable growth of communities and as a means to achieve societal growth (see Chapter 4). It has also seen its incorporation into new paradigms such as the green economy as will be discussed in this chapter.

Therefore this chapter provides an overview of sustainable tourism, introducing the problems of deriving a definition of sustainable tourism, given that it is notoriously difficult to arrive at agreement since researchers place a different focus on the purpose of sustainable tourism. Here the important work of UNWTO in providing a synthesis and framework for moving these issues forward is reviewed since it provides a universally agreed point of reference for the analysis of sustainability issues in tourism. This is followed by a critique of the tools for achieving sustainable tourism, introducing the notion of the green economy as a new pathway for achieving sustainable tourism. Various industry insights on the implications of implementing sustainable tourism and the progress towards developing global tourism criteria are introduced. Some of the key issues which sustainable tourism addresses such as the social and cultural impacts of tourism, ecotourism and the environmental dimensions of sustainability including tools such as visitor management are reviewed. Critical issues arising from and impacting upon tourism such as climate change and global warming are also introduced as they underpin the continued debate over how tourism will need to adapt and seek to mitigate the impact of climate change. Here the UNWTO research in the field has set an important benchmark for action which policy-makers need to take to address these pressing issues arising from climate change and global warming. This raises concerns about the resource use of tourism activities and the future implications for the tourism sector to move towards a greater carbon neutral position if it is to mitigate its environmental impact and reduce its resource use

in terms of energy and water use. Above all, the chapter seeks to provide a synthesis and roadmap of the complexities of understanding sustainable tourism including the plethora of research and documentary evidence now accumulated by organizations such as UNWTO so it can be understood in a holistic and dynamic manner.

3.2 Defining sustainability



The term sustainability emerged largely as an ecological construct. It is often used interchangeably with sustainable development to reflect a more human-centred approach to development within the parameters of the social, economic and environmental global context. The most widely accepted definition of sustainable development is that cited in ‘Our Common Future’:

“Development that meets the needs of the present without compromising the needs of future generations”.

(World Commission on Environment and Development, 1987: 8.).

It is widely accepted that this constitutes a clear summary of sustainability. However, this summary masks a range of different interpretations and approaches to sustainable development, since implicit in the term is that further economic development can occur. There are a number of philosophical debates associated with sustainability namely:

- What is it?
- Can it be achieved if agreement is reached on its meaning?
- Is there more to sustainability than rhetoric?
- How do organizations and consumers design more sustainable lives?
- What tools and techniques do we need to embrace to measure and monitor progress towards a more sustainable future?
- What policy instruments and measures do the public sector and intra-governmental organizations need to take to implement a pathway towards sustainable futures?

These questions are among the big issues affecting the economy and society of most countries globally, since sustainability poses a challenge to the growth model of advanced industrial capitalism as a route to future prosperity, based on man’s ability to harness and use resources. This is in contrast to the more ecocentric views which suggest that we are only guardians of the earth’s resources for this and future generations, and so need to manage them for the present and future. These two contrasting philosophical approaches illustrate that the central tenet of sustainability is about striking a harmonious balance between conservation and development.

3.3 Defining sustainable tourism



Despite the shift in global thinking towards sustainability, sustainable tourism remains a very nebulous

concept, which has partly been shaped according to the needs of different stakeholders and their own interpretations.

In 2004 the UNWTO looked at the vast array of definitions, which helped to establish how sustainability principles apply to environmental, economic and socio-cultural aspects of tourism. From this critical division of sustainable tourism into three discrete elements, the notion of finding a suitable balance between these interconnected elements was seen as the crux of achieving the long-term sustainability of tourism. The full UNWTO definition of sustainable tourism is presented in Box 3.1.

Box 3.1 UNWTO Definition of Sustainable Tourism

Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability.

Thus, sustainable tourism should:

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural resources and biodiversity
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.

Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them.

Source: UNWTO/UNEP (2005).

This requires the involvement of all stakeholders, as well as ongoing monitoring of the impacts of tourism. In 2005 UNWTO and UNEP outlined 12 specific aims to work towards in achieving more sustainable forms of tourism (as Box 3.2 shows).

Box 3.2 UNWTO and UNEP (2005) 12 aims for sustainable tourism

1. Economic viability

To ensure the viability and competitiveness of tourism destinations and enterprises, so that they are able to continue to prosper and deliver benefits in the long-term.

2. Local prosperity

To maximize the contribution of tourism to the prosperity of the host destination, including the proportion of visitor spending that is retained locally.

3. Employment quality

To strengthen the number and quality of local jobs created and supported by tourism, including the level of pay, conditions of service and availability to all without discrimination by gender, race, disability or in other ways.

4. Social equity

To seek a widespread distribution of economic and social benefits from tourism throughout the recipient community, including improving opportunities, income and services available to the poor.

5. Visitor fulfilment

To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, disability or in other ways.

6. Local control

To engage and empower local communities in planning and decision making about the management and future development of tourism in their area, in consultation with other stakeholders.

7. Community well-being

To maintain and strengthen the quality of life in local communities, including social structures and access to resources, amenities and life support systems, avoiding any form of social degradation or exploitation.

8. Cultural richness

To respect and enhance the historic heritage, authentic culture, traditions and distinctiveness of host communities.

9. Physical integrity

To maintain and enhance the quality of landscapes, both urban and rural, and avoid the physical and visual degradation of the environment

10. Biological diversity

To support the conservation of natural areas, habitats and wildlife, and minimize damage to them.

11. Resource efficiency

To minimize the use of scarce and non-renewable resources in the development and operation of tourism facilities and services.

12. Environmental purity

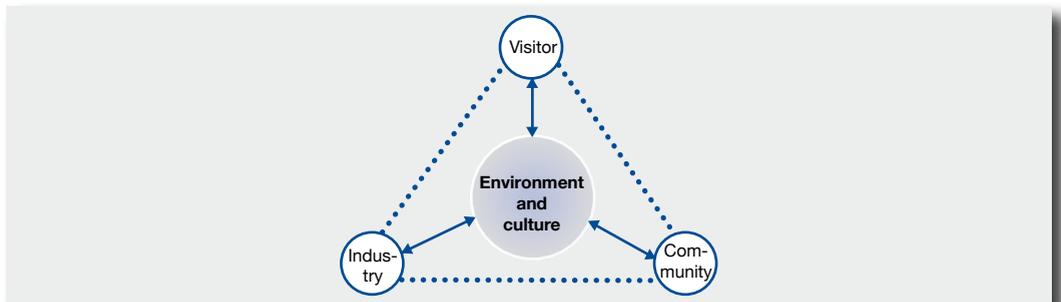
To minimize the pollution of air, water and land and the generation of waste by tourism enterprises and visitors.

Source: UNWTO/UNEP (2005)

These aims allow for preventive or corrective measures to be taken when needed. They also allow for maintaining high levels of visitor satisfaction and their awareness of sustainability issues. This reaffirms that the main remit of sustainable tourism is to strike a balance between the host, the visitors and the environment. However, striking the appropriate balance to protect and enhance resources while still meeting the needs of all stakeholders (present and future) is a complex task. The VICE model (as outlined by the English Tourist Board and Tourism Management Institute in their Destination Management Handbook, 2003) accommodates these requirements and gives a framework which destinations planners and managers can use to ensure their actions are sustainable.

The VICE model, illustrated in Figure 3.1 presents destination management as the interactions between the visitors, the industry that serves them, the community that hosts them and the environment where this interaction takes place. The last of these, the environment, can be understood in its broadest sense to include built and natural resources on which many tourism products are based.

Figure 3.1 The VICE model



Source: English Tourist Board and Tourism Management Institute (2003)

According to this model, it is the role of destination managers to work through partnerships and a joint destination management plan in order to:

- Welcome, involve and satisfy visitors
- Achieve a profitable and prosperous industry
- Engage and benefit host communities
- Protect and enhance the local environment and culture.

The model can be used as a quick check of the sustainability of a proposed plan or action. Four questions should be asked:

- How will this decision affect the visitors?
- What are the implications for industry?
- How does this affect the community?
- What will be the impact on the destination's environment and/or culture?

If positive answers cannot be given for all four questions, then the right balance has not been found and the proposition is unlikely to be sustainable.

In addition to the emergence of a sustainability paradigm and its development in tourism, there has been recent interest in the green economy as a pathway for future development which has salience for tourism.

3.4

Tools for achieving sustainable tourism



3.4.1 The green economy: A new paradigm and pathway to sustainable tourism

A gear change is required to move from the traditional economic theory that creating wealth is an end-goal in itself, toward a more holistic economic philosophy which places human and environmental needs equally alongside motivations for private profit.

A move towards the 'green economy' is the implementation of such a gear change. Greening the economy refers to the process of reconfiguring businesses and infrastructure to deliver better returns on natural, human and economic capital investments, while at the same time reducing greenhouse gas emissions, extracting and using fewer natural resources, creating less waste and reducing social disparities. The recent "Tourism and Travel in the Green Economy" conference in Gothenburg in September 2009 highlighted key issues for the industry as including:

- Actions in the tourism sector to reduce its negative impact on the environment.
- Ways that new technologies could be used to achieve more environmentally friendly results in the area of transportation.
- The application of Sustainable Consumption and Production policy in the tourism sector.
- The role of action plans adopted by National Tourism Organizations, such as VisitBritain epitomised by its influential report on sustainable tourism (VisitBritain, 2007).

Macroeconomic modelling can illustrate the role of tourism in greening the economy by indicating the potential, under different scenarios, for changes in:

- Sector GDP (and associated growth rate).
- Direct and indirect employment.
- Return on capital investment (and thus the level of investment required).
- Energy efficiency /emissions per unit output.
- Material and resource efficiency.



Through defining the level of investment (and associated impacts) in ‘sustainable’ tourism rather than ‘unsustainable’ tourism it should be possible to identify and discuss the role that a move towards sustainable tourism could have in greening the economy. However, whilst the macroeconomic indicators can provide the business case for decision-makers, the development of additional indicators and collection of data is required to understand the full picture, for example, the quality of jobs, visitor behaviour and other social impacts.

3.4.2 The role of public policy interventions

The development of sustainable tourism has seen a growing interest and involvement of different stakeholders in the process, with the public sector often playing a leading role. The role of the public sector can be multifaceted in the way it promotes a sustainable route to tourism development with a range of levels of intervention:

- **Regulation**, to control activities/ behaviour (e.g. via legislation)
- **Coercion**, to encourage change to meet policy objectives (e.g. via tax breaks or additional taxation)
- **Encourage** people to change their behaviour by education and advertising (e.g. social marketing)
- **No intervention or interference** minimal involvement of the State.

Ultimately this is dependent upon the government’s political philosophies. It is against this background that the work of the UNWTO Sustainable Tourism Programme needs to be viewed, as arguably it has been one of the most active and influential bodies in promoting a global framework to create sustainable tourism activity (see Box 3.3 for an outline of its mission and activities).

Box 3.3 The work of the UNWTO Sustainable Tourism Programme

The Mission Statement of the UNWTO Sustainable Tourism Programme is to promote the sustainable development and management of tourism globally in Member States, regions and specific types of destinations involving both public and private sectors for the generation of social, economic and cultural benefits for host communities commensurate with global development interests, for ensuring the supply of quality tourism products and avoiding or reducing negative impacts upon the natural and socio-cultural environments.

The programme of work is consistent with the Millennium Development Goals and the Global Code of Ethics for Tourism.

Key Objectives:

- Facilitate the integration of sustainability and quality criteria into national, regional and local tourism policies, development plans and strategies through the application of policy tools, instruments and measures.
- Increase international awareness on the Global Code of Ethics for Tourism and improve effective implementation of its principles by governments and the tourism industry.
- Support the further improvement and application of methodologies, models and techniques for the enhanced sustainability and quality in tourism at specific types of destinations and at natural and cultural heritage sites.
- Guidance, international harmonization and recognition of best practices.
- Support the integration of poverty reduction agendas into tourism policies at the global and national levels and a wider involvement of poor communities in tourism operations.
- Ensure the social and cultural sustainability of tourism, with a special focus placed on the rights and interests of local communities and vulnerable groups.
- Improve the understanding of the relationship between climate change and tourism, and promote the formulation and implementation of adaptation and mitigation policies and measures.

For more information see <http://www.unwto.org/sdt/index.php>

The following commentary is from John Downes, an international travel law consultant, who discusses broadly some of the institutional and legal frameworks required by governments to ensure sustainable tourism development.

**Commentary from John Downes:
Institutional and Legal Frameworks for Sustainable Tourism Development**

The law is a vital tool in the facilitation of economic activity. It can create an enabling regulatory framework or it can act as an impediment to the development of a modern, adaptable and efficient economic sector. It can be used to protect the common good and ensure respect for the natural and cultural environment or it can be used to emphasise the rights of individuals and corporations over host communities.

Most governments recognise the potential contribution of tourism to economic growth, regional development, job creation and, particularly in developing countries, poverty al-



leviation. In the preamble to the World Bank Report “Doing Business in 2005” is stated:

“(A) lthough macro policies are unquestionably important, there is a growing consensus that the quality of government regulation of business and the institutions that enforce this regulation are a major determinant of economic success”⁴.

The recent and continuing global economic crisis points to the need for recognition that economic and fiscal success will only be built on sound institutional and regulatory frameworks. Likewise, the protection of the environment and the rights of host communities needs a legal underpinning. The State plainly has a role in providing those frameworks. The question arises: to what extent should the State be engaged in tourism development, either by itself or in partnership with others, or whether that ought to be left entirely to the private sector? Where the State is involved: what national, and local, government entities are responsible for tourism; what are their functions and powers; and what administrative and economic mechanisms are available to them? Also: to what extent should the State regulate tourism businesses; in what fields and with which mechanisms?

The aim is to strike the right balance between State supervision and economic freedom. Economic and fiscal success will only be built on a sound institutional framework. That framework is dependent on sound legal infrastructures. Thus it is clear that in the construction of an efficient travel and tourism industry, a Tourism Law, which builds a functional, institutional framework, is a fundamental aspect of any holistic, facilitative approach. Thus, there is a need for comprehensive national legal framework for tourism. That national legal framework must be consistent with developing international norms.

The Millennium Development Goals (MDGs) are the most broadly supported, comprehensive, and specific poverty reduction targets

the international community has ever established. Tourism can make a major contribution to the attainment of the MDGs, if managed properly, and if the sector is integrated in the MDG and Poverty Reduction Strategies of a country. Projects for many developing countries have sought to use the tools set out in a report for SNV ⁵, the Dutch Aid Agency, to assess existing tourism legislation and policies in the context of the Millennium Development Goals and to assist them to develop a legal and policy framework for Tourism so that it accords with, and promotes, the MDG targets.

To pursue these goals effectively, the governments of developing countries need to develop an effective and comprehensive legislative framework that encompasses environmental and cultural protection and enhancement and the regulation of land use in tourism development. It should set out an institutional and legal framework to ensure that local communities are able to engage fully, actively and equitably in tourism planning and implementation and to benefit substantially from tourism development.

Tourism and related legislation should support and encourage the private sector to follow a sustainable and pro-poor approach to tourism. However, ethical standards in commercial life cannot be achieved by law alone, which is often too blunt an instrument. The law tends to take a forensic or curative approach rather than a preventative one. It is normally expressed in complex language and for many, perhaps most, citizens and local communities legal redress is prohibitively expensive.

Voluntary codes of ethical conduct can be expressed in plain language, be more immediate and widely known. They can have an

4. See <http://www.doingbusiness.org/>

5. Downes J, *Tourism Development and the Millennium Development Goals: A Tool to Analyse Tourism Legislation in the Context of the MDG 2015 Targets*, SNV Asia Tourism Knowledge Network.

educational effect, informing stakeholders about what is generally accepted as good practice. The ends are achieved by education, persuasion and voluntary compliance rather than by State coercion. Nonetheless, they have sanctions to encourage compliance. Perhaps most important in the commercial sphere is the threat of bad publicity which can seriously undermine an expensive marketing campaign. The non-compliant trader can also find themselves subject to

disciplinary procedures, suspended or excluded from membership. Other members may refuse to trade with them and, more importantly, consumers may boycott their services.

States should encourage trade associations in the tourism sector to adopt ethical codes in respect of environmental protection, cultural respect and fair trade.

<http://www.iftta.org>

The UNWTO's influential role can be gauged by its long-term involvement in policy development, evidenced through its wide ranging evaluation of sustainable tourism and specific themes within the area and its range of reports and conferences on the subject area (see Box 3.4). This illustrates the extensive knowledge and research base accumulated and disseminated by UNWTO through its publications, providing a vital synthesis and starting point on key themes as well as accumulating examples of best practice. Such policy work is vital to the long term development of more sustainable forms of tourism, especially at a destination level. This is because there is no uniform adoption or application of sustainable principles at a business level despite governments signing up to Agenda 21 (<http://www.un.org/esa/dsd/agenda21/>) for public sector endorsement and promotion of such principles to tourism and businesses activity. Such principles need to be embedded in more sustainable business practices in the tourism sector which is still not the norm, so identifying and showcasing examples of best practice is critical to stimulate voluntary interest in such activities.

Box 3.4 The evolution of international tourism action on sustainable tourism since 1980 by UNWTO and associated reports Programme

- UNWTO (1980) Manila Declaration on World Tourism
- UNWTO (1985) Tourism Bill of Rights and Tourist Code
- UNWTO/UNEP/UNESCO/EU (1995) Charter for Sustainable Tourism, Lanzarote
- UNWTO (1997) Mal Declaration on Sustainable Tourism Development
- UNEP/UNWTO (1998) Programme of Action for Sustainable Tourism in Small Island Developing States
- WTTC/UNWTO/Earth Council (1995, 1996, 1998) Agenda 21 for the Travel and Tourism Industry, Rio Earth Summit
- UNWTO (1998) Guide for Local Authorities on Developing Sustainable Tourism
- Commission on Sustainable Development (1999) Working Programme for Sustainable Tourism (UNWTO input)
- UNWTO (1999) Global Code of Ethics for Tourism
- UNWTO (1999) Sustainable Tourism and Cultural Heritage
- UNWTO (1999) Tourism at World Cultural Heritage Sites
- UNEP/UNWTO (2000) Principles for the Implementation of Sustainable Tourism
- UNWTO (2000) Sustainable Development of Tourism A Compilation of Good Practices
- UNWTO (2001) Sustainable Development of Ecotourism A Compilation of Good Practices
- UNWTO (2001) The Incidence and Sexual Exploitation of Children in Tourism
- UNWTO (2002) Hainan Declaration Sustainable Tourism in the Islands of the Asia-Pacific Regions
- UNWTO (2002) Voluntary Initiatives for Sustainable Tourism
- UNWTO (2002) Sustainable Tourism in Protected Areas Guidelines for Planning and Management
- UNWTO (2002) Tourism and Poverty Alleviation

- UNWTO (2002) World Ecotourism Summit Final Report
- UNWTO (2003) Climate Change and Tourism
- UNWTO (2003) Sustainable Development of Ecotourism – A Compilation of Good Practices in SMEs
- UNWTO (2004) Making Tourism Work in Small Island Developing States
- UNWTO (2004) Indicators of Sustainable Development for Tourism Destinations: A Guidebook (including guidelines for local authorities, ecotourism, protected areas, SMEs and the built environment)
- UNWTO (2004) Tourism Congestion Management at Natural and Cultural Sites
- UNWTO/UNEP (2005) Making Tourism More Sustainable: A Guide for Policy-Makers
- UNWTO (2005) Muscat Declaration on Built Environment for Sustainable Tourism
- UNWTO (2005) Making Tourism more Sustainable
- UNWTO (2005) Tourism’s Potential as a Development Strategy
- UNWTO (2006) Sustainable Development of Tourism Destination in Deserts Guidelines for Decision-Makers
- UNWTO (2007) Sustainable Development of Tourism in Central and Eastern Europe
- UNWTO (2007) From Davos to Bali A Tourism Contribution to the Challenge of Climate Change
- UNWTO (2008) Tourism and Community Development Asian Perspectives
- UNWTO (2008) Climate Change and Tourism Responding to Global Challenges
- UNWTO (2009) Davos to Copenhagen Advancing Tourism’s Response to Climate Change
- UNWTO (2010) Tourism and Biodiversity Achieving Common Goals Towards Sustainability Tourism and Biodiversity

3.5 Global sustainable tourism criteria



The following commentary has been provided by the Tourism Sustainability Council. The commentary looks in detail at the work of the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership) and its role in mainstreaming sustainability into tourism operations.

Commentary from Erika Harms, Executive Director, Global Sustainable Tourism Council Partnership for Global Sustainable Tourism Criteria (GSTC Partnership)

Standardizing language for the tourism industry

Many stakeholders in the field of tourism have articulated an important challenge – the lack of commonly understood and supported criteria in the tourism marketplace. This has posed a risk for mainstreaming sustainability practices in tourism on a global scale. Without a common language for sustainable tourism there has been fragmentation in the marketplace, resulting in supplier and consumer confusion. In some cases “greenwashing” (making false claims about environmental or



social performance) has been used to cover poor performance.

To overcome this challenge, the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership) was created to remove a significant market blockage in mainstreaming sustainability best practices in tourism. Launched in 2008, the GSTC Partnership is a coalition of more than 50 organizations working together to foster increased understanding of sustainable tourism practices and the adoption of universal sustainable tourism principles. The Partnership was initiated by the **Rainforest Alliance, the United Nations Environment Programme (UNEP), the United Nations Foundation, and the United Nations World Tourism Organization (UNWTO)**.

To develop these criteria the partnership consulted widely and reviewed more than 60 existing certification and voluntary sets of existing criteria. The tourism industry including businesses, governments, NGOs, certification programs and others worldwide are now using the criteria as a baseline to set up sustainability programs in tourism.

Accreditation of Sustainable Tourism Certification Program

One way of rewarding the businesses that truly comply with these goals consists in providing them with credible external recognition. Certification is one of the most effective tools for ensuring true sustainability, and the process to obtain it can teach businesses about better or exemplary practices. Even if the business never gets certified, the certification standard serves as an excellent guideline for best practices.

In 2002 the Sustainable Tourism Stewardship Council (STSC) envisioned the development

of a mechanism to accredit certifying bodies or certification programs based on their performance to help ensure that certification is conducted in an objective and transparent manner. Through accreditation, certification programs would be able to demonstrate their capacity to undertake certification and, thus, build credibility with both consumers and businesses.

In 2009, the STSC agreed to use the GSTC as a baseline for the accreditation standard aligning to a globally accepted and endorsed baseline standard. In the same year the GSTC Partnership merged with a sister initiative the Sustainable Tourism Stewardship Council (STSC) to form the Global Sustainable Tourism Council (GSTC). This is a global initiative dedicated to promoting sustainable tourism practices around the world, and is a membership based organization serving as the international body for promoting increased knowledge, understanding and adoption of sustainable tourism practices.

The Global Sustainable Tourism Council focuses on providing business to business solutions that will result in greater market access for tourism businesses that align themselves with the criteria and will work to encourage travel agents, tour operators, distribution systems, and others to better market businesses certified by a GSTC accredited program. The main goal is to create demand for sustainable product and to influence consumer demand and increase general trust in sustainable certification.

Following the completion of the accreditation program, the market access working group will continue to focus on developing markets in such a way that certification groups, businesses and travellers alike can gain confidence and clarity on sustainable tourism offerings.

3.6

Social and cultural impacts: understanding the value of tourism in communities



As the development of tourism affects more communities around the world, the social dimension of sustainability has assumed a growing significance for a number of reasons:

- Human communities and their associated culture are major attractors of tourism and the long-term sustainability of these resources needs to be managed so it does not erode their very attributes. This is especially relevant to the case of indigenous tourism where the culture of the people is the attractor for visitors.
- The sustainability of communities and their dependence upon tourism has to be recognised and balanced with local needs and wishes.
- Community attitudes and views need to be understood and accommodated in local plans and developments which impact upon the local community. This can be highly problematic as within any community there will be a wide range of opinions and stakeholders with different attitudes and stances on tourism.
- Tourism can, if managed sustainably and sensitively, offer communities an opportunity to support themselves. This may develop the knowledge base and local skill base to empower communities to take control of their own future.



Much of the debate on the impact of tourism on communities is associated with the modernising effect which it can bring and the likely socio-cultural transformations it can lead to in these communities. In some cases the interaction between visitor and host communities can dilute or destroy traditional cultures. Conversely, these encounters can also bring opportunities for greater understanding and learning. Although it is difficult to generalise, socio-cultural impacts will typically depend upon the degree of cultural similarity or dissimilarity between the two groups as well as the following dimensions:

- The type and numbers of visitors to the community. A general rule of thumb is that the greater the number of visitors the higher the impact although this is not necessarily always the case as it depends on how the visitors integrate with the local community.
- The importance of tourism to the community, especially the level of dependence on this activity.
- The size, scale and pace of development, as a fast growing tourism sector will bring with it considerable levels of change for the community.

Added to these factors are:

- The nature of the host-guest contact.
- Community attitudes towards tourism which will be affected by the type of contacts that occur between visitors.
- Residents and the community's levels of tolerance towards tourism.

Many developing countries have embraced tourism as a route to economic development, especially at a community level where poverty alleviation is the main driver of such strategies (see Chapter 4). One the main tenets of planning measures advocated in tourism since the 1980s has been a bottom-up approach to tourism development in small communities, identified as community-based tourism. This approach runs parallel to developments in planning focused on community participation in planning. More recently, as Chapter 4 shows, developments in this area have been refocused around new concepts such as Community Benefit Tourism Initiatives and Pro-Poor Tourism to create local economic benefits for communities while giving the community control over the future development of tourism. Here the critical role of Non-Government Organizations and the ability to build the local capabilities in the community have been key factors in pursuit of a sustainable development strategy. One area frequently cited as enabling local communities to develop and control tourism is ecotourism. Table 3.1 outlines the pros and cons of ecotourism as a tool to empower local communities, while Case Study 3.1 below demonstrates a successful mechanism for local communities to benefit from and successfully manage wildlife resources.

Table 3.1 Framework for determining the impacts of ecotourism initiatives on local communities

Impact	Signs of empowerment	Signs of disempowerment
Economic empowerment	Ecotourism brings lasting economic gains to a local community. Cash earned is shared between many households in the community.	Ecotourism merely results in small, spasmodic cash gains for a local community. Most profits go to local elites, outside operators, government agencies, etc. Gain not evenly spread because some lack capital and/or appropriate skills.
Psychological empowerment	For some, self-esteem is enhanced because of outside recognition of the uniqueness and value of their culture, their natural resources and their traditional knowledge. This leads to increased confidence in seeking education and subsequent access to employment.	Many people have not shared in the benefits of ecotourism, yet they may face hardships because of reduced access to the resources of a protected area.
Social empowerment	Community cohesion is improved as individuals and families work together to build a successful ecotourism venture. Some funds raised are used for community development purposes, e.g. to build schools or improve roads.	Many in the community take on outside values and lose respect for traditional culture and for elders. Can cause resentment and jealousy as individuals, families, ethnic or socio-economic groups compete.

Impact	Signs of empowerment	Signs of disempowerment
Political empowerment	The community's political structure, which fairly represents the needs and interests of all community groups, provides a forum through which people can raise questions relating to the ecotourism venture and have their concerns dealt with.	The community has an autocratic and/or self-interested leadership. Agencies initiating or implementing the ecotourism venture treat communities as passive beneficiaries, failing to involve them in decision-making.

Source: From Scheyvens (1999: 247) © Elsevier

Case Study 3.1 Namibia's Communal Conservancy Tourism Sector (NACSO)

A community conservancy is a legal, formally defined area with exclusive rights to wildlife management and utilisation. The community conservancies do not actually own the wildlife but they are entitled to benefit from wildlife-related enterprises such as tourism and game hunting. The 1996 Wildlife Management, Utilization and Tourism in Communal Lands Act was set up to help reform the residual colonial land tenure system and provides the legal framework for this success story.

What is particularly admirable is that any Namibian who meets the basic 5 years local residence and 18 year age criteria can become a member of their local conservancy. In this sense it promotes equality regardless of gender, tribe, or political affiliation. NACSO is a pro-active, highly energised umbrella organization that ensures tourism, conservation and community development happen in harmony. In addition, NACSO also intervenes in human-wildlife conflict situations encouraging the development of compensation/ offsetting schemes managed by conservancies for farmers/ herdsman whose livestock has been killed by wildlife.

All levels of people ranging from lodge managers to employees, to Himba and Herero tribe members living in semi nomadic conditions in micro communities benefit directly (through employment, servicing the tourism industry or selling artefacts to tourists) and indirectly through semi-formal arrangements including water drop off, medication, transport, and community contribution. These conservancies are an embedded part of Namibia's poverty reduction programme, a way of preserving protecting and sustainably exploiting biodiversity, a way of democratically distributing funds and fees from tourism to the local community and a global example of the very best that international tourism has to offer in terms of local benefit.

The private sector has risen to the challenge and has helped create the healthy, mutually beneficial relationships between communities and tourism firms. NACSO coordinates the activities of some 14 groups, holds regular board meetings and communicates to all members. In many cases, tourist lodges within the conservancy become the first port of call for medical emergency transport and communications. Tourism firms within conservancies also help with one-off projects such as making bore-hole wells.

The Act creates a positive environment which places communities at the centre. What is unusual, is that the conservancies are 'rights-based' rather than 'resource based'. It places emphasis on rights linked to responsibilities (including the responsibility to manage wildlife in a sustainable manner. Outside investment flows in and, over a set period of time (typically twenty years or so), ownership of the asset transfers, along with knowledge through a programme of capacity building, to local communities who have the choice of taking on the tourism business or extending the lease. In the meantime, the community has received a range of tangible, intangible and in-kind benefits.

The 50+ (with more in the pipeline) rural Namibian communities collectively involve more than 250,00 people and over 12 million hectares. This means that one in four rural Namibians is a member of a conservancy. A further seven conservancies are contributing to their own operational and staff costs.

Source: University of Brighton

www.brighton.ac.uk

3.7

Nature based attractions and ecotourism



3.7.1 Environmental dimensions of sustainability

It is widely accepted that tourism is an environment-dependent activity, and there has been a considerable interest in the relationship between tourism development and its effect on the natural and man-made environment.

"In the 1950s it was viewed as being one of coexistence. However, with the advent of mass tourism in the 1960s, increasing pressure was put on natural areas for tourism developments. Together with the growing environmental awareness and concerns of the early 1970s, the relationship was perceived to be in conflict. During the next decade this view was endorsed by many others...at the same time a new suggestion was emerging that the relationship could be beneficial to both tourism and the environment" (Dowling, 1992: 33).

The environmental impacts of tourism are arguably the most contentious area in relation to sustainability. These are normally associated with the land, air and water based resources and appear as: noise impacts, visual impacts from development (e.g. high rise hotel development), transport-related congestion and atmospheric emissions (i.e. carbon-based emissions) and solid and effluent waste discharges. Yet the destination environment is arguably one of the main attractors of tourism and is the resource base upon which tourism depends.

Tourism development leads to land use change (e.g. through infrastructure development such as airport growth); energy consumption (being a major consumer of energy); and impacts on wildlife. However, it is problematic to determine how much change in the natural environment is directly a result of tourism and how much relates to other factors such as natural environmental change and the effect of residents.

In addition broader environmental impacts are arising, in particular the expansion of international air travel and emissions of greenhouse gases and global warming and climate change. Management of natural environments that attract visitors may need public sector interventions to plan and manage the visitor population. The precise nature of tourism impacts of the environment and their subsequent management will vary according to the type of environment. For example a marine environment will require different management to an inland environment. The visitor management techniques available to managers of nature based attractions are outlined in Box 3.5



Box 3.5 Visitor management techniques for nature based attractions

The visitor management techniques available to managers of natural resources include:

- Regulating access by area (e.g. zoning)
- Regulating access by transport (e.g. only pedestrian/foot access)
- Regulating visitor numbers by group and size (e.g. Antarctica)
- Regulating visitation by visitor type (e.g. through pricing)
- Regulating visitor behaviour (e.g. codes of conduct);
- Regulating equipment (e.g. banning certain types of leisure activity)
- Implementing entry or user fees
- Modifying the site
- Undertaking market research
- Undertaking visitor monitoring and research
- Undertaking promotional marketing (i.e. to advertise alternative destinations not under pressure)
- Providing interpretation programmes and facilities
- Encouraging operators to seek alternative resources
- Concentrating on allowing accredited organizations to bring visitors to the site.

Source: Hall and McArthur (1993)

There are numerous congestion strategies focussing on managing demand at both destination and specific sites. These are outlined in detail in the UNWTO publication, *Tourism Congestion Management at Natural and Cultural Sites*, (2004a). While the UNWTO (2002a) publication *Sustainable Tourism in Protected Areas – Guidelines for Planning and Management* provides a theoretical structure and practical guidelines for managers, its underlying aim is to ensure that tourism contributes to the purposes of protected areas and does not undermine them.

Case Study 3.2 demonstrates how natural resources have been managed through visitor centres, using the example of Large Protected Areas in Germany.

Case Study 3.2 Visitor management for Large Protected Areas in Germany

Natural recreational areas in Germany are divided into three different concepts:

- National parks are for the preservation of representative natural landscapes for the protection of the biodiversity and allowing natural processes to take place without human influences.
- Biosphere reserves aim at a stricter goal in nature protection and are accompanied by monitoring studies. Usage by people is not excluded, though the goal is to establish a cultural landscape in which human economic activities take place in harmony with nature.
- Nature parks are especially suitable for recreational means. Mostly these are diverse cultural landscapes of great aesthetical attraction, created by the interaction of human actions with nature. They fulfil a double task by providing recreational needs and providing protection for nature.

Increasing visitor numbers to natural areas have created problems for preservation, including traffic, pedestrian congestion, and excessive noise levels resulting from uncontrolled tourism development in such areas. The appropriate design of tourism facilities also had to be considered.

The development of visitor information centres and information management in particular is seen as a master strategy for visitor management. The visitor centres:

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The development of visitor information centres and information management in particular is seen as a master strategy for visitor management. The visitor centres:

- Focus on education and transfer of knowledge as a means of creation of awareness for nature.
- Employ standard methods such as exhibitions accompanied by special events.
- Also offer movies, multi-media applications, libraries, restaurants, cafeterias and shops with regional products are used to attract visitors.
- May include animal parks, gardens or playgrounds to increase visitor interest.
- Are starting points for guided tours.

In most cases, the location of the management (forestry, hunting, administration) of the nature park is situated in these centres and most are situated centrally within the protected area and have good access to road or railway infrastructure. From these central points, visitor flows can be controlled leading to an even distribution over the area. This is important for specific carrying capacity strategies of certain areas within the parks and for the concept of 'zoning'.

Of high importance within the nature parks is public information. Signs along the trails, additional workshops in 'green lecture halls' (outdoor seminars in nature) and special workshops offered for teachers contribute to making the visitor aware of the need to preserve the natural resources.

Source: International University of Applied Sciences, Germany

www.fh-bad-honnef.de

3.7.2 The positive value of ecotourism

Different tourism activities will have differing impacts on the environment and there are also examples where tourism may have a beneficial impact on the environment such as in the case of ecotourism. The following example (Case Study 3.3) has been provided by the International Ecotourism Society and demonstrates some of the positive outcomes of ecotourism.

Case Study 3.3 Positive outcomes from ecotourism

The following case study has been provided by the International Ecotourism Society (TIES), a non-profit organization dedicated to promoting ecotourism. TIES has been in the forefront of the development of ecotourism, providing guidelines and standards, training, technical assistance, research and publications. TIES' global network of ecotourism professionals and travellers is working to make tourism a viable tool for conservation, protection of bio-cultural diversity, and sustainable community development.

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The protection of biodiversity is among the most important and well-recognized (in part as a result of awareness-raising efforts such as the 2010 International Year of Biodiversity) aspects of the benefits of ecotourism. Over the years, the tourism industry has witnessed various positive examples that demonstrate that ecotourism can be an effective tool for successful conservation initiatives and sustainable community development approaches.

The most telling of these examples are those in which ecotourism replaces local community members' financial reliance on environmentally harmful activities such as illegal hunting of wildlife. The following are a couple of "poacher-turned-nature-guide" examples⁶ where ecotourism directly benefits both conservation and community empowerment.

Grass Routes Journeys, India

Historically, residents of Mangalajodi village posed a threat to local bird life since many families turned to the lucrative poaching trade. Through the development of local conservation organization and partnerships with the tourism industry, former poachers – with an intricate knowledge of bird habitats, breeding cycles and migration patterns – have successfully utilized their knowledge and skills for conservation.

Andaman Discoveries, Thailand

In the village of Ton Kloy, North Andaman, Thailand, local villagers have tackled wildlife conservation challenges by educating former hunters of the long-term economic value that thriving wildlife can bring to the community through tourism. *"Going to hunt a deer we can feed only five or six persons, but if we keep a deer everyone can come and see it for a long time."*

Source: International Ecotourism Society

www.ecotourism.org

Ecotourism also requires regulation, and Case Study 3.4 illustrates the approach taken by Ecotourism Kenya to promote certified ecotourism and sustainable tourism practices in Kenya.

Case Study 3.4 Ecotourism Kenya's Eco-rating scheme

Ecotourism Kenya is a civil society organization that was founded in 1996 to promote ecotourism and sustainable tourism practices in Kenya. Founded with enormous industry support, the society was charged with the responsibility of providing the required support for the development of ecotourism and sustainable tourism in the country.

Ecotourism Kenya manages a scheme that certifies tourist accommodation facilities in Kenya. The Eco-rating Scheme is an initiative of the Kenyan tourism industry that is designed to further the goals of sustainable tourism by recognizing efforts aimed at promoting environmental, social and economic values. Eco-rating is a systematic approach for verifying a tourism organizations performance when evaluated against an agreed suite of criteria.

6. Examples from The International Ecotourism Society's Your Travel Choice Blog <http://www.yourtravelchoice.org>

The scheme is voluntary; any hotel, lodge, camp, bush home or banda can participate. Being awarded a label under the scheme is confirmation that the facility has invested time, money and other resources in betterment of the environment, resource use and the welfare of local communities.

To participate, facilities undertake a self-assessment by completing the questionnaire and returning it with all supporting documents to the scheme secretariat at Ecotourism Kenya. The secretariat undertakes a preliminary evaluation of the questionnaire to ensure that all requirements for application have been met. It then convenes a meeting of the eco-rating committee (an independent evaluation team), who review the applications to verify compliance with criteria and make recommendations for certification as necessary. This committee has representation from a broad cross-section of institutions, both private and public as well as leading personalities in conservation and tourism, and is re-constituted every two years.

Source: Ecotourism Kenya

www.ecotourismkenya.org

3.7.3 UNWTO and ecotourism

2002 was designated by the UN as International Ecotourism Year and a considerable body of research was developed by UNWTO in the form of conferences and reports. UNWTO (2002b) also set out its Quebec Declaration on Ecotourism designed to feed into the World Summit on Sustainable Development (WSSD) and to guide public and private sector organizations on their contribution to the sustainable development of tourism. UNWTO produced a series of profiles of ecotourism markets and products relating to different countries such as Canada, France, Germany, Spain and Italy as part of a globally expanding market. These detailed reports highlighted ecotourism's significance as a specific niche market offering destinations the potential to develop specific products and experiences that could assist in nature conservation.

Box 3.6 derived from UNWTO (2002c) *Sustainable Development in Ecotourism: A Compilation of Good Practices* highlights the critical relationship between ecotourism, environmental conservation and community development. This was also followed up in the subsequent UNWTO (2003a) review of *Sustainable Development of Ecotourism: A Compilation of Good Practices in SMEs* which reviewed 65 case studies, where 25 were funded by private investment, 29 by donor organizations and 11 by mixed investment sources.

Box 3.6 Objectives of sustainable ecotourism projects

Conservation

- Preservation of biodiversity and natural habitats.
- Conservation of the natural, cultural and built environment (in more than 50% of the cases this was the prime motivation for the initiation of the project).
- Deterring local communities from illegal use and overuse of natural resources.
- Integration of protected natural areas and conservation objectives in regional and local development plans and programmes.

Local communities

- Raising awareness in local communities of the potential benefits and impacts of ecotourism
- Enhancing the pride local communities take in their natural and cultural resources, thus encouraging their conservation.
- Empowering local communities in decision making relative to the development and management of ecotourism areas.
- Generating direct and indirect benefits for communities (income and social benefits).

- Enhancing the geographic and social distribution of economic benefits from tourism.
- Providing alternative job opportunities.
- Developing the business and management skills of local operators and service providers.
- Creating local ecotourism enterprises that are financially viable and aware of environmental protection problems.
- Economic and social revitalization of rural communities by creating new job opportunities, especially for women.
- Enhancing cooperation between all the stakeholders involved in the project at local, regional and national level (public and private sectors, NGOs and communities).
- Tourism development.
- Diversification of the tourism offer by developing ecotourism products and attracting special interest clientele.
- Diversification of the ecotourism product by including features of traditional culture and rural lifestyles of local communities.
- Decreasing seasonality of tourism.
- Developing adequate and environmentally sound ecotourism facilities at natural attractions.
- Enhancing ecotourism product marketing. In general, the strategies followed in most cases are designed to:
 1. Develop institutional frameworks, legislative and regulatory instruments that favour conservation and ensure community benefits from ecotourism
 2. Set up planning and management frameworks for the operation and monitoring of ecotourism programmes and sites
 3. Provide financial incentives and technical support for conservation organizations managing natural areas and local stakeholders involved in ecotourism development
 4. Facilitate the active participation of local communities in ecotourism planning and management processes
 5. Provide capacity building and training programmes and activities for local decision makers (public authorities, private entrepreneurs and community members)
 6. Set up extension and advisory services
 7. Create mechanisms to enhance communications and cooperation between actors from different sectors
 8. Conduct environmental education programmes for local communities and tourists
 9. Introduce new technologies and techniques in natural resource management
 10. Develop marketing and promotion activities to enhance the economic viability of ecotourism projects (e.g. through government support for promotion, cooperation with national and international tour operators, the establishment of regional networks of ecotourism attractions, operators and service providers, reservation systems, etc.).

Source: UNWTO (2002c)

3.8 Tourism and biodiversity



UNWTO has long recognized biodiversity as an important issue:

- UNWTO and the Secretariat of the Convention on Biological Diversity have been collaborating since the International Year on Ecotourism in 2002 and in 2006, UNWTO established the Consulting Unit on Tourism and Biodiversity (see Box 3.7).
- UNWTO participated in the tenth meeting of the Conference of the Parties (COP 10) to the Conference on Biological Diversity (CBD) in Nagoya, Japan in October 2010, to raise awareness of the importance of biodiversity for the sustainable development of tourism.

- To coincide with the UN International Year of Biodiversity, “Tourism and Biodiversity” has been selected as the theme for World Tourism Day 2010.

Box 3.7 UNWTO Consulting Unit on Tourism and Biodiversity



In 2006, UNWTO, with the support of the Federal Government of Germany established the Consulting Unit on Tourism and Biodiversity for Tsunami Affected Countries, based in the UN premises in Bonn, Germany. The initial goal of this Unit was to provide expertise and advisory support to national and local governments of the countries hit by the tsunami in 2004 (in order to assist in redeveloping their tourist infrastructure). In January 2010, the German Government agreed to continue this cooperation by establishing the UNWTO Unit on Tourism and Biodiversity in a special funding agreement till the end of 2011. The mandate of the Unit has been widened to offer advising services to UNWTO members on issues of tourism and biodiversity upon their request, under the overall guidance and supervision from the UNWTO Secretariat.

The main tasks of the UNWTO Consulting Unit are:

- To provide support to UNWTO Member States on biodiversity-based sustainable tourism, participatory tourism planning, and connecting biodiversity-based tourism to overall economic development.
- To support the development of biodiversity-related sustainable tourism products by local stakeholders.
- To assist UNWTO Member States in finding new funding opportunities for biodiversity-related tourism development projects.
- To highlight the linkages of biodiversity and tourism.
- To raise awareness on the role of biodiversity in adaptation of tourism to climate change.
- To apply the Guidelines on Biodiversity and Tourism Development of the Conference on Biological Diversity (CBD) for planning processes in tourism destinations, and demonstrate how this approach can be applied by destinations for management of tourism and biodiversity.
- To develop management, communication and participation tools, as well as training and capacity building for enabling local people to participate in and benefit from tourism projects related to biodiversity.
- To contribute to the formulation and implementation of UNWTO's activities for the post-2010 biodiversity targets of the Convention on Biological Diversity.

Source: UNWTO (2010e)

UNWTO is also contributing to the UN inter-agency Environmental Management Group (EMG) report on advancing the biodiversity agenda within the UN system, which also links with preparation of the CBD's Strategic Plan for 2011-2020. The EMG report will contribute to formulation of the post-2010 biodiversity targets. The report will also:

- Provide information about the interactions of other policy sectors of the UN system with biodiversity;
- Create awareness in the UN system about the CBD process; and
- Identify how collaboration in the UN system can be furthered in support of the advancement of the biodiversity agenda.

For further information on biodiversity please see UNWTO (2010e) *Tourism and Biodiversity: Achieving Common Goals Towards Sustainability*.

3.9

Climate change and global warming



3.9.1 Key issues

Probably the most serious problem facing policy makers and the global tourism sector in relation to sustainability is climate change and global warming. There is a growing body of scientific evidence that suggest that man's influence on the world's climate has combined with underlying changes to affect the atmosphere, most notably by the volume of greenhouse gases emitted from human activities. This is contributing to the warming of the planet's atmosphere. Tourism contributes part of those emissions which are estimated to have increased by 70% between 1970 and 2004. The most notable changes have occurred in the volume of carbon dioxide which is over three quarters of man-made emissions, fuelled by the pursuit of economic development. Such development has increased the demand for energy which in turn has led to a rise in carbon dioxide emissions. Transport consumes a significant proportion of global energy demand and thereby contributes an increasing proportion of emissions. Tourist mobility is a component of this transport-related problem of emissions, contributing to about 5% of all carbon dioxide emissions, with 75% resulting from tourist mobility and 25% due to on-site consumption (UNWTO-UNEP-WMO, 2008). This problem of energy use is likely to be intensified by the continued growth of tourism which is forecast to expand to 2020, often in excess of rates of GDP growth (see Chapter 11). The UNWTO has undertaken an important leadership role to further research climate change and tourism.

The 2003 UNWTO Djerba Declaration on Tourism and Climate Change recognized the complex interlinkages between the tourism sector and climate change and established a framework for future research and policy making on adaptation and mitigation (UNWTO, 2003b).

In October 2007, the UNWTO convened the Second International Conference on Climate Change and Tourism. The conference agreed that:

- Climate is a key resource for tourism and the sector is highly sensitive to the impacts of climate change and global warming, many elements of which are already being felt.
- Tourism – business and leisure – will continue to be a vital component of the global economy, an important contributor to the Millennium Development Goals and an integral, positive element in our society.
- Given tourism's importance in the global challenges of climate change and poverty reduction, there is a need to urgently adopt a range of policies which encourages truly sustainable tourism that reflects a "quadruple bottom line" of environmental, social, economic and climate responsiveness.
- The tourism sector must rapidly respond to climate change, within the evolving UN framework and progressively reduce its Greenhouse Gas (GHG) contribution if it is to grow in a sustainable manner.

This will require action to:

1. Mitigate its GHG emissions, derived especially from transport and accommodation activities
2. Adapt tourism businesses and destinations to changing climate conditions
3. Apply existing and new technology to improve energy efficiency
4. Secure financial resources to help poor regions and countries.

One of the most influential studies in this area is the UNWTO-UNEP-WMO (2008) study, summarised in Box 3.8, which illustrates how the global environmental problems associated with climate change may affect future patterns and flows of tourism.

Box 3.8 The UNWTO-UNEP-WMO (2008) climate change and tourism: responding to global challenges study

Climate change is a reality for the tourism sector. Its effects and potential impact on tourism are a key feature of any debate on sustainability. Tourism may need to make significant changes in its response to human activity (i.e. adaptation) as well as proactive measures to offset future effects (i.e. mitigation) and consequences of climate change. The extensive and very detailed report by UNWTO pointed to the fact that 'in 2005 transport generated the largest proportion of CO₂ emissions (75%) from global tourism, with approximately 40% of the total being caused by air transport alone'.

The consequences of climate change are influencing the three key elements that impact upon tourist decision-making – climate, the natural environment, and personal safety – and are being considered by a range of tourism stakeholders (e.g., investors, insurance companies, tourism enterprises, governments, and tourists). However, studies that have examined the climate change risk appraisal of local tourism officials and operators have consistently found relatively low levels of concern and little evidence of long-term strategic planning in anticipation of future changes in climate (UNWTO-UNEP-WMO, 2008: 30) although businesses may be over estimating their adaptive capacity.

From the tourists' perspective, their adaptive responses to changes such as increased temperatures from global warming in peak seasons will lead to a reshaping of demand patterns and product choices. Inevitably climate change will pose new environmental constraints on the operation and feasibility of tourism business activity. The key question is how the expected growth in tourism to 2020 (see Chapter 11) will be reconciled with these environmental changes to the destinations and regions which tourists visit. The future changes to tourism businesses will also hinge upon the adaptation and mitigation strategies which tourism adopts given its highly energy consumptive operation (see energy issues also later in this chapter).

Adaptation and Mitigation

UNWTO-UNEP-WMO (2008) sets out four principal mitigation strategies for addressing greenhouse gas emissions from tourism:



- Reducing energy use.
- Improving energy efficiency.
- Increasing the use of renewable energy.
- Sequestering carbon through sinks (i.e. trapping and burying underground).

Of these four strategies, the UNWTO-UNEP-WMO (2008) noted that energy use and its reduction was the most effective area of action. At a destination level this will focus on how the different strategies are combined to develop effective adaptation responses as the following example of coastal and island destinations illustrates (Case Study 3.5).

Case Study 3.5 Adaptation responses to climate change in coastal and island destinations

Beach tourism remains the dominating market segment, constituting a key part of the economy of most Small Islands Developing States (SIDS) and developing countries. Coastal and island destinations are highly vulnerable to direct and indirect impacts of climate change (such as storms and extreme climatic events, coastal erosion, physical damage to infrastructure, sea level rise, flooding, water shortages and water contamination), given that most infrastructure is located within short distance of the shoreline. This high vulnerability often couples with a low adaptive capacity, especially in SIDS and coastal destinations of developing countries.

The strong seasonality of beach tourism has to be taken into consideration, as it can be exacerbated by climate change. In many beach destinations the high tourist season coincides with low water regimes in dry seasons, aggravating water management and environmental issues. The impacts of climate change and global warming will vary greatly in the different coastal regions, and might bring opportunities as well. For example, in traditional summer, beach destinations (like the Mediterranean) the shoulder seasons might lengthen, and winter season might be more appealing to tourists, providing opportunities to reduce seasonality and expand the tourism product. Northern coastal areas might benefit from warmer summers, attracting more tourists and lengthening the summer season.

Recommended adaptation and mitigation measures:

- 'Soft' coastal protection to prevent erosion (e.g., reforestation of mangroves, reef protection).
- Enhanced design, siting standards and planning guidelines for tourism establishments.
- Integrate climate change factors into regulatory frameworks for tourism development, such as Environmental Impact Assessment for tourism infrastructure and establishments.
- Implementation of tourism development plans within the framework of Integrated Coastal Zone Management (ICZM) processes and spatial planning such as zoning; shade provision and crop diversification.
- Reduce tourism pressures on coral reefs.
- Water conservation techniques, such as rainwater storage, the use of water-saving devices, or wastewater recycling.
- Diversification of the tourism product to less-climate dependent and seasonal activities, such as ecotourism.
- Education/awareness raising among tourism businesses and their staff, as well as tourists.
- Awareness and preparedness to face extreme climatic events and disasters at the national and local levels through improved coordination between disaster management offices, tourism administrations, businesses and host communities.
- Improved provision of climatic information to the tourism sector through cooperation with national meteorological services.
- Insurance cover (or alternative schemes) for the recovery of infrastructural and other damage.
- Drainage and watershed management to reduce flood and erosion risks.

- Support protected area management, and other means of the conservation of coastal ecosystems in order to enhance their resilience.
- Climate change adaptation can only be implemented effectively in an integrated policy framework where there is coordination between agencies to allow mainstreaming of climate change and sustainable development which are essential in coastal zones and islands. This is even more significant given that many coastal destinations and most SIDS depend on long-haul flights for their tourism-driven economies.

Source: UNWTO-UNEP-WMO (2008: 7)

It is not an easy task to assess the overwhelming effects of climate change on a destination by destination case but the UNWTO-UNEP-WMO (2008) study did suggest that climate change would have a major impact on the competitive position of destinations and the individual profitability of enterprises. However, the following overview provided in the UNWTO report illustrates some of the issues for destinations to think about:

“As a result, the competitive position of some popular holiday areas are anticipated to decline (e.g., the Mediterranean in summer), whereas other areas (e.g., southern England or southern Canada) are expected to improve. Uncertainties related to tourist climate preference and destination loyalty require attention if the implications for the geographic and seasonal redistribution of visitor flows are to be projected. There are well established vulnerabilities among winter sports destinations to projected declines in natural snowfall. Even with increased snow-making, contractions in the ski industry are very likely in the European Alps, Eastern and Western North America, Australia, and Japan” (UNWTO-UNEP-WMO, 2008: 28).

3.9.2 Transport and infrastructure: The challenge of developing capacity amid tools to manage carbon emissions and a future without oil

Global organizations charged with the monitoring and analysis of climate change (such as the Intergovernmental Panel on Climate Change (IPCC)) have forecast that between 2002 and 2030 transport-related carbon dioxide emissions will rise by up to 80%. Add to this the insatiable global demand for travel and the psychological attachment in modern societies to the car as a form of personal mobility for leisure, then making changes to human mobility related to leisure and tourism is going to be hugely challenging. The dichotomy exists between what organizations such as the IPCC advocate as necessary emission reductions of 50-80% by 2050 and the rising significance of the tourism sector as a contributor to global emissions. Whilst global agreements such as the Kyoto Protocol set out targets for cutting emissions, the transport and tourism sector continues to experience and forecast global growth. This will present a major challenge for the long-term sustainability of tourism, since our existing modes and patterns of travel will need to change to achieve any downward shift in emissions.

Even when we factor in potential growth in more fuel efficient and less polluting modes of travel, these are expected to only contribute a small reduction in emissions. The result is that a radical shift is needed in the use of transport modes, combined with a reduction in the distances involved in trips and a fast introduction of low carbon transport technologies (see Dubois et al, in press). The implications for meeting emission reduction targets in the transport and tourism sector will be a slower rate of growth in air travel, perhaps even a decline. The most radical solutions of shifting domestic tourism to rail networks and a rise in land-based transport (if the infrastructure existed), may lead to exponential growth in these sectors which may pose alternative management issues of congestion and capacity. Ultimately, tourism in industrialised countries will need to enter a period of slow growth based on the scenarios put forward by Dubois et al to allow for a growth in emissions in developing countries. Probably the only radical solu-

tion will be the decarbonisation of the tourism system, assisted by new technology and management of travel, based on individual emission quotas and pricing structures to limit growth. This will require major leaps forward in the technology of transportation to meet expected drops in carbon emissions.



A study of low carbon based land transport in the United Kingdom to 2050 by Bristow et al (2008) offers a number of useful insights in relation to how technological change may be able to assist in this shift to the decarbonisation of the transport system including:

- Efficiency gains in the energy consumption of the combustion engine (which presupposes a longevity in oil supplies which we discuss later).
- Hybridisation of car engines, affecting the purchasing decisions of consumers to encourage them to buy smaller more energy efficient vehicles.
- The introduction of hybrid buses and battery operated vehicles with advances in fuel cell technology.
- The greater use of biofuels.
- Electrification of the rail network which has around 12% savings on energy use compared with conventional diesel operation which can be improved further through regenerative braking that puts energy back into the traction of the train combined with lighter trains.
- Demand restraints through pricing of private and public transport.
- Improved pricing of public transport and improved service levels.
- Soft measures such as workplace transport strategies, car sharing, marketing to reduce car use.
- Policy measures such as allowing the continued increase in petrol prices so as to incentivise and influence vehicle purchasing decisions along with financial measures to effect change.

Similar measures are also emerging in aviation with the European Emission Trading Scheme proposing a greater user pay approach to air travel, despite the obvious criticisms of the arsenal of voluntary measures designed to reduce emissions. Further detail is given in Chapter 11 about future scenarios.

The most obvious and visible problems of these schemes and tools to address emission cuts relate to their implementation through effective policy instruments. Consequently policy is only slowly addressing the growth of carbon emissions as opposed to cutting them (Bristow et al, 2008). Technology is only ever going to be a partial answer, with radical change in the future tourist behaviour and a likely drop in long-haul travel needed as the debates on energy efficiency will suggest. Nevertheless Case Study 3.6 demonstrates the initiatives of Iberia airlines in reducing their CO₂ emissions.

Case Study 3.6 Iberia, environmental responsibility and lowering CO₂ emissions

Iberia is Spain's largest air transport group and the fourth largest in Europe and is a founding member of One-World, the alliance of airlines which together serve 700 destinations around the globe.

Iberia:

- Contributes to the European SESAR programme (Single European Sky ATM Research Programme), which aims to achieve a modern management system for European airspace, to reduce air traffic congestion in Europe and mitigate its impact on the environment.
- Participates in the European RETACDA Project (Reduction of Emissions in Terminal Areas using Continuous Decent Approach (CDA)) to reduce emissions by using the CDA when landing. This reduces noise by 4-5 decibels and saves between 300 and 480kg of CO₂ per aircraft.
- Has formally expressed interest in participating in the IAGOS research project from 2011 which consists of fitting long-distance aircraft with scientific instruments to analyse the chemical atmospheric composition, assessing air quality.

Source: UNWTO Tourism and the Millennium Development Goals

www.iberia.com

3.9.3 Cultural resources and climate change

Cultural resources also need consideration with regards to climate change. According to the UNWTO-UNEP-WMO (2008) publication *Climate Change and Tourism: responding to global challenges*, architectural heritage may be affected by climate change in a number of ways:

- The direct effect of rising sea level on those structures that are near the coast and that may be flooded or damaged by coastal erosion.
- Increased rainfall resulting in rising water tables will have an effect on the foundations or the fabric of buildings.
- The drainage of land areas may be affected, with consequent increases in area flooding, with implications for buildings and accessibility.
- Architectural heritage can also be affected by increased wind speeds, either through damage to roofs, or through increased wind loading on walls. The latter may adversely affect ruined buildings such as monasteries or tower houses, many of which are in exposed locations.

In 2005, the UNESCO World Heritage Centre (WHC) initiated an assessment of the impacts of climate change on World Heritage; the report, containing twenty-six case studies of natural and cultural heritage, was published in 2007. The study found, for example, that buried archaeological evidences could be rapidly lost if the stratigraphic integrity (organization of levels and types) of soils changed due to changes in precipitation levels, permafrost melting and floods.

Though costly, there are a number of possible adaptation strategies for cultural heritage destinations:

- Master plans and response plans: e.g., water supply planning (in drought susceptible destinations), risk assessment and preparedness strategies, and implementation of early warning systems (e.g., flooding).
- Scientific monitoring survey programmes to assess changes and necessary protection.
- Reconstruction and stabilization of historic assets such as architecturally rich buildings and archaeological sites using a combination of traditional materials and skills (to preserve their historic aesthetics and attraction), and modern engineering techniques to enhance their longevity.

- Product diversification; for example: opening up new 'micro' destinations and attractions within an adjacent area to an already popular heritage site.
- Combining traditional materials and skills with modern engineering when reinforcing, stabilizing and renovating historic sites.
- Education and awareness raising on minimising external stresses; increasing the profile and knowledge base of users and stakeholders of the undermining nature of external stresses to a destination struggling to deal with the impacts of climate change.
- Reduction or removal of external stresses such as overuse and pollution and in the case of marine resource.

Source: UNESCO-WHC (2007)

3.9.4 Climate change: a summary

Table 3.2 provides a useful summary and overview of many of the issues to be examined in subsequent sections and highlights the need for destinations to adapt to the future realities of climate change including the need for greater eco-efficiency and availability of water. One consequence is the importance of public-private partnerships and leadership from organizations such as UNWTO and WTTC to provide direction and a framework for strategic planning to plan for these changes.

To participate, facilities undertake a self-assessment by completing the questionnaire and returning it with all supporting documents to the scheme secretariat at Ecotourism Kenya. The secretariat undertakes a preliminary evaluation of the questionnaire to ensure that all requirements for application have been met. It then convenes a meeting of the eco-rating committee (an independent evaluation team), who review the applications to verify compliance with criteria and make recommendations for certification as necessary. This committee has representation from a broad cross-section of institutions, both private and public as well as leading personalities in conservation and tourism, and is re-constituted every two years.

Table 3.2 Major climate change impacts and implications for tourism destinations

Impact	Implications for tourism
Warmer temperatures	Altered seasonality, heat stress for tourists, cooling costs, changes in plant-wildlife-insect populations and distribution, infectious disease ranges
Decreasing snow cover and shrinking glaciers	Lack of snow in winter sport destinations, increased snow-making costs, shorter winter sports seasons, aesthetics of landscape reduced
Increasing frequency and intensity of extreme storms	Risk for tourism facilities, increased insurance costs/loss of insurability, business interruption costs
Reduced precipitation and increased evaporation in some regions	Water shortages, competition over water between tourism and other sectors, desertification, increased wildfires threatening infrastructure and affecting demand

Impact	Implications for tourism
Increased frequency of heavy precipitation in some regions	Flooding damage to historic architectural and cultural assets, damage to tourism infrastructure, altered seasonality
Sea level rise	Coastal erosion, loss of beach area, higher costs to protect and maintain waterfronts
Sea surface temperatures rise	Increased coral bleaching and marine resource and aesthetics degradation in dive and snorkel destinations
Changes in terrestrial and marine biodiversity	Loss of natural attractions and species from destinations, higher risk of diseases in tropical-subtropical countries
More frequent and larger forest fires	Loss of natural attractions; increase of flooding risk; damage to tourism infrastructure
Soil changes (e.g., moisture levels, erosion and acidity)	Loss of archaeological assets and other natural resources, with impacts on destination attractions

Source: UNWTO-UNEP-WMO (2008: 61)

The following commentary from Dr Murray Simpson at Oxford University, underlines the potential challenge of climate change for tourism.

Commentary from Dr. Murray C. Simpson, Co-Director CARIBSAVE Partnership Senior Research Associate, Oxford University Centre for the Environment: Facing the challenges of climate change

The Sustainability: Use of Resources for Tourism chapter covers a significant number of inter-related yet also disparate and highly complex issues. There are an increasing number of examples of best practice where operators are trying to make their businesses more sustainable. This commentary will refer to some of these examples.

Reducing energy use, improving energy efficiency, increasing the use of renewable energy and the use of carbon offsetting are just a few examples of how emissions can be reduced or the impact mitigated. However, as recognised, tourism is less favourable in terms of energy-efficiency than many other sectors. In 2005, it was estimated that the accommodation sector accounted for 21 per cent of the carbon dioxide emissions from tourism (UNWTO-UNEP-WMO 2008).



A number of Governments should also be acknowledged and commended for their intention to make their own travel and tourism sectors carbon neutral. For example, Sri Lanka, Norway, Costa Rica and New Zealand are four countries that have made the commitment. Furthermore Caribbean nations are embarking on an Inter-American bank funded

project to achieve carbon neutrality for tourism in the region.

Climate change is already having a significant impact on tourism businesses in coastal regions and small island states due to the impact on vital assets and resources (Simpson et al 2008). Climate change affects the tourism sector directly and also associated sectors such as water, energy, agriculture, biodiversity, health, infrastructure and settlements and comprehensive disaster management. These impacts threaten livelihoods, economies and environments all around the world. This is also true for mountain destinations and winter tourism. For example, in mountain destinations observed decreases in snow cover are projected to continue and, in many cases, to be intensified. However, snow is the most important resource for winter tourism and there is concern over whether it can remain a sustainable sector (Breiling and Charamza 1999). In many areas, artificial snowmaking is already common practice. In fact, all the ski areas in the Ontario region of Canada now have 100 per cent snow-making coverage of skiable terrain (Scott et al 2003). There will also be an increasing need to stabilise and ensure the stability of mountain cableway stations, lift masts and other buildings should the permafrost continue to melt (Barki et al 2005). A number of resorts have diversified their business to offer non-winter activities such as mountain biking and hik-

ing.

As highlighted by the winter tourism example and by the impacts seen in small islands and coastal regions, it is not just the sustainability of natural resources that operators have to contend with. Ensuring a business is also economically viable is, of course, extremely important. Whilst snowmaking may enhance the ski season in some resorts, it is hugely expensive and energy intensive and how sustainable it will be in the long term is a significant concern for many. A similar concern would also surround the import of drinking water or the installation of de-salinisation plants in areas suffering from water shortage as a result of the tourism industry.

Our enhanced understanding of how the climate is changing and the impact this will potentially have on the tourism industry has allowed operators and businesses to consider how the sustainability of natural resources can be secured. However, the solutions to reducing greenhouse gas emissions and tackling climate change and the associated impacts are complex. To be successful, more innovative partnerships are required and adaptation of best practice must continue. Mitigating and adapting to climate change is not a choice. It is something that the tourism industry has to deal with if it is to continue as a major economic sector.

www.caribsavve.org

3.10

Energy issues and tourism: Addressing the emission challenge in tourism



One of the principal challenges for the tourism sector, as we examine in more detail in Chapter 11 is the future of travel and tourism without oil. The dependence of the tourism sector upon hydrocarbon energy supplies (i.e. oil and gas) has to be viewed against the debate on peak oil and an expected decline in oil and gas supplies after 2020. Whilst the technological solutions advocated to offset this decline may rest

in a switch to more renewable energy sources, this would require a huge investment and infrastructure development to replace carbon based technologies. What is evident is that the immediate future will see tourism businesses and operators faced with higher energy costs. To mitigate these there are short-term measures which may help in achieving greater energy efficiency (e.g. minimising use such as energy efficient light bulbs, insulation, reducing travel distances and energy efficient equipment). However, more stark critics of the route towards sustainable tourism development indicate that limiting fossil fuel use is the key to achieving such a goal. Their arguments suggest that a large proportion of tourism activity is unsustainable, particularly the impact of transport as a consumer of fossil fuels. Therefore, by implication, the future growth of tourism will be unsustainable without any changes.



In 2008, UNWTO, working in partnership with a number of international organizations, launched the Hotel Energy Solutions Project. The aim of this highly ambitious, yet potentially exemplar project, is to provide energy efficiency solutions and increase use of renewable energy technologies for the tourism accommodation sector across 27 European Union countries. It is hoped that the solutions can be disseminated more widely.

3.10.1 Energy use and eco-efficiency of tourism

The term eco-efficiency is used by Gössling et al (2005) to explain how resource use in tourism can be used to evaluate energy use and economic use. As energy use is the principal contributor of emissions, this tool helps to logically measure and compare the relative efficiency of tourism versus other sectors of the economy and different forms of tourism. Looking at the energy efficiency of the tourism sector, it can be divided into three discrete sectors: transport, accommodation and the activities of visitors at the destination. Case studies 3.7, 3.8 and 3.9 below demonstrate some of the measures being undertaken by accommodation providers to save energy and water.

Globally, there are significant variations in eco-efficiency levels which are often a result of the impact of long-haul travel on the tourists' carbon footprint (Gössling et al, 2005). Tourism is much less favourable in terms of its eco-efficiency compared to other industry sectors, since it is a highly energy and resource-intensive activity (as will be reiterated in the discussion of water issues below). Interestingly, Gössling et al (2005) question the efficacy of pro-poor tourism strategies that are dependent upon the movement of long-haul tourists from western industrialised nations to developing countries. Given the poor eco-efficiency of such tourist flows this is a major challenge to our thinking on sustainability and poverty alleviation. If greenhouse gases are to drop by 80% by 2030 or 2050, we need a major reorientation of tourist travel away from long-haul to more localised and shorter haul destinations. The longer the travelling distances, the less eco-efficient the trip, but this may be offset to a degree by spending longer at

the destination with higher expenditures per day. Other issues like long term energy supplies of oil may lead to a reorientation and re-pricing of long haul travel alongside more environmental polluter-pay type measures that will certainly provide obstacles to tourist travel. In this respect, the challenge for tourism businesses is to implement a future aimed at carbon neutral tourism, to reduce costs and the energy consumption, to offset the uncompetitive position this may place destinations in over the long-term. Yet natural limitations, such as water, may also add a degree of constraint on future tourism development as the next section shows.

Case Study 3.7 Sol Meliá saving energy and water

Sol Meliá was founded by Gabriel Escarrer Juli in 1956 in Palma de Mallorca (Spain), and is one of the world's leading hotel chains for holiday travel, as well as the overall hospitality market leader in Spain, both in the leisure and the business segments. It is the third largest chain in Europe, the 12th largest in the world, and is the global market leader for holidays in Latin America and the Caribbean. The group currently has more than 300 hotels in 30 countries on four continents with a workforce of over 35,000.

Sol Meliá launched its new Strategic Plan in 2008, outlining five key strategic areas on which the business intended to focus: Brand Equity; Customer Knowledge and Contact; Development of Asset Management; Talent Management and the Promotion of Responsibility; and Sustainability.

The overall mission statement of the Sustainable Development programme is to create value for Sol Meliá, making sustainability a competitive advantage and creating value for all its stakeholders. Its vision is to contribute to sustainable development in the communities in which it is present.

The most significant advances for energy and water savings are the following:

- The energy saving and water efficiency SAVE Project has been implemented in 142 company hotels.
- The standardisation of energy and water efficient systems through the SAVE Project in 142 hotels resulted in a reduction of 3.7 kg CO₂ per stay and a reduction of 2.1m³ per stay in 2008 with respect to the period 2004-06.
- The SAVE Project led to Sol Meliá becoming the first company to be included in the Voluntary Commitment System to reduce greenhouse gas emissions (Spanish Ministry of the Environment, Rural Areas and the Sea and the Spanish Sustainability Observatory).
- The signature of an agreement with Bionor to oversee the collection of used vegetable oil in Sol Meliá hotels in Spain, which has led to greater control over the recycling of oil and has contributed to slowing the effects of climate change through the production of bio-diesel fuel from waste, as well as helping to preserve and protect biodiversity in some of the destinations in which it operates.

Source: Sol Meliá

www.solmelia.com

Case Study 3.8 Philips energy saving lighting

Royal Philips Electronics of the Netherlands is a diversified Health and Well-being company, focused on improving people's lives through timely innovations. As a world leader in healthcare, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity".

Guests at one of London's newest hotels, Rafayel, can enjoy the comfort, luxury and hospitality of superb surroundings, safe in the knowledge that their carbon footprint has been significantly reduced.

The carbon footprint of the average London guest is 70kg per night but, by opting for state of the art solutions

such as LED lighting supplied by Philips, Rafayel has reduced this significantly to a more acceptable 17kg. For the hotel this also has the benefit of reducing its overall electrical costs by a staggering 80%. Rafayel has set an impressive benchmark for other hotels to follow, especially given that estimates show that, globally, 6 billion could be saved within the hotel sector simply by switching from old to newer lighting technologies.

Some key area of energy saving lighting are:

- The Brasserie, where they have installed LED downlights using just 7 watts of power. Typically this would replace 50W halogen downlights so this instantly gives a saving up to 85% energy.
- The Staircase, where LED 12W bulbs in spiral staircase replace 60W incandescent bulbs. Providing up to 80% energy savings, this dimmable LED bulb offers reduced energy consumption without compromising light quality for general lighting applications. The LED bulb provides instant plug-in saving, extended life and reduced maintenance costs in comparison with conventional lighting.

Source: Philips Lighting

www.philips.com

3.11 Water supply and water shortages



Water is vital to human life and survival, with clean and fresh supplies a basic necessity. Climate change will impact upon fresh water supplies, making supplies scarcer in some regions of the world in the future. Tourism is dependent upon water supplies for meeting the basic needs of visitors (drinking, sanitation and hygiene).

Tourism has to compete with other sectors of the economy (e.g. agriculture and industry) and domestic needs for water supplies, and studies have shown that the average tourist water usage can range from 200 litres a day through to 2,000 litres. The latter usage poses significant pressure on the resource when water is already relatively scarce in the destination. As a World Wildlife Fund (2004) study of tourism and water use in the Mediterranean found, average tourist water use in Spain ranged from an average of 440 litres through to 880 litres where swimming pools and golf courses were present. Gössling (2005) has that suggested that on global average, an international tourist consumes water in the order of 222 litres per day. If this is examined in relation to tourist flows, then areas experiencing a net decrease in water consumption are the United States of America and North East Asia while areas experiencing a net increase are Europe, the Caribbean and S E Asia, as a result of the summer movement of north to south flows of tourists (around 116 million each year).



The UNWTO (2003b) 1st International Conference on Climate Change and Tourism highlighted several issues along with the threats and human risks which water sourcing posed for tourists. In small island states, water supplies can be directly impacted upon by the highly consumptive demands of tourists. There are already examples of some islands now seeking external supplies of fresh water in the peak season delivered by water tanker ships. In addition, discharges of untreated sewage into sea water can damage the quality of the marine environment for visitors. In some desert and small island settings, desalination has become a means of servicing fresh water needs although this has very high financial and energy costs, thereby adding to greenhouse emissions. Other areas which have particular problems in relation to water provision for tourism are the Middle East, especially the United Arab Emirates with its reliance upon desalination where it exceeds its renewable water resources. There is also significant debate over the possible political conflict that may arise over access to water supplies as a vital resource. Water overuse impacts on the long-term sustainability of sources that rely on aquifers and artesian wells which may be polluted with sea water in small islands where the over-extraction permits the invasion of salt water. In addition to these problems, the impact of climate change compounds the issues of availability and distribution of water supplies.

Among the most obvious solutions will be the reduction in water use (such as removing the irrigation of vegetation in accommodation establishments and replacement of vegetation with more drought tolerant varieties), redesigning swimming pools and their use of water and increased use of desalination for large resort hotels (despite the obvious impact on greenhouse gas emissions). Golf courses are often cited as having significant water consumption and this may be mitigated by using specially treated effluent water, rather than potable water, for irrigation and planting drought and salt resistant grasses.

Case Study 3.9 Concorde de Luxe Resort, Turkey, Green Economy Initiative

Concorde De Luxe is an award winning 5 star resort located in Lara, Turkey. Concorde de Luxe Resort's project for Sustainable Tourism has been planned to provide sustainability for all natural, cultural, ecologic, biologic renewable and non-renewable resources and undertook studies on these issues. This work has not only ensured stewardship for essential resources but has also made a great contribution economically by controlling the amount of water, electricity, energy and chemical and solid waste.

Some of the resort's initiatives are as follows:

- Informing personnel that the majority of communication should be made via electronic mail instead of fax and not to print messages taken via e-mail as it is not necessary. By this measure they saved 18,000 A4 sheets of paper per year from the purchase and sales departments.
- Removing most of the forms used inside the hotel and monitoring work records with a system which operates similar to a call centre. They encourage the use of both sides of paper used in the offices as well.
- Changing the method of dispensing toiletries in the showers inside the Spa by using locked dispensers instead of single use soap, shampoo and shower gel. With this system which started in the beginning of 2008, they have saved the disposal of 250kg soap and 1,000 plastic bottles per year
- Using information notes in the rooms about the use of towels. By changing the towels when it is needed, the resort has saved 500kg of detergent and 1,000 tonnes of water per year.
- Waste batteries are recycled / treated in a way that will not damage the environment.
- All renewable waste is collected separately and recycled.
- Energy saver keys that only enable the use of electricity in the rooms as long as the guest is in the room. When the balcony door is opened, the air conditioner is switched off automatically
- For illuminating general areas, the lights are automatically turned on and off in order to benefit from maximum daylight.

- Fluorescent bulbs are used, which are more efficient as they produce less heat. A fluorescent bulb can produce 50 to 100 lumens per watt. This feature makes the fluorescent bulbs 4 to 6 times more efficient than incandescent lamps. For this reason, a 15 watt fluorescent lamp, which produces the same light as a 60 watt incandescent bulb, shall always be preferred.
- Toilet taps in general areas are chosen with inbuilt photocell or mechanic time regulators to ensure maximum water savings.

Source: Concorde de Luxe Resort, Turkey

www.concordehotel.info

This chapter concludes with a commentary from the Accor hotel group which provides an overview and summary of initiatives in response to climate change and the subsequent need to promote new consumer behaviour and industry practice.

*Commentary from, Sophie Flak, Accor Executive Vice President:
Business transformation, innovation, technologies and sustainability*

As one of the world's leading hotel operators Accor is present in 90 countries with 4,100 hotels and close to 500,000 rooms. With 145,000 employees worldwide, the Group offers its guests and partners nearly 45 years of know-how and expertise.

The travel and tourism industry is facing the dramatic challenge of reducing its carbon footprint and adapting its business to emerging environmental issues. At Accor, we have long been aware of our environmental impact and of the imperative need to preserve the planet not only for future generations, but also for the sustainability of our industry. As one of our co-founders said back in 1974, "the environment is the raw material of tourism". Today, most industries, as well as most communities, realize that they are highly dependent on the availability of natural resources.

We believe that growth and development should always be positive. This is why we set up a dedicated, structured program called Earth Guest to anchor sustainable development at the heart of our corporate strategy, and provide a tangible response to growing social and environmental concerns.



Accor's on-the-ground response to climate change and the depletion of natural resources has been to design measures into every phase of the hotel lifecycle from development and construction to operation in a commitment to minimizing the hotel's impact and promoting new tourist behaviour and travel industry practices.

Development & Construction

Accor conducts integration studies to assess the local social and environmental risks related to new construction projects. Environmental criteria have also been included in the construction standards applied by each brand, to ensure that the building design, amount of insulation, equipment performance and energy sources are capable of drastically reducing energy use and green-

house gas emissions. The Group promotes renewable energies and innovative technologies, while integrating environment criteria into room design. In France, for example, the Etap Hotel Toulouse A report has been designed to be three times more energy efficient and emit four times fewer greenhouse gases than current heating regulations require. Moreover, as of the end of 2009, a total of 99 Accor hotels were equipped with solar panels to produce domestic hot water, 79% of owned and leased hotels were equipped with energy-efficient lamps for permanent lighting and 89% were fitted with flow regulators on showers and taps.

Operations

In recent years, Accor employees have learned new on-the-job practices and simple ways of saving water and energy. First issued in 1998, the Hotels Environment Charter offers 65 guidelines to help hoteliers to devise their environmental action plans. By 2009, it had been implemented in 86% of Accor hotels worldwide. At the end of that year, some of the most significant advances in the fight against climate change included the following:

- Between 2006 and 2009, energy and water use per available room decreased

by respectively 8% and 4% in owned and leased hotels.

- 89% of hotels organize preventive maintenance, which keeps hotel systems running smoothly and significantly reduces consumption.
- 69% of hotels have introduced rationalized plant watering methods.
- 52% of hotels choose plants suitable for local conditions, thereby reducing water use and supporting biodiversity.

To support its environmental commitment, Accor is also engaged in an environmental certification process. At year-end 2009, 10% of Accor hotels had earned certification, including 331 that were ISO 14001 certified and 50 that were Green Globe certified. These certifications allow the implementation of even more effective management systems, which in turn help to drive better performance.

These new ways of designing and operating hotels are having a double impact. First, they are shrinking our carbon footprint, as we lower our greenhouse gas emissions, and second, they are preparing us for a world in which oil will be an increasingly expensive and scarce commodity.

www.accor.com

3.12

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4

Tourism
as a force for
societal growth

4.1 Introduction



Sustainable tourism, as discussed in Chapter 3, is often understood and implemented in practice as tourism which maintains the status quo and which mitigates negative impacts on environment, society and communities. Mitigating negative impacts is crucial to maintain the integrity of destinations, however, this chapter takes a wider look at sustainable tourism and discusses tourism in terms of additional direct benefits, enhancements and contributions which it can bring to people and communities. The chapter also includes wider issues related to tourism, from the rights of individuals to the responsibilities of large corporations. The last twenty years has seen a change in both the philosophical approaches to tourism and the practices of tourism as new ways of thinking about tourism have emerged, we have termed this new thinking as tourism as a force for societal growth.

Three interconnected themes are identified in this chapter as representing tourism as a force for societal growth:

- Codes and ethics
- Corporate social responsibility (CSR)
- Tourism, poverty alleviation and community well-being
- Social marketing.

This list is not exhaustive, and there is much overlap between the terms which sit with the overall concept of sustainable tourism. However, these concepts are united by one common strand: that tourism can be directly engaged in making a positive contribution to communities, the economy and the environment. (N.B. The concepts discussed in this chapter are very much part of the sustainability debate. However, tourism as a force for positive societal growth is a significant subject in its own right, sometimes overlooked, and hence discussed separately here).

One of the most influential studies, which paved the way for much of the debate, measures and policies now associated with tourism as a vehicle for societal improvement, is attributed to Krippendorff's (1987) *The Holiday-Makers*. The book adopted a critical review of the way in which tourism was organised and operated and the way in which large business interests adopted short-term profit motives to the detriment of communities and the environment. This study was a turning point in stimulating new thinking and approaches to tourism as a damaging phenomenon. Broader developments in the field of business such as corporate social responsibility, the green agenda and its subsequent articulation through sustainability emerged in the 1980s and 1990s.

Much of this thinking now underpins current practice in both the public and private sectors as well as within global agencies, to promote greater equality between destinations and their resident communities, and the companies and individuals that visit them. These developments have gathered momentum due to the pressure exerted by NGOs and the work of UNWTO in seeking to harness the power of tourism as a force for societal change rather than the more widely attributed analogy of tourism being a problem for management and public sector intervention. Some studies have even advocated tourism as a force to promote peace between nations although the evidence of achieving this is limited. There is also an appetite from consumers towards more ethical forms of behaviour in general, including ethical travel.

In this chapter we explore each of the four concepts outlined above as a way of moving the theory of tourism as a force for societal growth toward achieving this in practice. The contribution of UNWTO

studies in formulating these new agendas is illustrated where applicable and future areas of development are highlighted. The chapter concludes with a forward-looking commentary from Professor Peter Burns, University of Brighton.

4.2 Codes and ethics



As part of the growing interest in ethical behaviour and more responsible forms of tourism, communities, public and private sector organizations point to the value of Codes of Practice as a way of standardising and structuring thinking on how more responsible forms of tourism development and visitor behaviour could be achieved.

A key dimension to changing both visitors' and the tourism sector's attitudes and views of tourism as a business is the UNWTO Global Code of Ethics for Tourism adopted in 1999. The Global Code of Ethics for Tourism (GCET) is a comprehensive set of principles whose purpose is to guide stakeholders in tourism development: central and local governments, local communities, the tourism sector and its professionals, as well as visitors, both international and domestic.

The Code was called for in a resolution of the UNWTO General Assembly meeting in Istanbul in 1997. Over the following two years, a special committee for the preparation of the Global Code of Ethics was formed and a draft document was prepared by the Secretary-General and the legal adviser to UNWTO in consultation with UNWTO Business Council, UNWTO's Regional Commissions, and the UNWTO Executive Council.

The United Nations Commission on Sustainable Development meeting in New York in April 1999 endorsed the concept of the Code and requested UNWTO to seek further input from the private sector, non-governmental organizations and labour organizations. Written comments on the Code were received from more than 70 UNWTO Member States and other entities. The resulting 10 point Global Code of Ethics for Tourism – the culmination of an extensive consultative process – was approved unanimously by the UNWTO General Assembly meeting in Santiago in October 1999.

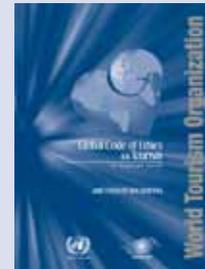
A number of principles underpin the Code as outlined in Box 4.1.

Box 4.1 UNWTO Global Code of Ethics for Tourism

- Article 1: **Tourism's contribution to mutual understanding and respect between peoples and societies** which focuses on the underlying principles of diversity and tolerance, harmony, mutual respect, ensuring the safety of visitors and risk minimisation.
- Article 2: **Tourism as a vehicle for individual and collective fulfilment**, should be a privilege and force for self-education while promoting human rights and combating the exploitation of persons, especially children.
- Article 3: **Tourism, a factor of sustainable development**, indicating that all stakeholders involved in tourism should seek to safeguard the natural environment and strive towards sustainable growth.
- Article 4: **Tourism, a user of the cultural heritage of mankind and a contributor to its enhancement**, so that the cultural heritage is preserved while cultural products are not degenerated, or standardised or

commoditized.

- Article 5: **Tourism, a beneficial activity for host countries and communities**, so that the standard of living of local populations is enhanced, especially in sensitive environments such as coastal, mountain and island communities.
- Article 6: **Obligations of stakeholders in tourism development**, whereby suppliers need to act with honesty and integrity in terms of the information and services they provide while cooperating with the public sector to ensure the safety and security of visitors.
- Article 7: **Right to tourism**, which is a universal right and the promotion of social tourism to assist the less privileged to access holidays should receive public support.
- Article 8: **Liberty of tourist movements**, where tourists should have freedom to travel in accordance with Article 13 of the Universal Declaration of Human Rights.
- Article 9: **Rights of workers and entrepreneurs in the tourism industry**, where the rights of workers need to be guaranteed including access to training opportunities.
- Article 10: **Implementation of the principles of the Global Code of Ethics for Tourism**, which requires the cooperation of the public and private sectors for its effective implementation and the establishment of a world committee on tourism ethics for the settlement of disputes.



A complete version of the GCET can be found at
http://www.unwto.org/ethics/full_text/en/full_text.php?subop=2

This Code lays the groundwork for subsequent developments in the field of tourism refocusing attention away from the short-term profit motive of business to the longer term sustainability of the tourism sector. Many corporations and destinations are adopting their own codes of conduct, based on ethical thinking as illustrated by the example in Case Study 4.1

Case Study 4.1 Kuoni Corporate Social Responsibility Code of Conduct

With turnover of CHF 3 581 million in 2004, Kuoni Travel Holding Ltd. Is one of Europe's leading tourism companies. It employed some 6 451 full-time equivalents around the world in 2004 and is active in the Leisure Travel and Incoming Services fields. Kuoni has systematically developed its position beyond its home market, too, and now operates subsidiaries in various European countries as well as Asia, Africa and the United States of America. In 2004, Kuoni was named the World's Leading Tour Operator for the sixth time in the annual World Travel Awards.

For Kuoni, sustainable business means combining economic success with a responsibility for the environment and society. Kuoni see Corporate Responsibility as a way of maintaining an open dialogue with all their stakeholders, involving them to ensure the sustainability of their business. Their work on Corporate Responsibility focuses on four key areas:

- The protection of children
- Fair working conditions
- Climate change
- Water scarcity



With its Code of Conduct for Suppliers, Kuoni has established a framework for sustainability in the value chain. It monitors compliance with these standards using Travelife, a system for measuring sustainability. Kuoni also tries to help hotels in their efforts to achieve sustainability, by facilitating knowledge transfer between its business partners and stimulating dialogue with stakeholders through transparent communication.

Kuoni runs regular workshops at various destinations for its hotel partners with the aim of improving their sustainability performance and potential. Essentially, they adopt a pragmatic approach that is intended to prepare their partner hotels for the increasing challenges they face in social and environmental terms. These workshops enable Kuoni to provide hotels with the knowledge and the skills they need to take effective action that will enhance the sustainability of their business and activities.

In 2009, Kuoni achieved the following:

- Monitoring and incentives
 - Data analysis across all Kuoni Group business units
 - Introduction of supplier code of conduct
 - 15 Kuoni employees trained as Travelife auditors
 - 120 suppliers audited by Kuoni
 - 73 key suppliers audited by Kuoni or another TO, of which 31 have achieved a Travelife award
- Knowledge transfer
 - 2 workshops on child protection conducted with 345 representatives of hotels in India and Thailand
 - 2 workshops on cleaner production and human resource best practice conducted with 50 representatives of hotels in Bulgaria
 - 3 workshops on water and energy saving measures conducted with 175 representatives of hotels in Thailand
- Communication and reporting
 - Travelife label introduced in brochures and websites of BU France, Netherlands, Scandinavia, Switzerland and United Kingdom
 - Various training and information tools (e-learning, newsletter, website) about Travelife.

Source: Kuoni

www.kuoni.com



The development of a specific code of conduct aimed at protecting children from commercial sexual exploitation in tourism is outlined in Box 4.2 below.

Box 4.2 Code for the Protection of Children from Commercial Sexual Exploitation in Tourism

UNWTO and the European Union joined forces to support a Code of Conduct for the Protection of Children from Sexual Exploitation of in Tourism initiated by a group of Swedish Tour Operators in 2000.

The international development of the Code is promoted by an international, multi-stakeholder Board of Directors composed of prestigious tourism industry representatives and non-governmental organizations..

Companies signing the Code commit to six criteria including: formally repudiating the commercial sexual exploitation of children; raising staff awareness and training; informing tourists of the problem and suppliers of the company's policy; liaising with key persons at destination; and reporting annually on the implementation of the Code.

Source: www.thecode.org

4.3 Corporate Social Responsibility



CSR (also referred to under different labels as responsible business, corporate responsibility and corporate citizenship) is a voluntary form of self-regulation by businesses where they set out to monitor their own adherence to rules, regulations, ethical standards and laws. This usually involves a degree of self-reporting in annual reports by companies to proactively assess their effect on the environment, communities and stakeholders as well as consumers.

In philosophical terms, this approach to business embodies a degree of self-interest as well as a wider philanthropic interest in stakeholders as opposed to short-term pursuit of profits. This is part of the wider demand for more ethical businesses and practices as well as a commitment by businesses to triple bottom line accounting that has a responsibility to people, the planet and profit. It also reflects the growing interest among consumers who are concerned about the way companies interact with both communities and the environment.

To try and move this agenda forward and implement CSR across the global tourism community, in September 2008, UNWTO launched TOURpact GC which is a new framework for CSR open to companies, associations and other tourism stakeholders. TOURpact GC reflects the aligned principles of the Global Compact and UNWTO's Global Code of Ethics for Tourism. The Global Compact is a voluntary initiative designed to mainstream ten key principles of social responsibility in business activity and to catalyze action to support the UN Millennium Development Goals (MDGs).



This illustrates a strengthening of UNWTO's intervention to stimulate greater voluntary action to enhance CSR and its wider development of the Code of Ethics, further enhancing the image and reputation of the tourism sector as one prepared to adopt more responsible business practices. An illustration of these responsible business practices is given in Case Study 4.2.

Case Study 4.2 Misr Travel, Egypt Corporate Social Responsibility

Misr Travel was established in 1934 by the Egyptian economist Talaat Harb. Since then Misr Travel has been managed by a long line of influential economists and politicians. Today Misr Travel extends its services in Egypt and around the world.

Some of the services provided by the holding company and its affiliated companies to its employees include:

- Training programs and scholarships.
- Any employee who receives a master's degree or a doctorate is given an incentive bonus.
- Medical treatment for in-service employees.
- Medical treatment for pensioners.
- Transportation.
- Social solidarity fund.
- Housing fund.
- End of service gratuity.
- Insurance policies.
- Pilgrimage and Umra.

Some of the contributions made by the holding company and its affiliated companies to the society include:

- The legal right to use the land of Bein Al-Sarayat to Elmasry Foundation for community service to establish scientific research laboratories, training centres and lecture rooms for Cairo University.
- The land of Al-Baliana to the General Authority for Educational Buildings to construct a school complex.
- Development of Luxor City (Luxor Governorate).
- The Egyptian Red Crescent (relief for the Palestinian people).
- Renovation of downtown squares (Cairo Governorate).
- The humanitarian fund (Sinai Governorate).
- Poisons centre (Suez General Hospital).
- Orphan care.
- Oncology institute.
- Financial contributions to Elmasry.

Source: MISR Travel

www.misrtravel.org

Corporate social responsibility is vital to the industry's future because it will help ensure thriving, attractive and welcoming destination communities that will draw visitors, the basis for long term growth and profitability. Creating a positive environment for tourism in the long term will require the entire industry to adopt responsible, sustainable practices (WTTC 2002: 6). Case Study 4.3 demonstrates a collective approach to CSR in Brazil.

Case Study 4.3 Corporate Social Responsibility and sustainability, The Roteiros de Charme Hotel Association

The 'Roteiros de Charme Hotel Association' was founded in Brazil in 1992, as a private, non-profit organization. The Association currently comprises 50 independent hotels, inns and ecological refuges, from Northern to Southern Brazil, which recognize the importance of environmental and social responsibilities for the sustainability of their operations and destinations. The critical location of various member hotels, which are set in conservation areas and fragile ecosystems such as the Atlantic Forest and the Pantanal, points to the importance of a continuous and sound environmental program.

The Roteiros de Charme members are devoted to the preservation of the 42 tourism destinations where they are established through the conservation of their natural ecosystems and environmental education.

The goal of the Association's sustainability programme is to:

- Test the efficiency and feasibility of wide application of the environmental and business indicators developed by Roteiros de Charme regarding its Ethics and Environmental Code of Conduct.
- Improve gradually and continuously the cadre of local professionals who are trained to embrace the principles of sustainable tourism.
- Foster a venue to reduce habitat and biodiversity loss through the application of best practices.
- Contribute to the maintenance and integrity of surrounding protected areas.

As well as adopting a Code of Conduct, activities developed by the Association include:

- Environmental education of hotel employees and their families through seminars, talks and courses and target areas related to the Environmental Code of Conduct.
- Implementation of projects and activities aiming to generate social benefits and improvement in the quality of local communities. Examples of these projects are marine aquaculture, reforestation and horticulture programmes.
- Encouraging efforts in support of existing protected areas systems and biodiversity corridors such as the creation of private reserves.
- Participation in local, national and international fairs, conferences and meetings aiming at sharing experiences and mobilizing partnerships towards common goals.
- Participation in local academic and scientific projects, such as conservation of manatees, the hyacinth macaw, the blue-fronted Amazon parrot and the jaguar.

Some of the successes are:

- 30% to 40% reduction in energy consumption.
- 70% of member hotels use solar energy for water heating.
- 30% of member hotels have and protect natural water sources in their own hotel grounds.
- 100% of wastewater generated is treated and



reutilized for non-potable purposes in 10% of member hotels.

- 100% of member hotels re-use, reduce and recycle solid waste to different degrees; 35% have organic vegetable gardens and compost organic waste in their properties.
- At least 50 different environmental and social initiatives at local destinations are supported by member hotels.
- At least 100 local companies of service providers and suppliers are involved in the environmental programme.

Source: Roteiros de Charme Hotel Association

www.roteirosdecharme.com.br

See World Tourism Organization (2010), *Tourism and the Millennium Development Goals*, <http://www.unwto.org/tourism&mdgsezine/> for further examples.

4.4 Tourism, poverty alleviation and community well-being



Extreme poverty (as opposed to relative deprivation in developed countries) is a widespread problem and in many developing countries where access to clean water, food, shelter and medical care is limited. According to World Bank (2008) revised estimates on poverty, with the poverty line set at a person living on \$1.25, 1.4 billion people live at this line or below this line.

The significance of tourism in the context of poverty alleviation cannot be underestimated. In many developing countries, though not all, tourism is already a major player in the economy (See UNWTO and SNV, 2010):

- International tourism receipts by developing countries amounted to over US\$ 259 billion in 2007.
- Tourism is the primary source of foreign earnings for the world's 49 Least Developed Countries.
- Tourism is a principal export in over 80% of developing countries and the main export of one third of them.
- In some developing countries, notably small island states, tourism can account for over 25% of GDP.

The term 'pro-poor tourism' has a relatively short history, being developed in the late 1990s and is described as tourism which is used strategically to help reduce poverty. It reflects the prevailing rhetoric and interest in solving poverty as the number one problem for the global development agencies. The war on poverty was given greater credence in terms of the eight Millennium Development Goals set out by the Member States of the United Nations:



1 End poverty and hunger



4 Child health



7 Environmental sustainability



2 Universal education



5 Maternal health



8 Global partnership



3 Gender equality



6 Combat HIV / AIDS



The eight Millennium Development Goals which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 form a blueprint agreed to by all the world's countries and all the world's leading development institutions. UNWTO endorsed these goals, with poverty alleviation as the first goal, recognising the pivotal role tourism has to play in poverty alleviation and is a natural extension of its concerns for harnessing tourism's vital role in societal development. A major initiative from UNWTO, the ST-EP Programme, is outlined in Box 4.3.

Box 4.3 The UNWTO ST-EP Programme

The ST-EP program was established in 2003 by the United Nations World Tourism Organization. The ST-EP name stands for Sustainable Tourism Eliminating Poverty, which tells a great deal about both the goals of the program generally and the work of the Foundation in particular.

ST-EP was created to harness the developmental power of tourism in the fight against world poverty. Its origins and activities are both intimately tied to the UN's Millennium Development Goals, which include the objective of halving extreme poverty by 2015. ST-EP is especially focused on people living on less than a dollar a day. The targets are the world's least developed countries, especially those in Africa, along with developing states in general.

The ST-EP program includes four main components:

- A research base to identify linkages, principles and model applications.
- An operating framework for promoting and developing incentives for good practice among companies, consumers and communities.
- Forums for sharing and exchanging information, ideas and plans are designed to bring together private, public and non-governmental stakeholders.
- Finally, there is the ST-EP Foundation which was originally concerned with attracting new, dedicated financing from business, philanthropic and government sources.

Source: UNWTO (www.unwtostep.org)

UNWTO's extensive work in this area is documented in five associated reports, the first of which was launched in 2002 at the World Summit on Sustainable Development in Johannesburg:

- *Tourism and Poverty Alleviation* (2002d) which outlined examples from four countries and the contribution to poverty alleviation and defined a number of areas for action.
- *Tourism and Poverty Alleviation: Recommendations for Action* (2004b) which defined approaches which could be harnessed to address poverty.
- *Tourism Microfinance and Poverty Alleviation* (2005) issued in the International Year of Microcredit as a source of finance to set up microenterprises.
- *Poverty Alleviation through Tourism and Compilation of Good Practices* (2006), with examples of projects and good practice in sustainable projects.
- World Tourism Organization and Netherlands Development Organization (SNV) (2010), *Manual on*

Tourism and Poverty Alleviation Practical Steps for Destinations, UNWTO, Madrid.

Tourism and Poverty Alleviation: Recommendations for Action (UNWTO, 2004b) defines a number of mechanisms for maximising benefits for the poor:

- Employment of the poor in tourism enterprises.
- Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor.
- Direct sales of goods and services by the poor (the informal economy).
- Establishment and running of tourism enterprises by the poor (i.e. micro enterprises and SMEs, Medium Sized Enterprises or community-based enterprises) (formal economy).
- Tax or levy on tourism income or profits with proceeds benefiting the poor.
- Voluntary giving/support by tourism enterprises and consumers (see for example Case Study 4.4).
- Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors (see for example Case Study 4.5).

The most recent publication *Manual on Tourism and Poverty Alleviation Practical Steps for Destinations* (UNWTO and SNV 2010) is a manual aimed at organizations and individuals working in the field of tourism at the destination level, or those working more widely at this level to support poverty alleviation with an interest in seeing how tourism development and management can help and how they can assist with this. The manual is divided into three main parts, based on the three classic components of a project cycle: Analysis/ Planning, Action and Assessment.

- PART 1 covers **analysis and planning**. It shows how to take poverty alleviation into account in considering stakeholders and beneficiaries, analysing the current performance of tourism, considering future potential and developing a strategy and action plan.
- PART 2 covers **action**. It provides details on practical ways of delivering tourism benefits to the poor, based on seven mechanisms previously identified by UNWTO. These include: direct employment; supply chains; informal selling; enterprise development; taxes and charges; voluntary giving; and collateral benefits.
- PART 3 covers **assessment**. It looks at the use of indicators and measurement processes to evaluate the impact of tourism and individual initiatives on poverty.

Case Study 4.4 Social contribution from visitors: Pousada Cravo e Canela

The inn 'Pousada Cravo e Canela' is a member of the 'Roteiros de Charme Hotel Association' a private, non-profit organization which comprises 50 independent hotels, inns and ecological refuges, from Northern to Southern Brazil. Members are dedicated to the preservation of the 42 tourism destinations where they are established through the conservation of their natural ecosystems and environmental education.

The Pousada Cravo e Canela inn, which is located in the mountain town of Canela in the Brazilian state of Rio Grande do Sul, has begun to involve its guests in its social and environmental contribution to the region. Already committed to best practices and environmental management within its property since the beginning of its operations, the inn now reaches out to the community where it operates, at the same time increasing the social and environmental awareness of its guests. An optional room/night tax of R\$ 1.50 Brazilian Real (approximately 0.86 US\$) has been added to the bills for voluntary payment by guests. The aim was to benefit three local community charity organizations: a home for the elderly, a home for underprivileged children and a hospital. Between January 2008 and June 2010, US\$ 3,247 was collected and contributed toward the purchase and donation of organic food supplies for these charities.

The goods are acquired directly from small local producers and include items such as jams, juices, brown sugar and fruits. The inn also collects from the three organizations the used food containers such as glass jars which are returned to the producers for re-utilization. Plastic wrappings and other packaging materials are also destined for recycling after use rather than being wasted or improperly discarded.

By involving local producers, the inn contributes to the local economy as well as helping to prevent the exodus of the labour force to larger urban centres, maintaining a traditional regional vocation, the production of home-made family produce. It also reduces the carbon footprint which otherwise would have been incurred in transportation of goods over longer distances. This initiative demonstrates that small hoteliers can have an important role in the social development of destinations in a developing country scenario, where businesses are increasingly active in complementing or acting in partnership with governmental social programmes.



Source: Roteiros de Charme Hotel Association

www.roteirosdecharme.com.br

Case Study 4.5 Accor and Agrisud: contributing to local economic development through local purchasing

Accor of France is a global hotel and service group operating in 90 countries with 145,000 employees. Accor operates 4,100 hotels under the Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Adagio, Ibis, all seasons, Etap Hotel, Formulae 1, hotelF1 and Motel 6 brands.

Since 2004, Accor has been supporting local economic development in the Siem Reap and Phnom Penh regions of Cambodia in association with Agrisud, an NGO dedicated to creating micro business and helping farmers reach markets. Through purchasing local produce from the region's micro businesses, Accor has contributed to the development of 180 fully operating micro businesses. The initiative has enabled local farmers to diversify their products and market outlets and generate higher revenues for their families. In 2009, over 215 tons of agricultural products were produced equating to a turnover of US\$79,000.

Following the success in Cambodia, in 2008 Accor started implementing a similar initiative with Agrisud in Brazil through its Ibis chain, and is now planning further activity in Ouarzazte and Zagora regions of Morocco.

Source: UNWTO Tourism and the Millennium Development Goals

www.accor.com

The problems and solutions identified in relation to pro-poor tourism projects can be summarised as follows in Table 4.1.

Table 4.1 Problems and solutions related to pro-poor tourism

Problems	Solutions
<ul style="list-style-type: none"> • Isolation and lack of accessibility and communication technologies in remote areas • Lack of awareness of tourism within the communities which sometimes generates conflicts • Shortage of skilled labour and traditional ways of living that do not want to change • Lack of interest among the public sector for community-based activities • Marketing and promotional difficulties in accessing markets and meeting visitors needs • Conflict of interest between developers and villagers • Financial difficulties in accessing sources of finance safety conditions 	<ul style="list-style-type: none"> • Larger areas for business development have been scaled down and generators installed to provide power and renewable energy sources • A greater use of a participatory process in local communities to explain the role of tourism and micro-entrepreneurs to increase compatibility with traditional activities • Training of local people to overcome skill shortages • Meetings with local authorities to develop a consensus on development needs • Setting up local travel agencies to control local travel groups and attempts to reach national and international markets • Use of a conflict management system to reduce conflicts of interest • Advise of caution on new ventures where there is limited access to capital, so as to start small and increase their businesses incrementally

Some of the benefits identified are:

- Employment creation.
- Improvements in the quality of life for communities.
- Education and community empowerment.
- Environmental protection.
- Culture and heritage conservation.
- Self-esteem and community pride.
- Recognition and image enhancement through the award of prizes to certain projects.
- Improvements in the visitor infrastructure.
- Increased visitation and improved marketing.



The pursuit of poverty alleviation requires, among other efforts, awareness-raising of these objectives to visitors. One vehicle for doing this is the rise of the green economy and use of social marketing to change behaviour. This is in addition to the role of lobby groups such as Tourism Concern. Their most recent report *Putting Tourism to Rights* (2009) (see Case Study 4.6) examines examples of ongoing human rights issues which Codes of Practice need to address and measures to achieve greater equity in relationships between the visitor, the tourism sector and host communities.

Case Study 4.6 Tourism Concern: Putting Tourism to Rights

Tourism Concern is a human rights campaigning organization based in the United Kingdom committed to ensuring that the rights of people living in tourism destinations are fully respected. Human rights is not a concept commonly associated with tourism but Tourism Concern believe that because there is a shift by industry leaders to commit themselves to sustainable tourism, there is, at last, an opportunity to convince them that their agendas should also include this difficult, but critical, issue.

Putting Tourism to Rights: A challenge to human rights abuses in the tourism industry, is the organization's newest publication. It makes use of the Articles in the 1948 Universal Declaration on Human Rights (UDHR) to highlight, through case studies, the violations committed globally by tourism development and makes recommendations to all major stakeholders that would enable tourism to operate sustainably.

The Declaration's 30 'articles of faith' include civil and political rights, such as the right to dignity, respect and privacy as well as economic, social and cultural rights including the right to work, to equal pay, the right to compensation and the right to social progress and development. These rights have been accepted by most governments. As such the UDHR is one of the most significant documents of our time. It is the pivotal authority on human rights issues and the cornerstone for in the advancement of international human rights law.

For 21 years Tourism Concern has been an advocate for a myriad of unheard voices and has considerable evidence of the human rights violations perpetrated by the industry. Several of the case studies in the report are those where destination communities have come to Tourism Concern directly for help.

The fact is that human rights violations are concealed because they largely impact on those who feel powerless and lack faith that their voices will be heard. This fosters the promotion of a consistently one-sided picture of tourism that it creates wealth by providing jobs, brings in essential foreign exchange, and thus eliminates poverty. Tourism Concern's evidence shows that too often very poor wages are paid, people lose their homes and access to their livelihoods, and are unable to access clean water. Thus tourism can often contribute to maintaining people in poverty. All parties must ensure that it plays a meaningful role as a more equitable, just and transparent business in line with their obligations under international human rights laws and conventions.

Tourism Concern urge that:

Destination governments

- Fulfil their international legal obligations to protect their citizens from human rights abuses perpetrated by third parties, including the tourism industry, through appropriate policies, regulation and, vitally, adjudication and access to redress.
- Implement the necessary regulations and planning controls to ensure that the development of the tourism industry is sustainable and does not irreplaceably deplete natural resources or cause irreparable damage to the environment.
- Ensure the right to self-determination of indigenous peoples in respect to prospective developments on their land and in their vicinity, in accordance with the UN Declaration on the Rights of Indigenous People.
- Ensure wider dissemination of the UNWTO Global Code of Ethics for Tourism to communities impacted by tourism, including those who may have a grievance concerning its implementation and who may wish to make use of the mechanism set out in Article 10 of the Code.

Hotels

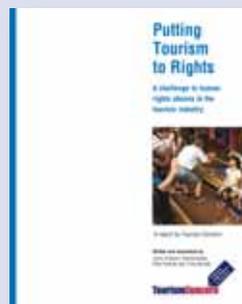
- Make use of all available independent social and environmental impact assessments when contracting

with developers, either directly or indirectly, and to ensure that there are no ongoing legal disputes over land ownership or access to key resources, such as water, on any site where a hotel is to be built; to commission an independent assessment where one has not been carried out before proceeding.

- Adopt a single, well understood code of practice, such as those promoted by Tourism Sustainability Council, that is holistic, and includes significant issues around human rights and environmental protection.
- It is essential that leading national and international hotel and tourism associations insist that their members ensure that contracted hotels meet these standards and that accreditation to any association should only be given as a result of an independent audit.

Tourism Concern wants to work with all stakeholders to move this agenda forwards.

For a complete version of this report visit
<http://www.tourismconcern.org.uk/index.php?page=putting-tourism-to-rights>



Source: Tourism Concern

www.tourismconcern.org.uk

4.5 Social marketing: future areas for action



Following on from the notion of poverty alleviation and community well-being, there is a growing concern for the social inclusion and exclusion agenda which many western governments have pursued in terms of equity and fairness for its citizens. This is seeing a resurgence in the area of tourism through the use of tools such as social marketing. Social marketing involves the application of commercial marketing principles and other social change techniques to achieve socially desirable goals and influence individual behaviours, including more responsible visitor behaviour.

In the case of poverty alleviation, the use of social marketing can have a potential role in communicating the benefits of more responsible forms of tourism. But social marketing is more complex than advertising. It reflects the application of marketing concepts which replace the focus on profits with one based on human welfare and wellbeing.

Social marketing has been widely used within the leisure domain by NGOs to promote their activities and to communicate to target audiences. There is a growing recognition of its future use in tourism, given the success of some of its strategies

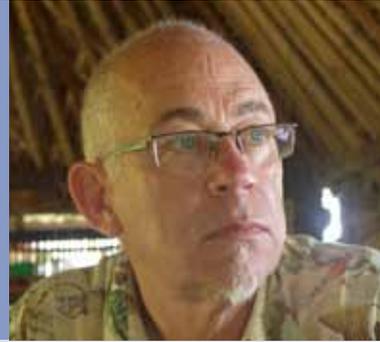
Part of this process is not only to convince people to participate in certain behaviours, but also to highlight the personal benefits of certain forms of tourist behaviour, especially where it can be linked to personal well-being and benefits from tourism. This is certainly an undeveloped area at a global level and one which is likely to see expansion in future years to communicate more widely with visitors via the private and public sector.

*Commentary from Professor Peter Burns, University of Brighton:
Next steps for industry*

The themes listed in this chapter, social marketing, codes and ethics, corporate social responsibility, pro-poor tourism, and sustainability, are all contributing to new forms of tourism that are emerging from the increasingly complex relationship between culture, society and the natural environment. These new and evolving forms of tourism, which are far more respectful of people and planet, are the vanguard for more enlightened forms of consumption.

In recent times, attention has been broadened from simply protecting and conserving the environment to include the cultures and societies that have shaped that environment. For example, in colonial times, tourism operators in Africa might well have seen tribal peoples as either a nuisance, competing for resources as their cattle moved across the land, or as adding a 'folkloric backdrop' to the tourist experience. Poaching was endemic and resentment towards tourists rife. However, in most cases now these same people are seen as key stakeholders, partners in conservation, and their cultural distinctiveness and social identity being strengthened through respectful interaction with outsiders: the positive side of what Valene Smith (1989) has called 'hosts and guests'.

The importance of culture and society as an issue for tourism operators has been recognised for decades. At the 1971 Fiji Tourism Convention, the industry was warned, *"The culture, the friendliness, the songs and dances, the handicrafts and customs of the people of the Pacific are your most valuable assets, an asset which you can use without having to invest one single cent. It is there ready and in the traditional way of the Pacific, willing to help you. Destroy it, and you have destroyed your main asset which can never be created again"* [Masiofo Fetaui Mata'ofa. Vice Chancellor University of the South Pacific, Conference Keynote address].



cellor University of the South Pacific, Conference Keynote address].

His words take on an even greater meaning in the rapidly globalising world, where culture and distinctive daily patterns of life may be the last possible hope for product differentiation and thus competitiveness. While Mata'ofa captured the problems of using culture simply as a resource for tourism. For generating countries, stress, economic instability, rapid social change, and a general sense of loss of tradition, has increased the significance of tourism. It is no longer simply a discretionary economic leisure activity, but a social imperative central to individual and societal needs and wants.

The industry should take the themes that make up the potential for tourism as a force for societal good and mainstream them (according to type of business) into their corporate plans, developing a situation or business model where benefits flow to community as a result of normal business operations. A good example of this is the community conservancy approach in Namibia (see Case Study 3.3).

There are bound to be tensions between an industry that draws on culture and everyday life as one of its assets and the communities

at the centre of attention. However, such tensions can be creative and spur innovation in the host society and deeper reflection on the part of the guests.

The speed of globalisation has meant that we tend to think of everywhere as 'the same'. Tourism, however, gives us the chance to realise that places are different and that the world remains a rich and varied place full of opportunity.

The future challenge for industry will be how to capitalise on social assets while equitably

sharing the benefits. Both large and small companies can rise to this challenge in different ways. Small companies through the close and intimate relationships they have with the communities in which they operate, cumulatively creating benefits by regular small actions with stakeholders, whilst the larger ones bring critical mass that can bring advanced technical expertise possible only through the high levels of investment and kick-start further investment.

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4.6

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5

Destination
development:
competitiveness

5.1 Introduction



Researchers and policy analysts have suggested that competitiveness is one of the major themes associated with destination development as it affects the profitability and long term sustainability of destinations. There has been much focus on destination image and destination development in relation to concepts such as the product life cycle in marketing (i.e. the destination life cycle concept) and wider notions of economic development for geographical entities as destinations. The destination has assumed significance because it is a more holistic framework in which the interactions of different actors and stakeholders (e.g. the public and private sector, residents and visitors) can be better understood.

This chapter examines the notion of competitiveness emerging as a global issue and is an important starting point for any discussion of destinations, since it determines how successful an individual destination or region is in the global market. Understanding competitiveness, and how to address it is one of the top issues for destinations because failure to pre-empt or react to change can have far reaching consequences. The chapter looks at:

- The concepts of destinations and destination management
- Factors of competitiveness
- Tools to improve competitiveness
- Ways in which competitiveness can be improved through a better understanding of the visitor experience
- The role of knowledge management to innovate and
- The importance of the SME sector in tourism in improving competitiveness.

The chapter concludes with a commentary from the Association of British Travel Agents (ABTA), which summaries some of the key issues for destination competitiveness.

Chapters 5 and 6 draw on the UNWTO (2007b) publication, *A Practical Guide to Tourism Destination Management* – which demonstrates how concepts of destination management may be translated into practice, with models, guidelines, and snapshot case studies.



5.2

The concepts of destinations and destination management



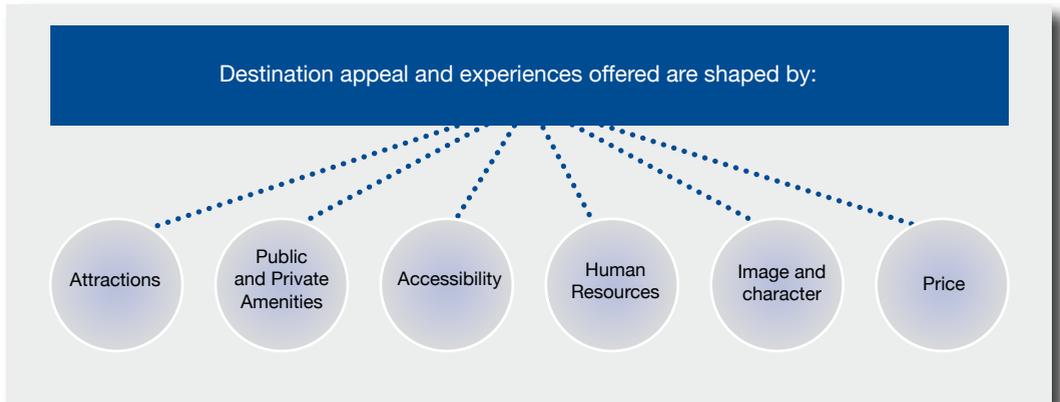
2.2.1 The Basic Elements of the Tourism Destination

“A local tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day’s return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations. Destinations could be on any scale, from a whole country (e.g. Australia), a region (such as the Spanish ‘Costas’) or island (e.g. Bali), to a village, town or city, or a self-contained centre (e.g. Center Parc or Disneyland)”.

(UNWTO 2007b: 1)

Destinations contain a number of basic elements which attract the visitor to the destination and which satisfy their needs on arrival. These are summarised in Figure 5.1. The provision and quality of these elements will be influential in the visitor’s decisions to make their trip.

Figure 5.1 Destination experiences



Source: UNWTO (2007b: 1)



Great detail regarding these experiences is outlined in Box 5.1 below

Box 5.1 Destination appeal and experiences

- **Attractions.** These are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination. These can be categorised as natural (e.g. beaches, mountains, parks, weather), built (e.g. iconic buildings such as the Eiffel Tower, heritage monuments, religious buildings, conference and sports facilities), or cultural (e.g. museums, theatres, art galleries, cultural events). They could be in the public realm such as a nature park, cultural or historical sites or could be community attractions and services such as culture, heritage or lifestyle. Other, less tangible factors, such as uniqueness and emotional or experiential triggers are also attracting tourists to destinations.
- **Amenities.** These are the wide range of services and facilities which support the visitors' stay and include basic infrastructure such as utilities, public transport, and roads as well as direct services for the visitor such as accommodation, visitor information, recreations facilities, guides, operators and catering and shopping facilities.
- **Accessibility.** The destination should be accessible to a large population base via road, air passenger services, rail or cruise ships. Visitors should also be able to travel with relative ease within the destination. Visa requirements, ports of entry, and specific entry conditions should be considered as part of the accessibility of the destination.
- **Image.** A unique character or image is crucial in attracting visitors to the destination. It is not sufficient to have a good range of attractions and amenities if potential visitors are not aware of this. Various means can be used to promote the destinations image (e.g. marketing and branding, travel media, e-marketing). The image of the destination includes uniqueness, sights, scenes, environmental quality, safety, service levels, and the friendliness of people.
- **Price.** Pricing is an important aspect of the destination's competition with other destinations. Price factors relate to the cost of transport to and from the destination as well as the cost on the ground of accommodation, attractions, food and tour services. A tourist's decision may also be based on other economic features such as currency exchange.
- **Human Resources.** Tourism is labour intensive and interaction with local communities is an important aspect of the tourism experience. A well-trained tourism workforce and citizens who are equipped and aware of the benefits and responsibilities associated with tourism growth are indispensable elements of tourism destination delivery and need to be managed in accordance with the destination strategy.

Source: UNWTO (2007b)

The coordination of all these elements is described as destination management, defined as follows:

"Destination management is the co-ordinated management of all the elements that make up a destination (attractions, amenities, access, marketing and pricing). Destination management takes a strategic approach to link-up these sometimes very separate entities for the better management of the destination. Joined up management can help to avoid duplication of effort with regards to promotion, visitor services, training, business support and identify any management gaps that are not being addressed."

UNWTO (2007b: 4)

This coordination is typically be led by the Destination Marketing Organization (DMO), also known as tourist boards.

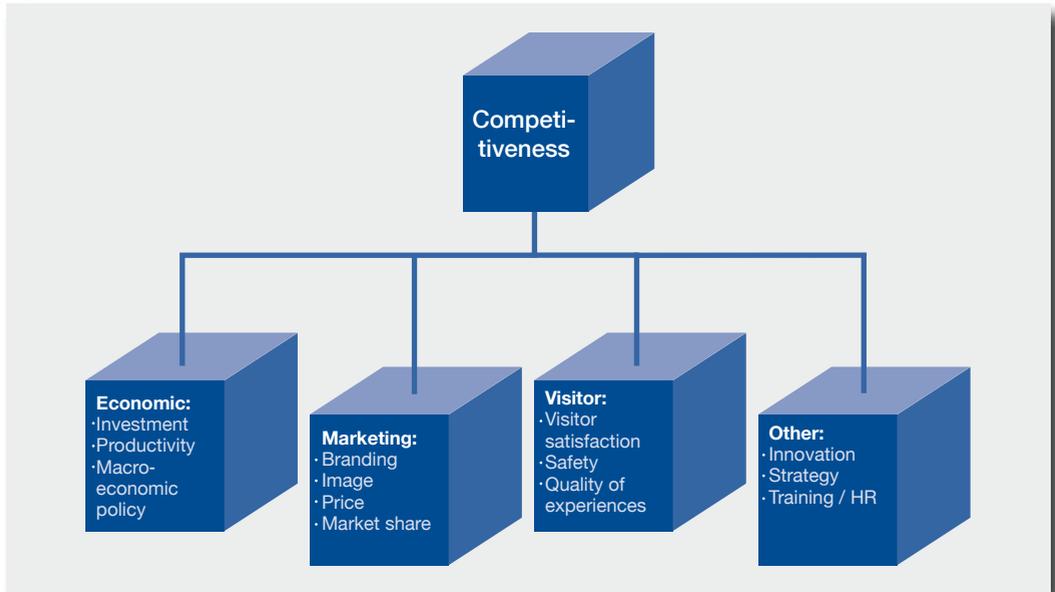
5.3

Competitiveness: the concept explained



The essence of competitiveness is the process of competition which is at the heart of the free market economy, where businesses, and in this case destinations, compete for visitors. The focus of any analysis of competitiveness examines a broad range of supply factors which are summarised in Figure 5.2.

Figure 5.2 Factors which shape destination competitiveness



The analysis of competitiveness has typically focused on both the inter-firm rivalry between businesses in destinations, but increasingly attention has shifted to the study of competitiveness at a destination level. The underlying concerns with competitiveness in these contexts are with profitability, price competition, quality of provision, the size of the market share and ability to grow the business. Other key factors include the degree of competitiveness afforded by key elements of the inputs to tourism production, notably human resources and levels of innovation. In this context, competitiveness is about the effectiveness with which destinations seek to attract and satisfy visitors, and increasingly about the policies which countries adopt towards their tourism economies to make them more competitive.

Some of the above can be influenced by public sector interventions and investment and others are part of the asset base of the region or destination. Destination management has an essential role to play in managing destination competitiveness and the following section looks at some of the tools used to increase competitiveness.

5.4 Tools for improving competitiveness



Where active forms of destination management exist, they may sometimes embrace different tools and techniques to seek to understand and improve competitiveness. Some of the most widely used techniques are:

- Destination benchmarking and best practice
- Product development

2.4.1 Benchmarking

Finding ways in which elements of success can be measured and quantified so that a destination's relative performance in relation to its competitors can be gauged has seen the development of benchmarking as tool for understanding destination competitiveness.

According to the European Benchmarking Code of Conduct, "Benchmarking is simply about making comparisons with other organizations and then learning the lessons that those companies throw up".

The key benefits of using benchmarking are:

- Benchmarking will require you to start asking questions about what you do, why you do it and if it might be done better given the performance elsewhere to improve efficiency and performance.
- Benchmarking provides an opportunity to look at the practices of others so you can assess performance in relation to competitors.
- Benchmarking is particularly useful to evaluate:
 - Performance against strategies
 - Volume and value of tourism data
 - Overall visitor satisfaction
 - Stakeholder satisfaction (industry, local community).

Tools and techniques to assess destination competitiveness are outlined in Box 5.2.

Box 5.2 The Travel and Tourism Competitiveness Index (TTCI)

Since 2007, the World Economic Forum has undertaken an annual Travel and Tourism Competitiveness Report, initially covering 124 major and developing tourism economies and subsequently expanded to 130 countries in 2008 and 133 in 2009. The resulting index measures all the factors which facilitate the development of tourism at a country level. The index provides a set of variables which it asks global executives (2 per country) to comment on alongside quantitative variables. The result is a ranked series of nations according to the TTCI with scores ranging from 1 to 6. The data is aggregated to construct 14 pillars of competitiveness according to three sub-indexes as follows:

- **Regulatory Framework:** policies, rules and regulations; environmental sustainability; safety and security; health and hygiene; prioritisation of travel and tourism.
- **Business environment and infrastructure:** air transport infrastructure; ground transport infrastructure; tourism infrastructure; information and communications technology infrastructure; price competitiveness in the travel and tourism industry.
- **Human, cultural and natural resources:** human resources; affinity for travel and tourism; natural resources; cultural resources.

This is then used to produce the ranking, and recently Switzerland has been consistently ranked as the most

competitive destination. Whilst this ranking is a useful attempt to try and differentiate between countries as tourist destinations, it does not cover the vast majority of developing countries or island states so it only offers a partial coverage. One consequence is that some destinations at a sub-country level have also embarked on their own competitiveness studies as a result of this heightened interest in competitiveness. One notable study completed in 2009 is the Ontario Tourism Competitiveness Study which recommended that a regional approach to tourism development and promotion was implemented with a focus on key niche tourism experiences such as culinary tourism, healthy eating as well as principles for policy including sustainability and reducing the carbon footprint. There was focus on specific regions of Ontario, for which the government committed \$40 million, to support the initiative of tourism regions. The overall aim is to not only improve the competitive position of the overall tourism sector from the supply side but to also uplift the experiences for the visitor.

Case Study 5.1 demonstrates how an examination of existing best practice can be used to improve competitiveness.

Case Study 5.1 Brazilian Competitiveness Project for CVBx

Work was recently undertaken to improve the competitiveness of the members of the Brazilian Convention & Visitors Bureaux Confederation (CBCVB). CBCVB is entirely composed of organizations operating as Convention & Visitors Bureaux (CVBx) in the country with the purpose of advancing and representing their members' interests. The CBCVB partners with the Brazilian Tourist Board and the Ministry of Tourism on initiatives that foster the meetings and visitors industry in Brazil and abroad.

CVCVB faced a number of challenges to become more competitive:

- There are more than 100 CVBx in Brazil. However, there is a lack of reference documents or academic literature on CVBx management
- Limited knowledge regarding international convention bureaux
- Need to raise the performance of Brazilian CVBx to international standards
- Need to train the Brazilian CVBx personnel.

As part of the research several convention bureaux worldwide were visited and interviewed on a range of subjects including political aspects, legal aspects, administration, marketing, operational aspects, associated members relationship and client relationships. This research was supplemented by additional desk research.

The examination of best practice had the following objectives:

- Improve the competitive intelligence model of the CBCVB and the Brazilian CVBx
- Develop a good practices manual to be followed by the CVBx and its associates, focused on applying practical measures
- Develop a code of conduct to be followed by Brazilian CVBx.

The outcomes of the research were the production of a Good Practices Manual and a Code of Conduct with the following results:

- Full access to information throughout Brazil
- Increased the number of Brazilian destinations to compete on the international market
- Access for hundreds of Brazilian cities to economic development through the meetings industry
- Improvement on the services standards of the Brazilian CVBx delivered to national and international clients

- Increase the competitiveness of the Brazilian destinations
- Increase the Brazilian competitiveness on the international meetings market.

Source: Brazilian Confederation of Convention and Visitors Bureaux

www.cbcbv.org.br

2.4.2 New Product Development

A product can be defined as “anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, places, organizations and ideas” (Kotler, Bowen and Maken, 2010: 230). In tourism, the product is the vital ingredient that helps create the experiences which are consumed by visitors and the elements supplied by the tourism sector. Given the trend towards much shorter product lifecycles for tourism goods and services and with increased global competition, understanding tourism products and their lifecycle is important. The result is that destination management organizations and their stakeholders need to understand how tourism products develop, grow, mature and then decline so that they can tailor their marketing strategies accordingly.



Organizations also need to know how to develop new products both for their own businesses and at a destination level. This is a complex and lengthy process which can involve in-house ideas generation, or the review of competitors' products, copying and adapting them, or developing products and processes from other non-tourism fields. The process of new product development can be simplified into the following steps:

- New ideas generation
- Idea screening and assessment
- Concept development and testing
- Creation of a marketing strategy for the new product
- New product development
- Testing of the new product
- Communication/launch of the new product

Source: Modified from Kotler et al (2010)

2.4.3 Taxation and tourism

Taxation is one immediate way in which destinations may generate direct economic benefits from tourism. Conversely, evidence suggests that tourism has flourished in the OECD countries due to an absence of barriers and restrictive measures⁷. The UNWTO (1998a) argues that the prevalence of taxes impacts upon the competitiveness of the sector, which may depress demand and increase costs to consumers. The impact of job losses which could arise from business failure resulting from a more uncompetitive and highly taxed industry may ultimately lead to a reduction in the tax revenue from tourism. Where a taxation system has been carefully designed and thought through, it may have benefits for residents, and be used to safeguard the environment if the revenues are ring fenced or spent on the sectors generating the income. However, in many governments, the revenue from taxation on tourism is absorbed into general taxation accounts (the exception being US State Taxes on tourism such as bed taxes which are used to part fund tourism development in some cases). Whilst Tourism Satellite Accounting has inevitably highlighted the flows of tax that are accruing from tourism and tourism-related spending, this has occurred alongside a proliferation of taxes on travel and tourism since the 1980s. The sustainability agenda has inevitably led to a rise in some taxation for tourism as a basis for improving the performance or to offset the impact of tourism. Equally, tourism has been a welcomed tool to broaden the tax base of governments. The Centre's first report pointed to the proliferation of taxation that was often imposed without quality information or research, leading to a greater contribution to the global tax base being levelled on tourism.

The scope of tourist taxes ranges from those levelled in destinations on both residents and visitors through to those specifically levied on tourists such as a bed tax (Mak, 2006). There are a number of reasons why destinations tax tourism:

- To export taxes to non-resident tourists.
- To shift profits from tourism to residents.
- To correct market failure.
- To expand and diversify their tax base.

In most countries, visitors also pay a goods service or Value Added Tax (VAT) which can range from 15% to 25%. Whilst VAT may eliminate the effects of tax pyramiding, it does cause a one-off increase in the price of commodities. Some countries permit refunds of VAT on tourist spending when they leave the country but it is often an all encompassing tax on tourist consumption.

It is often the case that tourist taxes are levied at a higher rate which is open for criticism as this is not consistent with arguments that individuals should pay taxes in relation to their ability to pay. But advocates point to tourism being a discretionary good which people can choose whether or not they wish to purchase. In addition to general tourist taxes are taxes associated with the privilege of undertaking certain activities. Examples here are airport taxes and entrance fees for visiting natural areas which are voluntary charges. The argument for such charges is that the revenue is used to finance public usage and the which recommended policy action on tourism taxes by governments as follows:

- Governments should undertake research to assess the potential impact on tourism demand and indirect effect on employment with the debate over the introduction of a bed tax to fund the development of the local tourism industry.
- Consultation with the tourism industry to give businesses time to adjust their pricing strategy when planned taxes occur.

7. UNWTO (1998) Tourism taxation: Striking a Fair Deal study pointed to an earlier OECD study in 1991 entitled Inventory of Measures Perceived as Obstacles to International Tourism in the OECD Areas

- A detailed review of tax collection procedures to reduce the administrative burden on business.
- Monitoring of the impact of the taxes on business and the demand for tourism.

It was concluded that:

- Tourist taxes should be simple and easy to understand, arguing for the removal of entry and exit taxes (including visa fees) in favour of taxation which applies to the tourist within the country which is easily explained to the visitor.
- Tourist taxes should be harmonised between countries and regions to minimise competitive distortions between destinations.
- Tourist taxes should be levied at an optimal level which does not discourage tourism but equally does not lead to an overall loss in the national tax take.

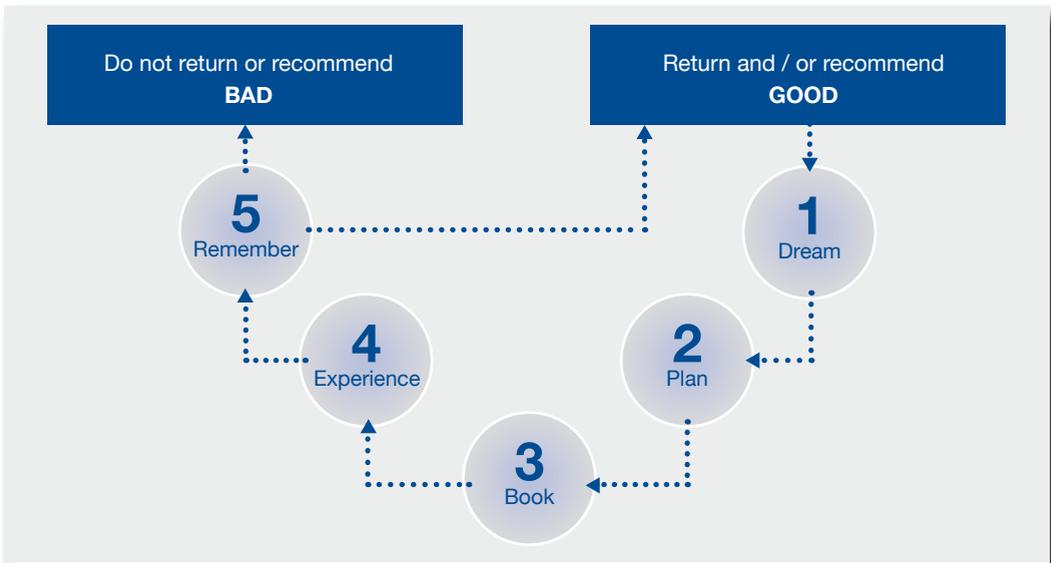
5.5

The customer journey



The customer journey refers to a series of inter-connected stages from planning, through to booking, visiting and finally reflection (see Figure 5.3). Whilst the visitor experience has almost entirely been modelled on the visit and how visitors evaluate and rate destinations, there is also the post-visit evaluation which is what makes a purchase unique as a service: it can have a high degree of emotional and psychological meaning for a long time after a purchase has occurred. The evaluation process is important in terms of repeat visitation and word of mouth recommendations.

Figure 5.3 The customer journey



Source: UNWTO (2007b), *A Practical Guide to Tourism Destination Management*

A wide range of factors (including human contact) may shape the experience that the visitor has with an attraction or any aspect of a destination and there needs to be a strong focus on visitor satisfaction. Some visitor settings, such as the Disney Corporation have a very highly developed model of delight-

ing the guest with a carefully planned and managed experience which generates high levels of repeat visitation. This is often achieved with a high degree of success when new visitor attractions open (e.g. the Guggenheim Museum in Bilbao; The Eden Project in Cornwall, United Kingdom) but the product life cycle for such experiences will also need ongoing investment to ensure that the visitor experience is constantly refreshed and offers something for a repeat visitor. This illustrates that firms and destinations need to be able to apply business processes to the visitor encounter to ensure high levels of satisfaction. In addition there needs to be focus on designing experiences that add value (see Table 5.1).



There is a growing agreement that one of the major transformations that has occurred in modern tourism is the shift towards experiences as the element which is consumed from a visit, holiday or event.

Ensuring quality of visitor experience at every stage in the journey is a critical component of the competitiveness of destinations:

- Destinations are competing for visitors and to be attractive, there is a need to recognise what the customer journey is, how it impacts on the planning and development of experiences that will attract visitors.
- The visitor experience is not simply confined to consumption of tourism whilst at the destination. Too many tourism businesses are focused narrowly on their product supply and delivery, and give little thought to the other stages of the customer journey.
- The public sector has a critical role in coordinating and developing tourism delivery to ensure a quality experience at the time of visiting the destination.
- Developing a quality experience will encourage repeat visits and positive word of mouth recommendation to friends, relatives and other Internet users, via social networks.

Table 5.1 Designing the visitor experience to add value

Design Processes	Actions
1. Identify who the visitor is	Visitor survey research in the destination.
2. Understanding the needs, wishes and choice behaviour of guests	Application of marketing segmentation techniques to target different groups of visitors to serve and identify those to customise the experience to (e.g. families, individuals, senior groups).
3. Meeting the guest: the encounter between buyer and seller	Customising and tailoring the experience to individuals .

Design Processes	Actions
4. The moment of truth: first impressions count	A visitor may form his/her initial satisfaction or irritation with a destination at the very outset on arrival when they are in a psychological state that can have heightened levels of stress, uncertainty and ambivalence.
5. The stages and staging of the experience	The spirit of the place and location will have a clear impact on the type of experience which can be delivered. The hospitableness of the location and staff will be an important determinant of the experience formed. The nature of the staff or technology employed will be critical and it will offer opportunities to delight the visitor, by building trust and a rapport with the visitor if the experience design engages them.
6. The enabling management structure	This involves the management processes employed to support the business and locale in developing the experience (e.g. in-house business processes such as accounting, marketing, leadership and management).
7. Quality management	This involves a corporate philosophy committed to total quality management and applies the necessary tools and techniques across the organization to develop a quality experience and a profitable encounter.

Source: Developed from Haahti and Komppula (2006)

5.6 Knowledge management in tourism



One of the underlying premises behind tourism is the creation of experiences and products, which is heavily dependent upon innovation to keep the product lifecycle in a constant state of development (see Figure 5.4). To achieve this, the generation of new knowledge performs a critical part in the innovation process so that tourism remains competitive. However, there are a number of problems for the tourism sector, characterised as a slow adopter of new ideas and knowledge and dominated by SMEs.

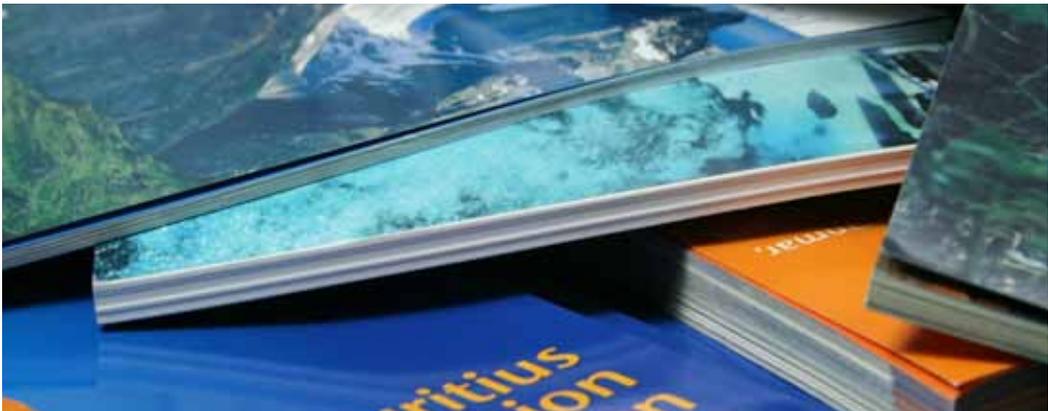
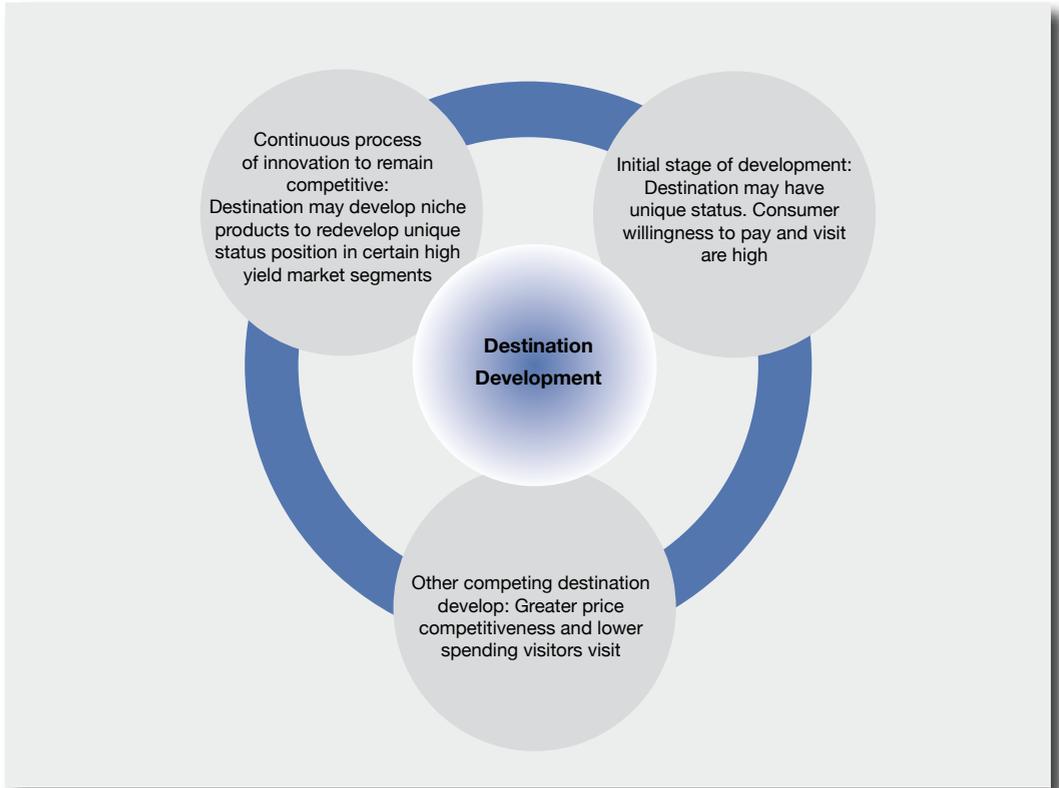


Figure 5.4 A destination development cycle model



We live in an age where high quality information and its management is vital to conduct business effectively. In this respect, the development of Knowledge Management (KM) has become significant because of the need for organizations to share knowledge, rather than hoard it, in order to remain competitive. At a destination level, sharing of information will enable the destination to adapt, survive and remain competitive. Cooperation is vital in a business that spans many interdependent sectors of the economy, if world class visitor experiences are to be created through the supply chain.

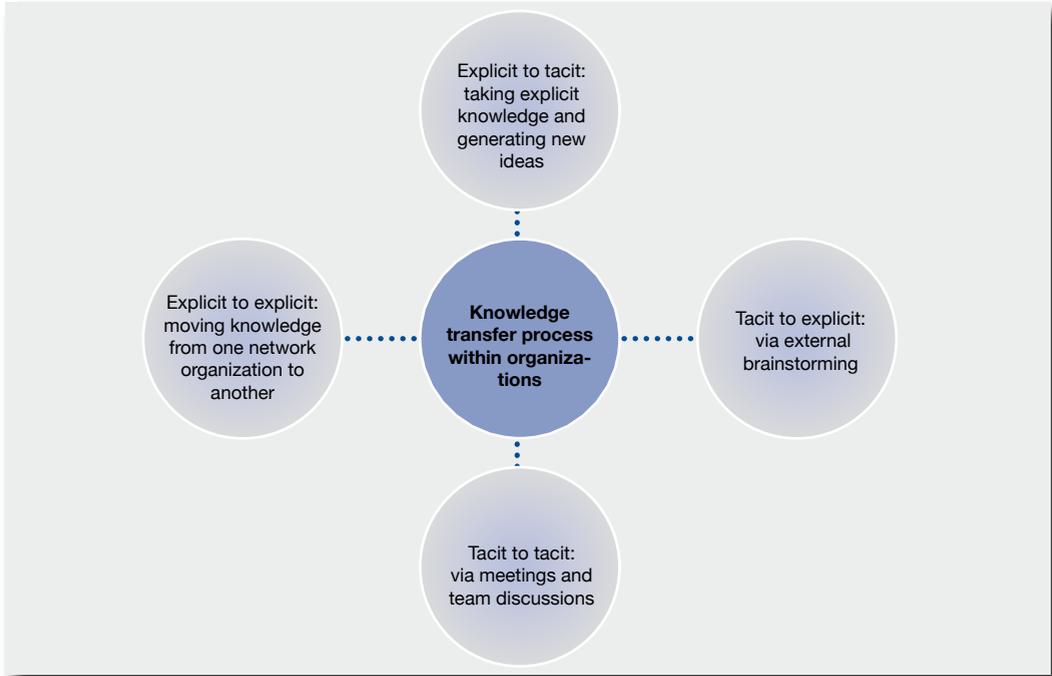
In this context collaboration, partnership working and joined up thinking across the tourism sector are important. Through these networks, organizations can distribute and transfer knowledge and begin to share and act upon the knowledge for competitive advantage. This is demonstrated by OECD (2001: 8) which argued that *“policies which engage human capital, innovation, and entrepreneurship in the growth process alongside policies to mobilise labour and increase investment, are likely to bear fruit over the long-term”*. Greater cooperation and collaboration is necessary to harness the potential of technology, recognise the shortened product lifecycles and to learn how to respond quicker through continuous innovation through partnership working to share knowledge and expertise.

In practical terms, Knowledge Management means that tourism organizations need to be able to harness two types of knowledge within and between organizations:

- Tacit Knowledge, which is often not written down, is experience-based and not communicated so not formalised.
- Explicit Knowledge, which is found in documents, data and written forms.

Understanding how knowledge may be transferred most effectively in tourism is important. It can be a structured or unstructured process to transmit and encourage assimilation of knowledge, research and new ideas and to ensure these are acted upon. Nonaka (1991) noted four ways in which knowledge transfers, as shown in Figure 5.5.

Figure 5.5 How knowledge transfers within organizations



From these different transmission routes, organizations then develop the ideas and innovations individually or in collaboration through the stakeholders who are involved in the process to create products and innovations for the tourism sector.

Case Study 5.2 illustrates the measures being taken by the research centre CICtourGUNE to facilitate knowledge transfer for a technology based future.

Case Study 5.2 CICtourGUNE: knowledge transfer for a technology-based future

CICtourGUNE, a Cooperative Research Centre in Tourism situated in the Basque Country (Spain), serves as a scientific-technological hub for innovation, strategically designed to generate knowledge excellence in tourism and mobility in three distinct research areas, Tourism Systems and Media, Human Mobility and Technology, and Tourism and Environments. Each research area is focused on gaining a better understanding of the tourism phenomenon through new methods of measuring and modelling tourism information based on technological developments, industry trends, and consumer and service provider needs.

Over the past two decades, dramatic changes in tourist behaviour, destination management, and development and implementation of new technologies have led to a significant shift in tourism and mobility, and the dynamics of public-private partnerships (PPPs) involved. Tangled in an intricate and tightly woven network system, tourism stakeholders are finding this collaborative space challenging to access, as the mobility of goods, information, particularly mass media, and people, play a critical role in the emergence of new market segments,

activities and technologies.

Possibly, the most noticeable outcome, is the rise of contemporary tourism services, highly information-intensive, employing new information communication technologies (ICTs) geared toward offering more personalized tourism products.

Destinations' competitiveness is increasingly dependent on the quality of the landscape, urban fabric, new sustainable designs, balance of aesthetics, quality of the human experience (comfort), and perhaps the most crucial, the ability to effectively harness and communicate competitive advantage to the market. Attaining a competitive advantage is no easy feat, and rests heavily on the competencies of involved parties to openly and receptively collaborate in building and diffusing new knowledge and technologies. CICtourGUNE is committed to supporting the travel and tourism industry through open innovation and proactive PPP cooperation.

Source: CICtourGUNE

www.tourgune.org

5.7

Innovation and cooperative behaviour in tourism



The tourism sector is acknowledged as one where improvements in its labour productivity are possible, as it has a high ratio of staff to clients. Low levels of productivity are often attributed as one of the causes of low levels of competitiveness, compounded by poor awareness of and involvement in the process of innovation, especially in the SME sector. Whilst organizations such as OECD (2006) argue that innovation should now be a matter of routine for many businesses, it is recognised that innovation is critical in view of the accelerated speed of product lifecycles and the need to constantly improve the product offering and level of experience offered to visitors.

Innovation is a process which allows businesses and organizations to perform their activities and functions in new ways that will enable them to become more efficient, profitable and competitive and ensure the continual improvement of the visitor experience. The main areas for industrial innovation include:

- Product innovations.
- Process innovations (e.g. new ways of delivering services).
- Market innovations (i.e. new ways of communicating with the customer such as social media) and logistical innovations (i.e. innovations in supply chain delivery of services).



To address the limited levels of innovative behaviour typical of the tourism sector is not an insurmountable problem. Most innovation which occurs in tourism is not technological; it comprises a change in behaviour by businesses – a culture shift (Sundbo et al, 2007). One of the principal factors which affects the culture of innovation in a country is the attitude, support structures and approach of the State. International research suggests that fostering innovation, to promote competitiveness and improved business performance, requires leadership. Such leadership will help champion the notion of innovation and create a focal point for increasing adaptation and implementation of innovation-fostering initiatives. Case Study 5.3 demonstrates government / public sector involvement in the promotion of innovation in businesses.

Case Study 5.3 Scottish Enterprise's Tourism Innovation Programme

Scottish Enterprise is Scotland's principal economic development agency with a responsibility for tourism business development (running alongside its smaller partner organization that covers the Highlands and Islands of Scotland – Highlands and Islands Enterprise). It has had a major commitment and focus on driving the level of innovation within the tourism sector to improve Scotland's competitive position as a destination. It has a distinct innovation programme for tourism which is one of the most comprehensive approaches to tourism innovation in the world.

By 2008, over 3,800 individuals from around 2,600 companies have participated in the Tourism Innovation Approach which includes events and business development programmes, such as the annual Tourism Innovation Development Day, Innovation Toolkit workshops, Innovation Learning Journeys and the highly successful Tourism Innovation Development Awards. The net impacts delivered by the programme so far are considerable – nearly £15 million in turnover for the industry, generating over 190 new jobs in the sector with additional Gross Value Add (GVA) estimated to be £6.1 million – ten times the actual cost of the Innovation Programme to the public purse.

It is also estimated that the programme will continue to reap dividends over with net GVA expected to reach around £12 million, helping to create around 510 new jobs in the sector as many of the new experiences are just being launched to market.

Source: Franchetti and Page (2009).

5.8

Small business development and tourism product development

The small and medium-sized enterprise (SME) sector has been widely recognised as the backbone of the tourism sector and SMEs complement the activities of the large global chains. There is a commitment in most countries that, through the support of entrepreneurship and entrepreneurial behaviour, new SMEs will develop to support employment growth and economic development and thereby the competitive position of the destination. Such interventions may involve the removal of perceived barriers to innovation or business development through to supporting a general growth in the capacity of the sector. For example, between 2000 and 2008, the ECI Africa Tourism Enterprise Programme, a public-private partnership, has assisted businesses to support the creation of 43,000 new jobs to invest in new capacity and to grow the productive base of the tourism sector. Some forms of intervention have also been designed to



improve the informal and unsophisticated forms of management among the SME sector, reflecting the low entry barriers to this form of business activity. The public sector interventions have also sought to improve the low levels of value added in some sectors, illustrating the need for professional education and training to communicate the concepts of the customer journey and visitor experience.

OECD (2008) suggested that SMEs comprise upwards of 70% of the businesses in the tourism sector but pose significant problems for productivity due to their small size and access to resources such as finance and capital. They also suffer, historically, from low levels of innovation and high levels of staff turnover as discussed in Chapter 9. However, where they are nurtured with appropriate levels of public sector support they can be highly successful innovators. Therefore, SMEs have a critical role to play in increasing destination competitiveness. In the case of Italy, the state has taken these arguments on innovation as a tool to drive tourism productivity and developed a new approach towards tourism in the public sector with innovation at the heart of service delivery (see Case Study 5.4 below).

The EU has also developed a comprehensive framework for stimulating tourism development among the SME sector with its Operational Programme Competitiveness and Economic Growth among the new accession countries in Eastern Europe and the Baltic states. One of the key tools which such policy interventions have encouraged are the greater use of technology to connect market products globally, and much of the best practice research on SMEs in tourism has been developed by OECD. In addition, other areas which policy interventions have encouraged SMEs to cooperate and network (see Chapter 5) to gain competitive advantages, are through clustering and cooperation to create new products and experiences. For example, in Cyprus, SMEs employing less than 10 people dominate 95% of the tourism sector, illustrating why these measures to improve their competitiveness are vital to destination development.

Case Study 5.4 illustrates some of the required conditions for the competitiveness of SMEs.

Case Study 5.4 Competitive conditions and performance of the Italian hotel sector

Recent research carried out for the Italian Ministry of Finance has aimed to identify competition/Business Models (BM) within the Italian hotel sector, to orientate the industrial policy towards the SMEs.

The research focused on the competitive conditions and performance of the Italian hotel sector with the aim to define, on one side, the highly competitive business models (BMs) and their representativeness in terms of number of enterprises, and on the other, the declining BMs which do not seem to be able to face the competition in the market anymore. Furthermore, the analysis identified the drivers for growth and success which seem essentially connected to the capacity of relating to the market, to qualitative development and to organization and coordination.

These drivers, particularly crucial for the enterprises set in the area 'Opportunities of growth', may be pinpointed as follows:

- The improvement in products and services quality.
- The differentiation of customers and the enlargement of market portfolio by means of a positive relationship with distribution channels and intermediation, as a proof of an increased attention and improved forecasting skills on customers' trends.
- The push towards aggregation and local coordination, which is bound to strengthen location factors, as well as commercial or 'theme' aggregation (e.g. bikers' hotels).
- Managerial organization and organization of work, both relying on a higher specialisation and implying the overcoming of a strictly family management.

- The improvement of services offered, which in the case of hotels (more than for other types of companies) may be interpreted as an enrichment of activities obtained with no need for high investments (that could not easily be made by these firms), as it is for customised services.

In conclusion, the main conditions that hotel BMs should take advantage of for competitive growth in the Italian context can be highlighted as follows:

- Interaction with the destination and district.
- Development of services to introduce a distinctive USP.
- Enlargement of the customer portfolio.
- Organization of the distribution network.
- Development of managerial skills.

The results obtained represent the starting point in order to develop adequate strategies to support competitiveness in the SMEs of the Italian hotel sector.

Source: Ciset-University of Venice.

This chapter concludes with a commentary from Association of British Travel Agents (ABTA), which summarizes some of the key issues for destination competitiveness.

***Nikki White, Head of Destinations and Sustainability, ABTA:
Destination Development Competitiveness***

The issue of destination competitiveness is of heightened concern at this time of post-recession recovery. Whilst markets are slowly recovering, consumers are applying a wider range of criteria in the process of choosing their travel destinations. Aside from additional and uncontrollable factors which impact consumer confidence in travel such as crisis situations or market volatility, the ability for destinations to appear competitive in the eyes of the consumer is fundamental to their success.

Essential to the concept of destination marketing is the ability for destinations to be able to select their target markets and develop their products in accordance with the consumer trends of that target market. To remain competitive, destinations should ensure their marketing and products align with an appropriate target audience. Furthermore, basing assessments of competitiveness only on volume often gives false impressions of success and it is the long-term sustainability of



destination appeal that will often be the true indicator of success.

The tourism consumer can be difficult to predict with an insatiable appetite for new and exotic experiences. These demands need to be balanced with economic factors such as price and a sense of value for money. The challenge for established destinations therefore, is to pursue integrate innovation in a manner which allows businesses to adapt to

changes in consumer demand, compete with emerging destinations and reinvest in product offerings in order to assure their future competitiveness.

As highlighted, benchmarking is an important tool in many areas of tourism delivery; a tool that provides the ability to see how performance tracks against market trends or competitors and for pitching performance against year-by-year performance indicators. Benchmarking systems in relation to the core aspects of tourism delivery are now common-place and international standards in relation to health and safety and quality have been embraced by many players in the tourism supply chain. Similarly, more and more suppliers are embracing sustainable tourism certification schemes. Tools such as ISO9001, ISO14001 or the Travelife Sustainability System rank amongst the most widely taken up and all of these can have a positive impact on the overall competitiveness of the destination.

However, successful destination benchmarking of competitiveness and its associated organizations face several challenges. Firstly, this needs to be driven by destination management authorities which should secure buy-in from suppliers in their destina-

tions. Secondly, for benchmarking to provide meaningful comparisons, multiple destinations need to be involved and all stakeholders need to agree on the method of measurements. ABTA's experience has shown that the development of industry wide performance indicators across multiple destinations is challenging. Integral to the success of any such initiatives is ensuring that the governance structure that helps to shape such development is both robust and inclusive.

Tourism, by virtue of its global nature, will always be subject to extraneous local and global issues that impact on market trends relating to travel. For destinations considering their competitiveness, this approach has to be long-sighted and robust, an approach that can ride out the highs and lows of the tourism rollercoaster and which preserves destination appeal for years to come whilst maintaining the product offer.

It is well observed in this chapter that the tourism product needs to evolve and change to adapt, not just to attract and retain visitors, but to balance economic growth with shifts in the social and environmental needs of the destination.

www.abta.co.uk

5.9

Other sources of UNWTO information

- World Tourism Organization (1998), *Introduction to Tourism*, UNWTO Madrid.
- World Tourism Organization (2001), *Public-Private Sector Cooperation – Enhancing Tourism Competitiveness*, UNWTO Madrid.
- World Tourism Organization (2002) *Promotion of the Tourism Image of European Destinations on Competitive International Markets*, UNWTO, Madrid.
- World Tourism Organization (2003), *Sustainable Development of Ecotourism – A Compilation of Good Practices in SMEs*, UNWTO Madrid.



- World Tourism Organization (2005), *Tourism's Potential as a Sustainable Development Strategy*, UNWTO Madrid. (Includes section on SME Business Development and Competitiveness).
- World Tourism Organization (2005), *Microfinance and Poverty Alleviation*. UNWTO, Madrid. (Includes sections on:
 - SMEs and the three approaches to poverty reduction through tourism
 - SMEs and the fragmented structure of tourism
 - Financing tourism SMEs and the role of microcredit).



6

Innovation in Destination Management

6.1 Introduction



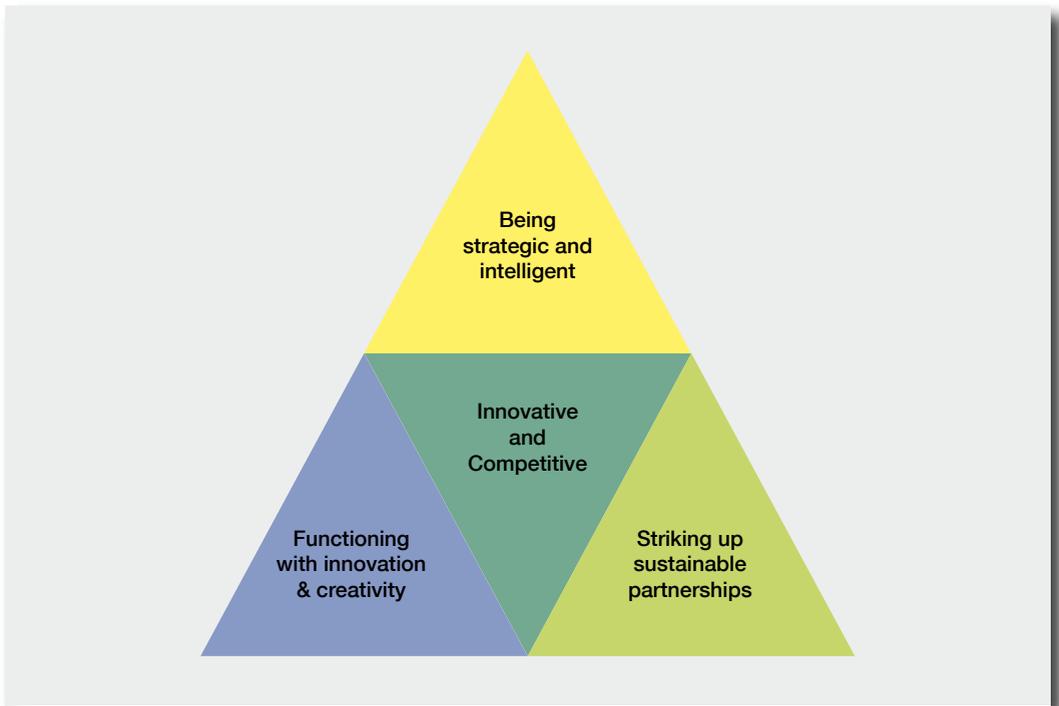
As indicated in Chapter 5, as tourism has expanded and become increasingly competitive, destination management organizations have had to become more focused and specialized to stay ahead of the pack.

The following chapter provides an overview of three key factors that characterize innovative and successful tourism destinations (see Figure 6.1). These are:

- Being strategic and intelligent, outlining a model for strategic planning.
- Striking up active and sustainable partnerships, illustrating some of the primary and secondary activities of destination management.
- Functioning with innovation and creativity, in particular achieving the best return on investment and impact on the market place.

As with Chapter 5, this chapter draws on UNWTO (2007b) *A Practical Guide to Tourism Destination Management* and synthesises some of the key concepts found in this publication. *The Practical Guide to Tourism Destination Management* demonstrates how concepts of destination management may be translated into practice, with models, guidelines and snapshot case studies.

Figure 6.1 Factors that characterize innovative and successful tourism destinations



The principles summarized in Figure 6.1 are illustrated in greater detail by the following commentary from Antonio Bernabé García of Turespaña.

Commentary from Antonio Bernabé García, Director General of Tourism Institute of Spain (Turespaña) under the Ministry of Industry, Tourism and Trade:

Strategic areas of tourism policy to improve the competitiveness of Spain as a destination

The last decade has seen a considerable change of trends in international tourism and the new global environment requires businesses and destinations to react to the changes that affect supply and tourism demand. We have offered both standardized products in traditional markets as well as specialized products designed to compete globally to conquer the new consumer: a demanding tourist, with many motivations, a keen user of technologically and more conscious about the preservation of the environment.

The use of ICT is taking a leading role in communicating with our customers and potential customers. In Spain, 80% of tourists who visit us are internet users, 6 out of 10 searches online to find information about travel and destinations and 40% of e-commerce is for travel related sales.

Furthermore, environmental sustainability has emerged as a key competitive factor reflected by institutional and social commitment in the fight against climate change, to reduce the ecological footprint and ensure the preservation of our natural and cultural heritage.

DMOs have not been oblivious to these changes and that is why the Government of Spain, through Turespaña, has implemented numerous measures to advance the improvement of the main keys to success for Destination Quality Management as discussed in this chapter of the publication:

- Knowledge, innovation and technological development
- A new marketing strategy to reposition Spain as a destination, and
- Environmental sustainability applied to businesses and destinations.



Knowledge, innovation and technological development

Numerous initiatives have been implemented in this context to provide ourselves with more and better knowledge and use this know so that companies and destinations can take better decisions in their product strategies and marketing. This is being undertaken through cooperation and sharing of all knowledge generated by universities, research institutes, associations and government. We are driving technological development and innovation by encouraging the creation of innovative tourism clusters of public-private partnerships. To date more than 350 companies, 72 associations, 35 universities, 27 technical institutes and centers and 78 public administrations and are working in network and sharing their projects and best practices through www.thinktur.es platform.

New marketing strategy

Aware that only the most competitive destinations can compete and be better positioned for leadership in the new globalized environment, Turespaña has opted for the improvement of the positioning of our country's image abroad. Based on analysis of the attributes of our brand, we have developed

a new marketing strategy, under the slogan "I need Spain". This has been a quantum leap in how we communicate in international markets. We have used innovative creativity which can transmit the diversity of experiences offered by our country. The new strategy is based on a comprehensive communication system that includes all forms of media, off-line and online. Major social networks play an important role.



In addition, we have given further impetus to joint marketing activities with other public and private organizations with 440 agreements for the international promotion of Spanish destinations. We have also strengthened efforts to promote our Spanish tourist offices abroad, and have undertaken 3,500 activities to promote Spanish tourist destinations and products with the participation of more than 200,000 professionals and journalists and 80 million end users in international markets reached.

Environmental quality and sustainability

As the third factor that determines the success of destination management, we have emphasized the efforts undertaken in terms of sustainability, especially in the Mediterranean coastal region and the Balearic and Canary islands. We have opted for the implementation of large-scale retraining for mature tourist destinations and the financing of projects for modernizing tourist infrastructure. This will lay the foundations for a new operating model that will redirect the management of our destinations towards greater responsibility for the sector, involving all.

The Government of Spain is firmly committed to the tourism sector in this country and runs its policy in line with the factors shown in Figure 6.1 of this chapter. The programs listed here are some examples of how Turespaña strategy is linked to the development and improvement of these strategic pillars. However, the success of tourism policy is implemented through active participation of all the actors that make up the resort. A true public-private partnership will have a strong commitment to investors and a clear commitment to knowledge, innovation and sustainability within the framework of a new work culture capable of generating more income, more and better jobs, a reduction of environmental impacts and improved quality of life of the population.

6.2 Being strategic and intelligent



Innovative DMOs invest in knowledge and intelligence and operate and organize in accordance with a clearly defined destination management strategy, i.e. a sustainable “game plan” for growing market share.

6.2.1 Being intelligent

Successful and innovative DMOs invest in information and knowledge management systems that inform strategic decisions and operations. Such knowledge and intelligence includes:

- Consumer and market research and knowledge to gain a thorough understanding of market segments, profiles, needs and strategies for reaching and converting them to customers. Such research should focus both on existing (i.e. current visitors) and potential travellers in source markets.
- The objective should be to:
 - segment markets into specific user groups, allowing for more targeted and appropriate promotion, and;
 - to guide product development and delivery to suit visitor needs and usage patterns
- Performance measurement to track and evaluate market performance and returns and adapt strategies accordingly. Performance measurement should address the strategic objectives of the destination i.e. measuring how well the destination succeeds in addressing its strategic targets.
- This means that performance should not only be measured in terms of numbers but also revenues, length of stay, seasonality, spread of tourism, return on investment and other factors as required by the objectives.
- Trend analysis and monitoring to follow the latest trends in the broader market environment and to capitalize on these e.g. environmental issues, technological improvements, economic changes, etc.
- The macro environment is in a constant state of flux and DMOs need to monitor trends and be proactive in responding to changing economics, environmental challenges, socio-political and personal safety situations, technological innovations, etc.

Case Study 6.1 demonstrates the research undertaken by the Hungarian National Tourist Office in the development of their Year of Cultural Tourism in 2009 to test the effectiveness of the programme.

Case Study 6.1 Researching the Year of Cultural Tourism, Hungary

The Hungarian National Tourist Office (HNTO) is the national destination management organization responsible for the promotion of Hungary as a tourist destination. Their fields of activity cover national, regional, local and city promotion. HNTO has been focussing its domestic marketing communications on a single selected theme and tourist product each year since 2006. Theme years lend themselves to concentrating resources, to engage in joint action with independent partners and also to promote the effectiveness of presenting offers to the market by collecting them under an ‘umbrella’. 2009 was the Year of Cultural Tourism.

The HNTO selected the theme for the campaign year in cooperation with travel trade professionals. The purpose of the theme year is to arouse public interest in the cultural heritage of Hungary and its tourism offering and to increase the number of guest nights and hence tourism receipts.

Initial research was conducted on the awareness of the Hungarian public of cultural tourism, their attitudes and

travel habits before the theme year. The results of the survey supported a hypothesis that the general and personal attitudes of the Hungarian public were favourable towards domestic cultural tourism and travel habits also reflected these positive sentiments. Nevertheless, there was still scope for improvement to increase domestic demand for cultural tourism in Hungary by generating interest among target groups whose domestic trips were not typically culturally motivated.

A representative study repeated after the theme year offered evidence of the effectiveness of the theme year. Key findings include:

- All in all, more than half (55%) of the respondents had heard about the Year of Cultural Tourism 2009 and/or had firsthand experience with it in some form.
- Most of the respondents (67%) heard about the program series on TV, from brochures and leaflets (39%) and the press, which followed closely as a source (37%). A supplement to daily papers and magazines, called *Itthon Otthon Van* (*You are at home here*), proved to be the most recognised publication of the Year of Cultural Tourism 2009, followed by a publication of discount accommodation offers and the leaflets of the Buildings Inside and Outside series.
- As a result of the program series, 43% of those familiar with the campaign improved their judgement of Hungary as a destination (14% of these respondents had had a poor opinion about Hungary as a tourist destination, and changed their opinion for the better due to the theme year).
- 41% of those familiar with the campaign participated in actions announced as part of the Year of Cultural Tourism 2009 program series.
- 21% of respondents familiar with the campaign and having web access visited the kultura.itthon.hu website in 2009.
- In 2009, one in five respondents who went on a domestic trip said their choice of a destination was influenced by the Year of Cultural Tourism 2009 campaign or its elements, i.e. their decision to travel was a direct response.
- Attitudes and travel habits relating to cultural tourism have changed favourably since the previous study.

Source: Hungarian National Tourist Office

www.gotohungary.com

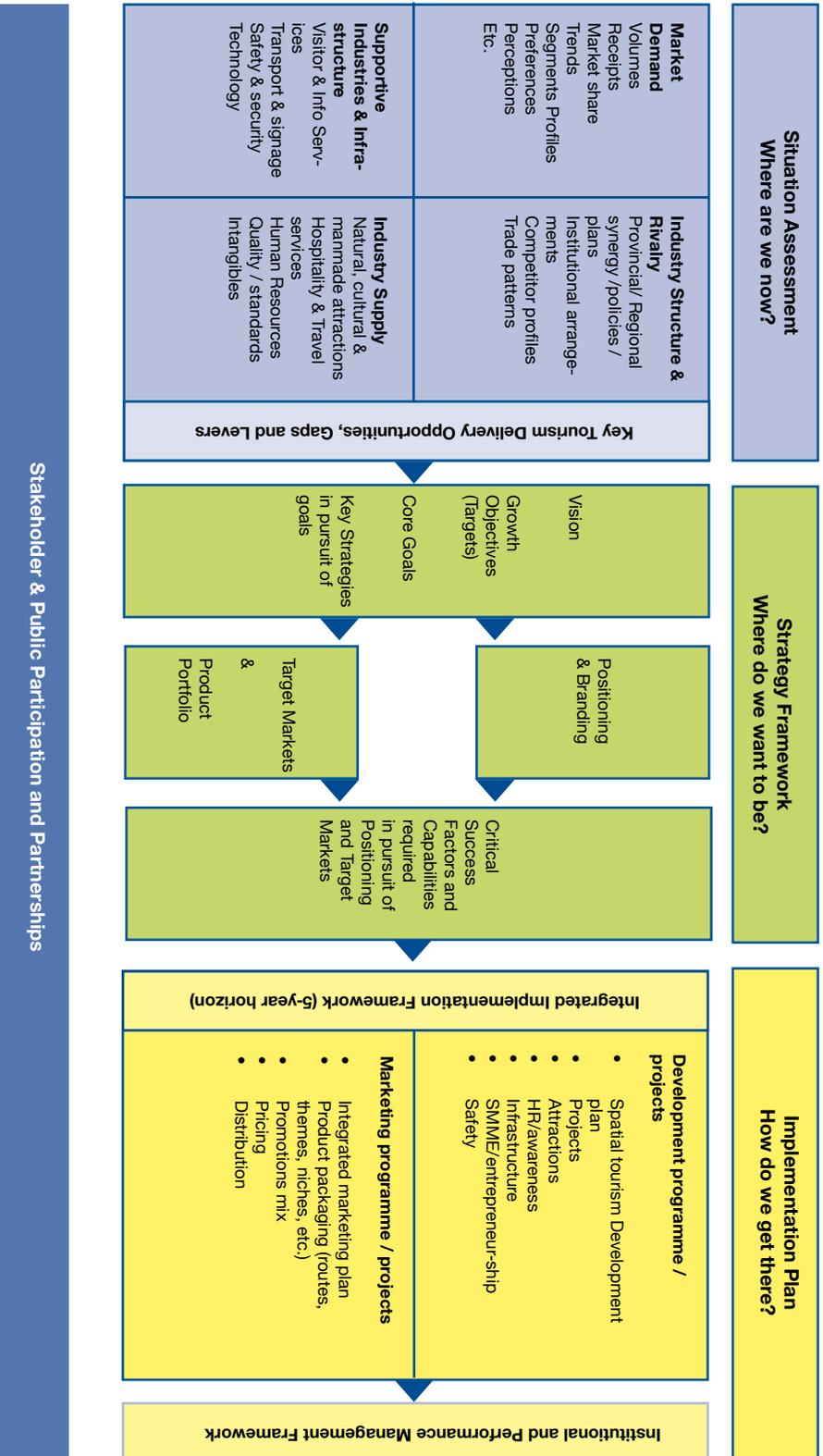


6.2.2 Being strategic

The following systems framework in Figure 6.2 summarises the strategic planning model that could be used for devising a strategy for effectively managing the destination.

- Situation assessment (**Where are we now?**) regarding the tourism competitiveness of the destination, including:
 - A macro-environmental appraisal
 - A market analysis and assessment
 - An audit and assessment of tourism resources and services
 - An assessment of supportive infrastructure and services
 - An analysis and assessment of the industry structure and rivalry including benchmarking and comparison with current and future competitors
 - Based on the above, a summarised assessment of key tourism challenges, delivery gaps, opportunities and levers for tourism growth
- A strategic framework (**Where would we like to be?**) for future tourism growth based on the findings of the situation analysis, including:
 - A tourism vision, core goals, growth objectives and targets
 - A distinctive positioning and branding strategy to differentiate the destination from competitor destinations
 - A target market strategy to identify and profile the most appropriate and lucrative market segments, their profiles and preferences
 - A suitable product portfolio and development strategy to match the needs of target markets
 - An assessment of critical success factors and destination capabilities required in support of the positioning strategy and target markets.
- An integrated, multi-year Implementation Plan (**How do we get there?**) for addressing the critical capabilities factors with specific programmes and projects, budget indicators and monitoring mechanisms to implement the strategic framework, for example to:
 - A tourism development programme and implementation plan relating to e.g. spatial nodes and routes, critical infrastructure, tourism information systems, new product development and packaging, investment promotion, human resource development and awareness, SMME development, support infrastructure and services, safety and security, etc.
 - A tourism marketing programme and implementation plan that supports the brand and focuses on attracting target markets through an integrated marketing mix, i.e. product packaging, distribution channels (travel trade, Internet, visitor network, etc.) and promotional activities (PR and media, advertising, promotions, etc.)
- Institutional and performance management arrangements (**How do we organise ourselves to get there and measure success?**) including a suitable organizational system for the future management and execution of tourism in the destination, that:
 - Is based on the findings the strategy and implementation plan
 - Complements other initiatives and structures e.g. national and regional / provincial tourism institutional policies and frameworks
 - Is based on the public/private partnerships
 - Monitoring and evaluation mechanisms to measure and evaluate strategic performance
 - Cooperative mechanisms with other complimentary sectors and industries such as arts, heritage, events, business promotion, etc.

Figure 6.2. A framework for destination strategy development



6.3

Striking up active and sustainable partnerships



Successful tourism destinations recognize the importance of the tourism destination value chain, which comprises a wide range of primary and support services for delivering a seamless and enjoyable tourism experience.

This also implies harnessing the energies and resources of a range of partners across the destination value chain (see also Chapter 8).

6.3.1 Destination Value Chain

The DMO plays a key role in coordinating and tracking the activities of the wide variety of service providers involved in maximising visitor value.

Figure 6.3 outlines the different elements of the destination value chain. While the individual elements are important it is useful to look at them here, as a whole, to give an overview of the activities in which destination managers should be involved. Both these primary and foundation activities are critical to ensure an excellent visitor experience and are discussed in the following sections.



6.3.2 Primary Activities

Primary activities directly involve the packaging, promotion and delivery of the tourism experience to the visitor. The public and private sector tourism industries consider these primary activities their core business and the missions and objectives of tourism product and service suppliers, intermediaries (agents/operators) and destination marketing organizations are largely tied to these primary activities which include:

- **Product development:** this is of key importance to ensuring constant rejuvenation of the destination offering.
- **Destination and product packaging:** the intangible tourism product should be packaged as conveniently, attractively and accessibly as possible.
- **Promotion:** the destination needs to be promoted to the marketplace either directly to the consumer or to the intermediaries (travel agents and tour operators) using a range of promotional methods.
- **Distribution and sales:** generic and commercial information should be distributed through the most appropriate channels.
- In and outbound logistics: ease and speed of access, especially for long-haul destinations, is increasingly having an influence on destination choice.
- **Destination operations and services:** the largest part of the visitor experience happens at the destination and this has a determining effect on the enjoyment levels and value experienced by the visitor.
- **Aftercare:** client care and follow-up is essential to establish loyalty and positive attitudes among clients.

Case study 6.2 below demonstrates the importance of establishing DMOs to enhance opportunities for destination positioning and promotion.

Case Study 6.2 Tourism Consortium in Barcelona: regional structuring in order to increase the competitiveness of tourism destinations

The general aim of the Provincial Council Barcelona of Barcelona is to promote the social and economic development of the municipalities in the province of Barcelona through the tourism sector, while ensuring that a harmonious balance is maintained between this development and the socio-cultural and natural environments in which it takes place.

The creation of the Tourism Consortium in Barcelona province, sponsored by the Delegation of Tourism of the Province of Barcelona is an example of structuring in the region in order to increase the competitiveness of tourist destinations and provide an opportunity for cooperative promotion and positioning by tourism authorities.

The Delegation of Tourism of the Provincial Council of Barcelona has been actively involved in the 16 consortia of tourist promotion of the province, which comprises in total more than 200 municipalities and business organizations in the field of tourism. This involvement has taken place with the aim of working towards the establishment and improvement of the overall tourism product in addition to providing technical and financial support, support services and advice to improve quality and to stimulate sustainable economic development.

The Consortium was created in response to the Development Plan for Sustainable Tourism in the Province of Barcelona, (1997) drawn up by the Barcelona Provincial Council, which conducted the first detailed analysis of tourism development in the province. From this work strategic lines of action were established. The primary objective of the Plan was to ensure that tourism in the province was competitive and able to occupy a prominent place within the wider tourism market of Catalonia. To achieve this, two important aspects in terms of planning were taken into account: tourism businesses and the tourist destination.

Not all the destinations had destination management organizations that could bring together different stakeholder interests and differing tourism products and as a result it was difficult to carry out the actions that would lead to an increase in competitiveness. Indeed, the presence or absence of a body responsible for tourism management in the destinations has been instrumental in the development of tourism policy in the areas where the Plan has been implemented.

Where there was no organization to bring together different tourism stakeholders, a promotional consortium was created. Once constituted, the consortia were recognized by local law and could acquire finance by agencies that receive government aid and became a benchmark for competitiveness in the development of tourist destinations across the country.

Source: Oficina de Promoción Turística de la Diputación de Barcelona

www.turismepropbarcelona.cat

6.3.3 Support Activities

Support activities are those where value delivery is indirect and supports the visitor experience e.g. infrastructure, planning, human resources development, technology and related industries such as construction, retail, etc.

The efficient delivery of these activities and their performance is a fundamental foundation for developing a tourism destination. Ensuring that these activities are in place requires strong leadership from the DMO. Such delivery can only occur within the framework of public/ private partnerships and strategic alliances and effective institutional coordination among the various players in the value chain.

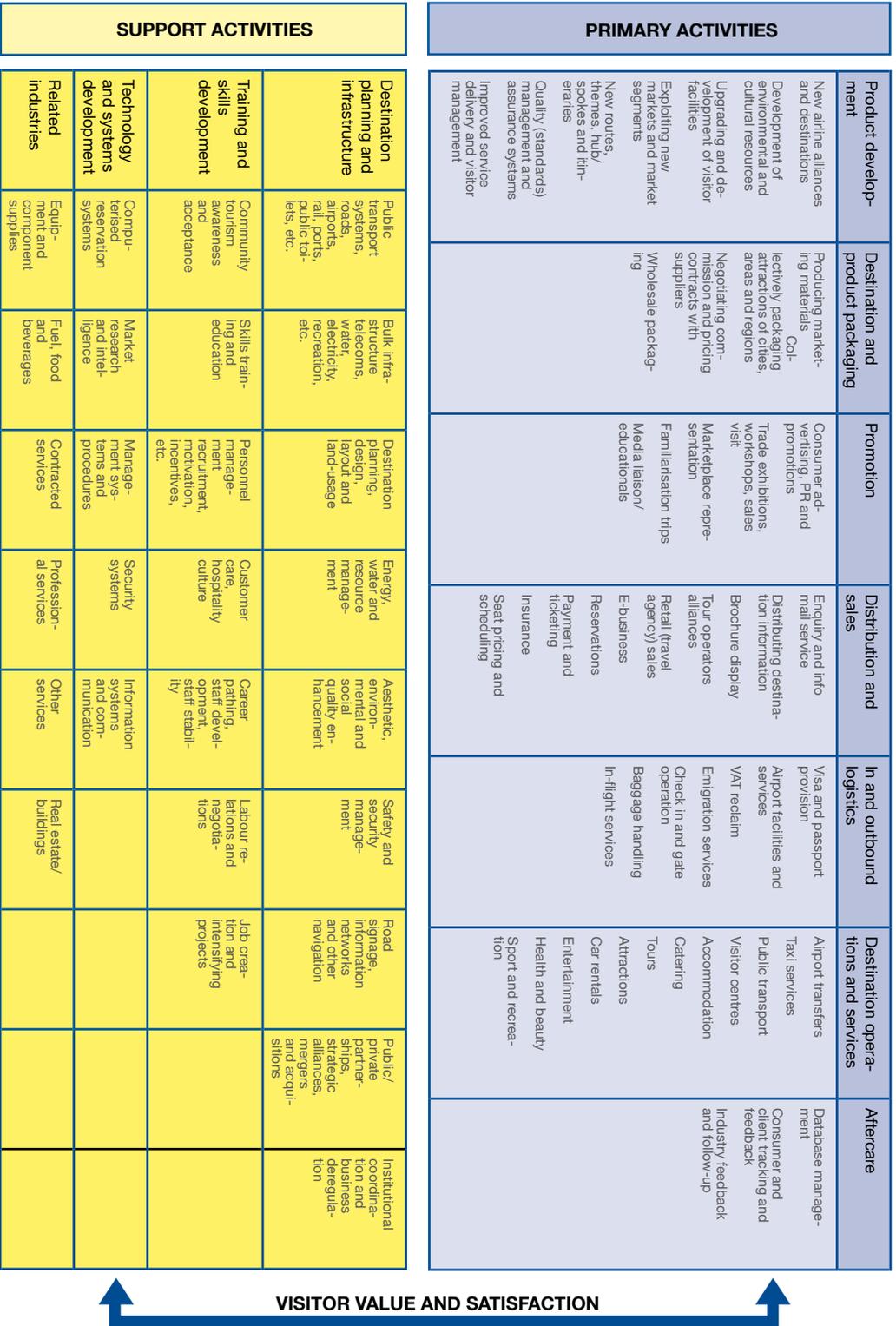
These activities are summarised as follows:

- **Destination planning and infrastructure:** the physical image, environmental integrity and infrastructure of the destination are key determinants of the quality of the visitor's experience. The industry will not be able to function without appropriate infrastructure such as an operational transportation network (e.g. public transport, roads, airports) as well as bulk infrastructure such as telecommunications, water, electricity, recreation and access to communication channels.



- **Training and skills development:** tourism is a service industry and the quality of the visitor experience is largely determined by the quality of service and personal interaction experienced at the destination.
- **Technology and systems development:** technology is increasingly becoming a driving force in support of the value chain. Global reservations and distribution systems are key levers of competitive advantage for airlines, hotels, car rental companies, etc. Operational and management information systems are also of major importance.
- **Related industries and buying local produce:** primary tourism industry activities are underpinned by a wide range of related enterprises that supply services to the sector. These are an integral part of the tourism “cluster” and the success of the value chain is highly dependent upon the effective provision of these services and products. These include equipment and component supplies, fuel, food and drink, contracted services, professional services, real estate/buildings, etc.

Figure 6.3 The destination value chain



Source: UNWTO, 2007b: 22, A Practical Guide to Tourism Destination Management

6.3.4 Destination partnerships across the value chain

The value chain analysis demonstrates the wide range of stakeholders involved in delivering the tourism experience. DMOs have to develop strong partnerships as a precondition for destination success.

Partnerships that are associated with the primary activities in the destination value chain are:

- **Product development:** partnerships with custodians and owners of attractions, land and other resources to engage them in planning and developing such resources for tourism purposes.
- **Product packaging:** partnerships across the various tiers of destination management organizations (i.e. local, regional and national tourism authorities to establish circuits and routes, etc and package attractions.
- **Promotion:** public-private marketing partnerships with the government and private sector pooling funds (e.g. membership fees, voluntary levies, etc.).
- **Distribution and sales:** information distribution and sales partnerships with tour operators, internet distribution systems and service providers, brochure management services, professional conference organizers, professional associations, related government departments (e.g. Foreign Affairs, Trade), etc.
- **In and outbound logistics:** promotional and service agreements and cooperative partnerships with emigration services, airport companies, scheduled and charter airline operators, road and public transport authorities etc.
- **Destination operations:** DMOs need to partner with private and public services providers to promote and ensure quality standards, value for money and efficiency of services.



The issue of destination quality management is well documented in the Handbook of Quality in Destination Management (Switzerland) and some key principles from this publication are outlined in Case Study 6.3 below.

Case Study 6.3 Key principles for Destination Quality Management (DQM)

Concrete aims of a strategic DQM are to:

- Make a significant contribution to securing the long-term future of tourism
- Convey the feeling of being welcome and pampered at a high quality level
- Give better value for money and improving international competitive position
- Increase visitor loyalty for the destination
- Re-position the destination

- Win new guests and improving the loyalty of existing clients

Successful DQM has the following benefits:

- Advances professionalism and closes gaps in the choice of attractions on offer
- Brings about the development of instruments useful to the service providers
- Encourages and firmly establishes cooperation of market players within the destination
- Assists in bringing out innovative creativity
- Sensitizes the population to tourism matters
- Improves cost effectiveness and competitiveness by systematically focusing on quality.
- Results in the visitor being enthusiastic and coming back
- Results in more turnover, overnight stays and increased frequency due to more attractive offers and better image (e.g. word of mouth)

DQM works best if there is close cooperation with all the important stakeholders within a destination (accommodations, transport companies, attractions, entertainment locations, service providers, shopping businesses, local government and others). This means that DQM has to be defined as a long term project, based on the following fundamental prerequisites:

- Basic commitment: all decision makers and all important service providers commit to quality and performance optimisation
- Personal attitude: stamina and motivation, being goal-oriented and working as member of a team are required of all parties involved
- Timing: the project launch timed well and powerfully
- Structure: the project organization must be clear from the start (project leader, competences etc.)
- Finance: additional funds required (e.g. project finance "DQM" and finance of individual measures to increase quality and hospitality)

Source: Lucerne University of Applied Sciences and Arts Institute of Tourism

www.unilu.ch

Partnerships that are associated with the secondary activities in the destination value chain are:

- **Destination planning and infrastructure:** national, regional and local government authorities are key partners as they deliver the required roads, communication, water, sanitation, safety and security and other services required to develop and operate tourism destinations.
- **Human resources development:** DMOs should proactively engage in training, skills development and research partnerships with universities, colleges and other academic institutions. Practical working relationships should also be fostered with skills training authorities, hospitality and training schools and other institutions involved in hospitality and tourism capacity building programs.
- **Technology and systems development:** relationships and partnerships with e-Marketing experts, web-development specialists, Internet Service Providers, telecommunications operators, mobile phone operators and other communication technology specialists are becoming increasingly important and valuable.
- **Related industries:** leading DMOs have realized that many large corporations that are not directly part of tourism benefit from the industry through brand exposure, direct visitor purchases, visitor supplier purchases, local facilities improvement etc. These could include agriculture, manufacturing, property brokers, retail services, etc. Such corporations need to be brought into the tourism fold as partners, e.g. as members of local tourism authorities, through sponsorships, as directors of tourism boards, etc.

6.4

Functioning with innovation and creativity



Innovative DMOs have long realised that success is not only determined by huge tourism budgets. Achieving the best return on investment and impact in the marketplace requires smart, effective and efficient destination management. Some key success factors in this regard include:

- Developing an emotionally powerful destination positioning and brand.
- Making best use of powerful technologies.
- Performance measurement, evaluation and adapting strategies accordingly.
- Efficient and flexible structure to be tailored to strategy.

6.4.1 Developing an emotionally powerful positioning and brand

As with products, creating a unique identity has become more critical than ever for destinations and it has in many respects become the basis for survival and growth within a globally competitive marketplace.

Destination competitiveness is increasingly being fought over minds and emotions rather than physical features and price. The destination brand communicates and signals competitive positioning. Since DMOs are mandated to manage the destination's image, effective branding could be an extremely valuable and powerful tool in their hands.



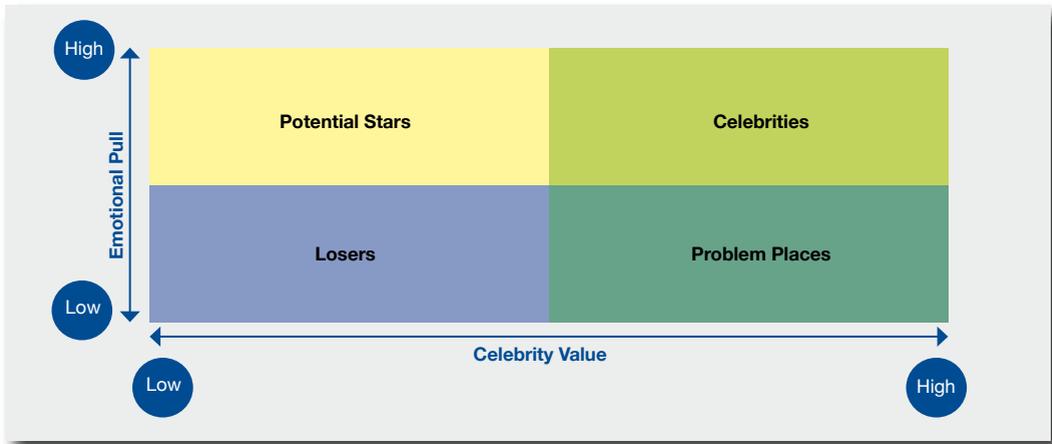
A brand could be defined as a unique combination of product characteristics and added values, both tangible and non-tangible. The characteristics have a relevance that is inextricably linked to the destination and brand awareness may be conscious or intuitive.

The brand is not only a trademark (logo, strapline or icon), but an experience and image that signals a value system and positioning. In short, it is a PROMISE. It establishes the kind of experience that the visitor can expect from the destination.

On any positioning map, brand winners are those places which are rich in emotional meaning, have great conversation value and hold high anticipation for potential visitors. Rich, strong destination brands sing a song of difference and have a sense of being somewhere worth visiting (Morgan et al, 2002).

Figure 6.4 below outlines a conceptual framework for understanding destination brand winners and losers.

Figure 6.4 Brand winners and losers



Source: UNWTO, 2007b: 43, *A Practical Guide to Tourism Destination Management*

6.4.2 Making best use of powerful technologies

Technological advances affect the entire destination value chain. Examples of recent technologies that have had a major impact on the travel and tourism value chain include:

- Environmentally-friendly technologies such as solar and wind power, environment-friendly design and construction materials and methods, water saving systems, etc.
- Fast, quiet and energy efficient rail transport systems to connect markets with key destinations.
- Computerized and globally networked emigration and security systems.
- Hugely improved passenger boarding and other airport pedestrianization systems.
- Electronic visitor information systems, touch-screen technologies, mobile phone visitor support systems, visitor debit cards and other on-the ground information channels.
- Improved payment and foreign exchange services.



However, two technologies have revolutionized tourism during the past decade and have allowed some destinations to achieve major competitive advantages. These are:

- Information Communication Technologies (ICTs), in particular the internet and mobile phone networks as distribution and communication systems. Innovative destination managers regard new technologies as central aspects of their strategies, allowing them to be highly targeted and cost effective in managing, marketing and selling their destinations. Chapter 7 deals with this aspect in more detail.
- The huge growth in budget airlines has tipped the travel-cost scales in favour of the destination, allowing tourists to have more holidays, easier connection and spending money on activities, accommodation and cuisine.

While implementing and capitalising on some of these innovative technologies are often not within the direct control of tourism destination managers, innovative destinations strive to influence and lobby the relevant partners to invest in these.

6.4.3 Performance measurement, evaluation and adapting strategies accordingly

“If you can’t measure it, you can’t manage it”, is one of the most well-known management adages, which is highly relevant to destination management. Unfortunately the majority of destination management organizations are fairly poor at measuring tourism performance.

The most innovative destination managers invest in a variety of measurement instruments to track value and obtain the best return on investment. These include:

- Direct and indirect tourism impact assessment to measure and monitor the economic and employment contribution of tourism, the ultimate being a full-blown satellite account.
- Market evaluation and segmentation, including market profiling, trend analysis and yield assessment (e.g. visitor spend, length of stay, etc.).
- Measuring return on investment of specific expenditures e.g. attendance of tourism shows, special promotions, advertising campaigns, etc.
- Product performance and investment measurement, including construction values, financing levels, etc.

Once innovative DMOs have secured valid and reliable performance information and market intelligence they apply it effectively to improve their destinations competitiveness. Effective usage of performance information and measurement statistics requires the ability to think strategically and think ahead.

6.4.4 Efficient and flexible structure to be tailored to strategy

Bloated bureaucracies are often detrimental to the fast-changing tourism environment. Innovative DMOs are increasingly expected to keep pace with their private sector partners. This requires nimble and credible organizational structures, incorporating the following principles:

- Structure should follow strategy. Unless DMOs are guided by clear and goal driven strategies, structures are often undefined and bloated. Innovative tourism organizations are structured to fulfil strategic objectives and strategies.
- Flat and networked organizational structures are more effective than hierarchical ones. Decisions

are taken faster in such organizations and teamwork is more positive and effective. This is difficult to achieve in public sector functions of government and is one of the main reasons for governments establishing tourism agencies.

- Good corporate governance is paramount in innovative DMOs. Clear management and directorship roles, effective risk management, delegations of authority and constructive internal auditing systems are extremely important to the smooth, flexible and transparent management of destinations.

6.5 Future issues for destination marketing



The following commentary is provided by the President of the Global Interface Tourism Group and raises some of the future issues faced for the marketing of destinations.

Commentary from Par Ga I de La Porte du Theil, President of Global Interface Tourism Group: Future issues for destination marketing

Supply and demand has changed in nature in recent years. For some time it was dominated by no more than 50 major destinations fighting for the favour of holidaymakers from no more than 20 major markets in Europe, North America and Northeast Asia. The number of tourist destinations today has increased dramatically while market demand stands at 900 million tourists globally. However, a less optimistic scenario due to the increased (environmental) cost of air travel may result in a “war” between destinations, making it even harder to lure smaller numbers of international travellers.

Nevertheless, the emerging economies in Africa, Asia and South America are increasing the number of source markets and it is of interest to exploit these opportunities and capture new customers. In short, the supply of destinations and exploding global demand is now, more than ever, geographically diversified, sociologically segmented and technologically complex.

The successful promotion of destinations should be spread over an increasing number of source markets. Marketing investment



can be enhanced by pooling resources and outsourcing destination marketing to private contracts.

Naturally, a desire for the common good is the prime motivator driving the strategic marketing of destinations. However, policy makers are under increasing pressure from industry to increase yield and from taxpayers to demonstrate good management of public funds. National Tourist Organizations (NTOs) are under pressure from their stakeholders (public and private) to achieve a better return on investments. At the same time, the cost of establishing offices abroad is rising. What is more, consumers are changing

the way they make decisions about travel and this will require more diverse skills from sales and marketing teams. There needs to be a shift from destination marketing which is geographically static and often burdened by issues inherent in institutions (political, structural, managerial) towards tactical marketing, which is uninhibited, opportunistic, high yield and fully globalized.

In this new world market intelligence, flexibility and creativity is the key to successful

marketing. Already, a handful of international corporate network marketers of destinations share the design and implementation of global marketing of “destination brands” worldwide. Global Interface Tourism is one of them. These competing networks that are the interface between marketing destinations and markets have no choice to keep and win customers but to engage in a race for technological innovation and training and relationship management.

www.interfacetourism.com

6.6

Other sources of UNWTO information



- World Tourism Organization (1997), *Towards new forms of Public-Private sector partnership: The changing role, structure and activities of National Tourism Administrations (NTAs)*, UNWTO, Madrid.
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7

New media marketing for tourism businesses

7.1 Introduction

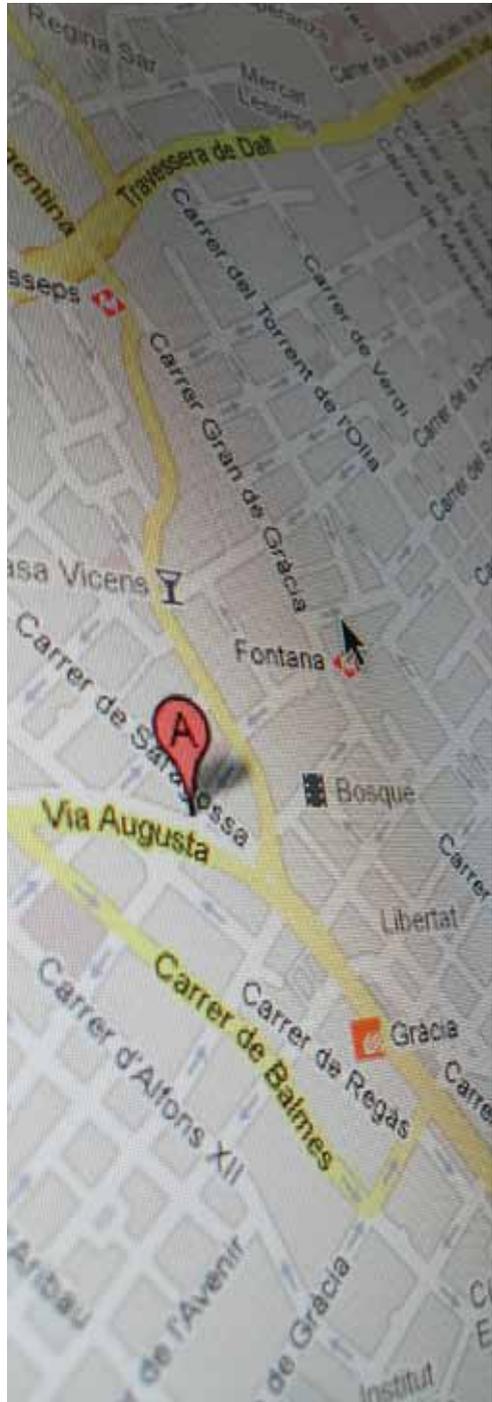
The internet began to be useful for tourism businesses and destinations back in about 1995. Now it is essential and 'e-marketing' and 'e-business' are well-known terms.

The use of e-business varies. A bed & breakfast business may have a slick website, but use a handwritten exercise book to record all the bookings irrespective of whether they come in by telephone, mail, email or through the front door. Another B&B may have a computerised booking system, but the owners attract bookings without a website of their own.

These examples illustrate a key point for businesses: new media can be about marketing and promotion, or it can be about back office business processes – but it is most beneficial when it is used for both. Businesses that treat e-marketing as an aspect of *becoming* an e-business are more likely, in the long run, to be more efficient as well as offering more attractive services to their customers.

A second revolution in the application of new media is already underway. Much faster, higher-capacity, and more reliable connections, wired and wireless, are in development in most countries. At the same time, more intelligent software and devices, especially smartphones and internet-enabled TV services are appearing and are beginning to be integrated for the traveller. In future, smartphones will be the point of first contact for most communication.

This 'convergence' of devices and services will drive the growth of more open sharing of services between customers (social networking), and between businesses. A business's website will remain important, but not as important as being talked about on other web pages. Open sharing of resources will allow businesses to distribute each others' information, to enhance their products and gain more market reach.



Amid such revolutionary change, video, imagery and sound will continue to increase in importance.

In this forthcoming world of superfast connections, tourism businesses that are at ease with the unstructured here-and-now of the online world will thrive.

This chapter aims to provide a rounded picture of all the communication and business process tools that matter to smaller tourism businesses now, as well as those they should expect to adopt in the future for the tourism sector can look forward to more change online in the next ten years than in the last ten. The chapter follows a similar structure to the initial chapter of the of the UNWTO (2008a) *Handbook on E-marketing for Tourism Destinations*. The Handbook is aimed primarily at destination management organizations, the focus of the following material is on the private sector and has been researched and reworked to bring it completely up to date.

7.2 The benefits of e-marketing



Online information is now the primary influence on consumer decisions in nearly all major tourism markets. Travellers research their needs using the internet more than any other source. According to a study by Google and OTX⁸: slightly more travellers use general search engines than use travel search sites or online travel agencies when planning trips; 64% of consumers surveyed use search engines for personal travel. Travel sites also fared well, with 52% using them for personal travel. For hotel requirements, 67% of leisure travellers depend on search engines (TravelDailyNews, 2010).

E-marketing can enable businesses to build a stronger brand, to create and sustain top-of-mind awareness among well-targeted potential customers. And it can produce sales against easily measurable costs, with excellent indicators on how to do even better.



The benefits of e-marketing are wide-ranging:

- It allows users to experience dramatic imagery and animation, as well as enhanced communication and interaction
- It can deliver detailed information in a low-cost, timely, location-sensitive, user-friendly way

8. The study, conducted between April 10 and 27, looks at general travel, hotel, car, air, cruise and destinations. The survey consists of responses from 5,002 consumers who have travelled at least once for personal or business in the past six months.

- It can allow businesses to research and to improve brand awareness
- It enables rapid, frequent two-way interaction between businesses and customers and between customers and other like-minded customers. These interactions apply at all stages of the 'customer journey' (See Chapter 5) a cycle of thoughts, decisions, and actions by the visitor before, during and after their visit
- Online communication enables the creation of partnerships with other businesses that have a common interest. Businesses can:
 - Share market intelligence
 - Run cooperative marketing schemes (such as sharing complementary local information on each others' web pages to strengthen the sales offer).
 - Make joint offers (for example, entry to a show, plus accommodation)
 - Adopt a shared approach to branding of the immediate locality or group of services.
- Finally, e-marketing provides the ability to engage with customers on a one-to-one basis whilst still using 'one-to-many' methods.

7.3 The main challenges



E-marketing makes particular demands on marketers:

- Each facet of e-marketing requires specialist knowledge and skill which needs constant updating to keep pace with innovations. This applies at a strategic level too. Training, coaching and networking with fellow professionals is essential
- It is only effective through application of customer relationship management (CRM)
- It enables businesses to measure efficiency quickly, and to make continuous improvements (Return on Investments ROI)
- It needs to be integral to the marketing programme, not a separate activity
- The challenge for businesses is to develop the infrastructure, the skill sets and the content to exploit the new opportunities through multiple channels, offline and online.



7.4

E-marketing techniques for each stage of the 'customer journey'



Table 7.1 provides an overview of basic techniques at each stage of the 'customer journey':

Table 7.1 Overview of basic techniques at each stage of the 'customer journey'

Customer journey stage	Business's response to customer's need	E-marketing activity aimed at the customer
Dream, Enthuse, Select	<p>Create awareness.</p> <p>Be seen to be able to meet aspirations.</p> <p>Arouse emotional interest.</p> <p>Enthuse with specific ideas.</p>	<ul style="list-style-type: none"> • Brand projection and motivational content, including video and images on own and 3rd-party websites (such as YouTube and Flickr) • Timely ideas and offers sent by email • Distribution of information through high profile intermediaries (see Distribution, below) and through the local, regional and national DMO • Natural Website search engine optimisation (see below), for key values, experiences and motivations • Profile-raising online PR through participation in social sites (such as Facebook), UGC sites (such as TripAdvisor), forums and blogs • Paid-for advertising, such as Google Adwords or banner ads.
Plan	Provide 'hard' information	<ul style="list-style-type: none"> • Timely, comprehensive information on own website • Timely offers and information sent by email • Encourage all customers to add a review of their experience during their visit to their usual UGC sites such as TripAdvisor • Co-operate with nearby businesses to place reciprocal information on each others' sites • Co-operate to run local stand-alone sites that offer comprehensive information.
Book	Enable booking	<ul style="list-style-type: none"> • Provide booking on own site (preferred), and/or DMO website, or commercial site e.g. LateRooms, Ticketmaster. At least one of these is essential • Respond rapidly to email requests to book sent from the business's website.
Visit	Look after the visitor during the stay	<ul style="list-style-type: none"> • Ensure the business is visible on maps in smartphones. For example, join the free Google Business • Make timely, location-based offers via mobile short message service (SMS), commonly called texting) or email.
Post-visit recollection Recommendation	<p>Maintain the relationship:</p> <p>Promote repeats</p> <p>Encourage referrals</p> <p>Research ongoing customer needs</p>	<ul style="list-style-type: none"> • Online research surveys • News and offers sent by email. • Online library of pictures • 'Send to my Friends' promotion.

Source: Adapted from UNWTO (2008a) *Handbook on E-marketing for Tourism Destinations*

7.5

The 10 keys to successful e-marketing for tourism businesses



This section sets out key areas for action in e-marketing:

7.5.1 Maximise the lifetime value of customers – start and maintain the relationship via CRM

CRM (customer relationship management) is the acquisition, understanding, engagement with and activation of customers. It is the essence of e-marketing – the continuous, and often real-time, interaction with (and between) target audiences, and the acquisition and use of information about existing and good potential new customers.

CRM, business processes and technology are at the core of all e-marketing throughout the ‘customer experience cycle’. CRM should give a single coordinated view of customers and what is known about them when in contact with them by telephone, text or email, or face to face on arrival.

The main objectives will be:

- Keeping enquirers interested with personalised information during the lead time towards conversion to booking
- Attracting visitors back
- Encouraging and facilitating recommendations to others
- Market segmentation: analysing customers in order to target other potential customers more accurately

A CRM system will allow a business to collect, store and re-use information such as:

- Name, email and location
- Interests
- Stage of holiday planning
- Purchasing history



If insufficient customer records have been collected for formal market segmentation methods to be employed, an easy segmentation method is to make up ‘personas’: imaginary typical customers with a name and a personality. This works best if each persona is championed by one of the business’s staff, who will keep an eye on their changing preferences.

Good customer data, collected a little at a time, and wisely used, helps both the customer and the business. Include a question or two in all web forms, telephone conversations and on arrival, but never ask questions that do not appear relevant to the customer.

7.5.2 Create a compelling website experience which users can find via search engines⁹

A successful website that provides valued services to users, and which is found by search engines, is a necessity. A site adapted for the small screens of mobile phones is also becoming very important.

- ‘Accessibility’¹⁰ should be the basis of website quality
- Research-based guidelines should be followed to create an easy-to-use website that has good usability and that builds trust and identity
- Sites should smooth the path for the user right through the ‘customer journey’
- Testing should be integral to site design and development work, as well as part of the evaluation of existing sites

Considerations for sites include:

- The balance of content between the motivational and the practical (information).
- Key factors for a site’s success are:
 - Technical performance, especially speed of loading
 - Navigation
 - Interactive searching answering enquiries dynamically.
- Look and feel.

Search Engine Optimisation (SEO) is vital to gain traffic to the site. The site should have ‘natural’ (‘organic’) SEO so that each page is ranked highly in search engines for the most important search terms. To achieve this:

- Customers’ search terms must be fully researched (and reviewed regularly)
- Website structure and coding must be search engine friendly
- The site must be filled with good, relevant and useful content that will make searchers happy – this is what the search engine ranking algorithms want to find
- Other sites, especially those with high ‘status’ (large well-designed sites, official organizations) should be asked to link to yours. Ask them to use your search terms in their link. Ensure the landing page also uses the term
- Time is needed for the site editor to optimise text and meta data for target terms; to insert keyword-rich anchor text links within the site and page URLs; and to add a site map based on text links

9. For further information see chapters 4-5, Handbook on E-marketing for Tourism Destinations, 2008, ETC-UNWTO, available <http://pub.unwto.org/epages/Store.sf/?ObjectPath=/Shops/Infoshop/Products/1465/SubProducts/1465-1> (02-07-2010).

10. Website developers should be aware of the World Wide Web Consortium (W3C) Web Accessibility Initiative (WAI), (Online), available: <http://www.w3.org/WAI/guid-tech.html> (24-06-2010).

It will take time for SEO effects to be seen, and it is an ongoing task.

Case Study 7.1 illustrates how businesses can successfully promote their brand with a website and maximize SEO.

Case Study 7.1 Tourism KwaZulu Natal: the role of a destination website in the process of destination branding

Tourism KwaZulu-Natal (TKZN) is a South African Provincial DMO. The KwaZulu-Natal Tourism Authority, which operates under the name of Tourism KwaZulu-Natal, has a mandate to promote and develop the tourism product of the South African province of KwaZulu-Natal (KwaZulu-Natal Provincial Government, 2006).

TKZN has, since its inception, recognised the value of branding. Its approach to this process has been to latch on to a critical unique feature of this area namely 'The Zulu Kingdom' to stimulate awareness of its broad tourism offering. This is a concept that is widely recognised by tourism stakeholders in this province as being appropriate to market the tourism offerings of this destination. In addition it used the wide range of consumer research that it has at its disposal to develop a brand identity for the concept of the Zulu Kingdom.

TKZN also recognises the power of the internet as a medium to build awareness of the 'Zulu Kingdom'. Its current portal, which is made up of 30 websites has been designed to ensure that it reflects the brand identity of the Zulu Kingdom and its brand architecture. For example its URL is <http://www.zulu.org.za> and the URL's of its sub-destination sites reflect the brand name of that area e.g. <http://www.durban.kzn.org.za> and <http://www.drakensberg.kzn.org.za>. This portal is not only aimed at stimulating consumer interest but trade and community awareness, support and interest as well. For example the website provides extensive marketing intelligence and tourism news.

TKZN websites are designed to be in synergy with its branding guideline manual and the other marketing collateral that TKZN produces by using similar images, background colours and fonts. The images and content that are utilised are used to reflect the core attributes personality and essence of the brand and its sub-brands.

TKZN has also always been careful to ensure that its website is well optimised from a search perspective, particularly from an organic point of view and in terms of the core terms associated with this destination. It has recognised the power of content and ensure that each page is meta tagged to reflect that content. The current level of utilisation is in the order of 100 000 unique users per month. Up some 1000% since its inception in 1997! The Google ranking of its site in terms of key terms associated with KwaZulu-Natal are usually in its 'top 5' listing for such terms. Good examples of such terms being Durban, KwaZulu-Natal and Drakensberg. Alexa.com (2008) rates this site's download speed as 'very fast' and gives it a rank of 164,609 in terms of traffic out of all sites on the internet.

Source: Tourism KwaZulu-Natal Occasional Paper No. 61, March 2008

www.zulu.org.za

7.5.3 Maintain high quality content

'Content is king': compiling and distributing imagery and information for websites, emails and social media should be a primary and ongoing investment. The following are essential for creating content:

- Market segment information should be used to decide the priority audiences, the topics that will entice them, and the publishing channels they use
- Businesses should exchange and publish content with other local or sector partners
- Images and video are steadily becoming paramount to motivate and inform, and the written word

will continue to decline in relative importance

- Creating unique content is often difficult, but it is important.

To compile and use content:

- A good content management system with well-trained users is essential.
- Access to an 'open data platform' which some DMOs operate, is valuable, to:
 - Contribute and take in content from local partners
 - Enable partners to create themed or local websites
 - Show third-party services on the business's site, such as weather forecasts, surfing or skiing conditions, and transport information.

7.5.4 Be bookable online

'E-commerce', as booking and online payment is sometimes called, is now common throughout the world, using a PC or, increasingly, a smartphone. Almost all tourism businesses need their inventory to be bookable online, and businesses usually have a choice of methods to make sure that when a user of their website wishes to book, it is easily done:

- There are commercial e-commerce providers that can attach this facility to the business's own site
- And/or, the business may wish to join a DMO scheme
- And/or, the business can join a commercially-run booking website.

All three methods have a cost – a flat fee, percentage commission, or a combination.

7.5.5 Engage with social networks

Research from PhoCusWright shows that nearly two-thirds of those who buy travel online use social networks. Indeed, nearly half of all internet users do so. This 'do-it-yourself' publishing online was the internet's second revolution. All internet users now have the facility to create content and to communicate with closed-user groups of their own choosing, or with the world at large.

2/3
of those who buy
travel online use
social networks 

Source: PhoCusWright, 2010a

Social networking involves people exchanging information, images, opinions and comment, or simply chatting, on the web. Much of it is ephemeral, but much is advice and comment intended to help other people. It is much like face-to-face advice – it's given here and now, and won't necessarily have a lasting presence.

It has exploded with the success of sites such as YouTube (video clips), Facebook (with around 500m users), Flickr (photos) and many other sites like them, as well as forums that may focus on particular topics, and blogs. They have huge numbers of participants and very sophisticated facilities for sharing content. It is useful to distinguish between general 'social' sites and those that focus on providing reviews (user-

generated content or UGC) written by travellers, such as TripAdvisor, although there is much overlap between the two.

Use of smartphones to visit social networking sites is growing fast, to nearly 2m subscribers, though this is still only under 2% of all mobile subscribers. One survey showed that a travel site, WAYN, had a larger proportion of its users using mobile, rather than a PC, than did other non-travel sites – logical, as travellers are on the move. It is an indicator of the growing importance of mobiles and social sites for tourism (Nielsen Mobile, reported by Utalk marketing, 2010).

Travel advice is an obvious topic for sharing views online. Consumers do check reviews before making reservations: 41% make leisure travel plans according to the reviews they read. Also, more consumers are now submitting their own reviews to share with others (Google and OTX, 2009).

Social networks and UGC can work powerfully for tourism businesses:

- People are more likely to take advice from ‘someone like me’ than from a business. Many commercial travel firms have user reviews on their sites, such as Thomas Cook, which uses the TripAdvisor reviews (Tnooz, 2010a)
- Social media make it easy for people to tag their content with search terms that their friends or search engines can find. This is true for video and pictures just as much as for text
- There is so much of it, and it is constantly refreshed. Facebook, for example, has 500m active users who typically add 70 items per month (Facebook, 2010).

Thus, these new media have become central to many holiday decisions that are based on recommendation.

To understand social media fully, staff of tourism businesses should get involved. Begin at a personal level, by joining in, and getting each member of the business’s marketing team active in at least one channel – such as tweeting on Twitter¹¹, chatting on Facebook, reviewing on TripAdvisor. Without doing it yourself, it’s impossible to get to grips with how it’s done, why it’s so powerful, and which channels are most important.



Then it is possible to move on to identifying the sites that customers use, and to begin to monitor what’s said, or not said, about the business. Action can include:

11. An example is the Helsby Arms, Cheshire, who use twitter to find people who tweet in proximity to the pub. The pub targets them with tweets, and holds ‘tweetups’ with free food and drink. A failing pub is now booming: @HelsbyArms has 2,244 followers. Pub number 2 is to open soon. Source: NWDA (15-06-2010).

- Encouraging customers to add a review of their visit to their favourite site
- Creating core content on UGC sites: many welcome or tolerate business pages or text and pictures. These include Flickr, Photobucket, Facebook and YouTube
- Adding brief news items on social sites about what is going on for visitors at your business or nearby. Look for subjects that are timely, here-and-now, amusing, or quirky. Many businesses are now employing staff specifically for this purpose.



Travel sites are a key target. Sites like TripAdvisor are essentially about aggregating content that is submitted to the site by people writing their own review of a place. UGC sites can be searched by destination, theme, business, etc. Businesses can actively join in:

- Identify the sites that customers use, monitor what's said about your business, and respond. TripAdvisor, for instance, makes it easy for businesses to monitor and respond to comment. Use a light and personal touch: backlash from heavy-handed responses can be exaggerated online. As in all situations, a complaint handled honestly very often brings dividends
- Encourage customer reviews: as customers leave, hand them a card reminding them to write a review and add pictures. List the sites that you think your customers might use or that are important to you. Also, use e-newsletters to give a reminder to do this.

Try to measure the amount of exposure achieved. For example, on Twitter, look at the number of followers, and the number of followers for those who retweeted the messages. On Facebook, track the total number of people who 'like' the local page, and review the number of friends from those who 'liked' and those who commented to identify the potential monthly Facebook reach.

For larger businesses, there are useful online reputation monitoring services available.

Case Study 7.2 illustrates how Sch nbrunn Palace, Austria has used new media to engage with their customers.

Case Study 7.2 Sch nbrunn Palace, Austria, engaging with the customer

With more than 2,500,000 visitors a year, Sch nbrunn Palace is Austria's most popular tourist attraction. The palace and its gardens are amongst the most significant Baroque sites in Europe.

The overwhelming majority of visitors, more than 90%, originate from outside Austria, coming from all parts of the world. These people, with their wide variety of languages and cultures, cannot be reached to the desired extent for using classical marketing methods. One possibility is to make use of the tools provided by Web 2.0

as information and marketing instruments. The aims are firstly to reach potential customers directly and at the same time to intensify the online sale of tickets in order to cut long waiting times.

The following strategies are deployed:

- **Social media marketing.** With different individual attractions having their own Facebook fan pages, a direct dialogue can be set up with visitors from around the world. A fixed posting plan, standardised reports and regular fan activities (polls, competitions) ensure a continuing expansion of the fan base. A separate Facebook e-ticketing application provides the link to admission ticket sales. Targeted messages ensure precise communication with fans in different markets with different languages
- **Micro-blogging & real time search.** Important information and updates are also disseminated worldwide in real time using Twitter. Sch nbrunn Palace also uses Twitter for permanent monitoring and to check its online reputation
- **Content delivery and content sharing.** Sch nbrunn Palace has at its disposal a wealth of fascinating content about the history of the Austrian imperial family, with a dedicated portal, habsburger.net, addressing this topic exclusively. Videos, texts and a huge number of images can be made available to anyone interested anywhere in the world this content is offered via the dedicated website but is also disseminated using other channels, such as a dedicated YouTube channel
- **Viral activities.** The topic of “waiting times at the ticket desk” is raised in a light-hearted and entertaining approach. The idea is to encourage visitors to avoid the queues by buying their tickets in advance online
- **Crowd sourcing.** Sch nbrunn Palace uses networking with the fans on Facebook and other social networking sites, in order to tap into the power and knowledge of the masses, to involve its potential visitors and to encourage collaboration. Thus consumers are regularly turned into producers and are actively involved in the decision on the naming or the product development of ‘their’ attraction
- **Performance marketing.** Additional traffic on the e-ticketing platform and the Sch nbrunn Online Shop is generated using performance-focussed online advertising measures exclusively primarily keyword advertising. The adverts are not only optimised to cost-per-click but also to cost-per-conversion to minimise the costs per new booking.

Achievements: More dialogue is pursued with visitors via social networks, more people come into contact with the content via content delivery and there are more marketing channels for ticket sales. In the first 4 months of 2010, this doubled online ticket sales. Web 2.0 makes a top historical attraction fit for the new generation.



Source: Sch nbrunn Palace, Austria.

www.schoenbrunn.at

The UNWTO itself is increasingly using online tools to communicate with members. Case Study 7.3 outlines the development of UNWTO's recent online platform, www.platma.org, which will allow Affiliate Members to exchange information using the latest social networking technology.

Case Study 7.3 Development of the UNWTO online platform, 'platma'

The Society for Innovation Management and Technology Tourism, S.A (SEGITTUR) was founded with the aim of becoming a link between new technologies and tourism. It aims to support tourism promotion and marketing of products and services through the use of new technologies, with particular emphasis on the Internet. It also aims to contribute, through research, development and innovation, to improve levels of professionalism in the sector thereby providing tools to facilitate access to new technologies. SEGITTUR also prepare, process and disseminate information which drives innovation in the tourism sector and is currently working with UNWTO to develop the online platform 'platma'.

Developments in the last two decades of both supply and demand for tourism has led to an increasingly dynamic market that requires a restructuring and reinvention of organizations, both public and private, allowing changes in the environment to incorporate their management and their products in order to remain competitive.

Internet and new technologies play a key role in the current tourism environment and efficient use of technology in marketing and management of tourism enterprises is seen as a key priority. In this context, one of the main challenges facing tourism businesses and organizations is the inclusion of these new technologies in networking and making alliances with other industry members to achieve and promote knowledge sharing that supports the innovation process and improves the competitiveness of enterprises.

The tourism sector is polarized, consisting mostly of small and medium enterprises. The promotion and use of collaborative networks along the value chain of the tourism sector can help optimize the resources of companies and enable businesses to find solutions and develop differentiated products. In this context the Society for Innovation Management and Technology Tourism (www.segittur.es) and the Secretariat of the UNWTO Affiliate Members have developed platma, a collaborative online platform. This platform uses social networking tools to encourage dialogue between professionals of the organizations affiliated to the World Tourism Organization, and thus provides a tool to build a referral network for tourism industry organizations worldwide.



The platform has been developed with the aim of promoting cooperation between different components of the tourism value chain and stimulating 'coopetition' between users with similar interests.

The platform also allows members to interact with the different departments of the WTO, contributing to the Organization's strategic areas of work.

The platform enables participants to work in groups which can access shared workspaces, post content and publications, news, events, or multimedia files, contact different members of the network, create blogs and discuss and evaluate the different contributions of members. In addition, participants can access online interviews with leading industry experts and conduct opinion surveys.

The platform promotes the exchange of information, experiences and best practices among industry organizations quickly and dynamically, and will provide the ideal tool for UNWTO to listen to and engage with its Members. The platform www.platma.org entered into its trial phase in Autumn 2010 and is expected to be officially launched in early 2011.

Source: Segittur

www.platma.org, www.segittur.es

7.5.6 Obtain distribution: reach as many potential customers as possible

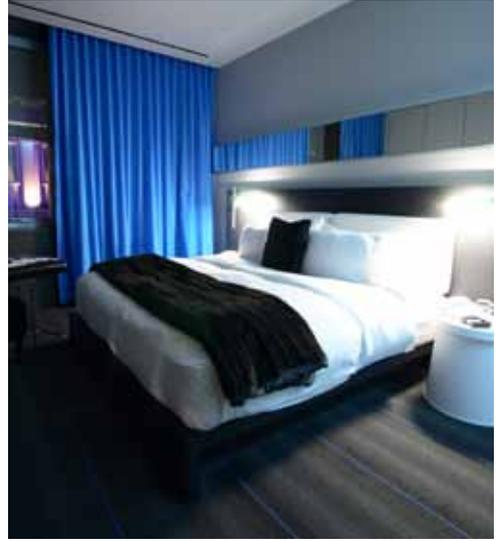
'Distribution' is about gaining a presence in places other than the business's own website. It is as vital in online marketing as the various opportunities to advertise in traditional print media. Distribution on the web will also achieve some distribution on mobiles, which in the longer term will be equally important (see below).



Key methods of 'distribution' are:

- Get content into social networks
- Use traditional media, to drive customers to the destination website(s) for fulfilment
- Make sure natural SEO is as fully implemented as possible to attract traffic to the business's own site
- Ask for reciprocal links from and to the sites of partners
- Get listings on large third-party sites. These may be free of charge or subject to a fee. An example is the free listing available (in many countries) in Google Places for businesses, which will improve search engine results and gives inclusion on Google Maps, including (for example) the iPhone map facility. The best opportunities will vary for each business according to sector, country, and desired target market. Find the most important sites by using the business's keywords in the search engine versions in the target markets.

- Join at least one large commercial booking site. Try to find sites that work on a no sale, no fee basis. Balance the advantages of being more visible against the cost of the commission or selling to the intermediary at a lower net rate than the business's published rate. Remember that the higher the commission paid the more likely that there may be onward distribution to further sites with which the first site may split the commission. (A further penalty is that your business may gain only limited contact information from these bookings.)
- Have a listing in the local DMO system
- Keep the business's data up to date, daily or weekly wherever it is listed. Add new pictures and links to video frequently.



7.5.7 Email marketing: stay in touch with customers and potential customers

There are many email systems that make it easy to start or refine email marketing activities aimed at prospective and previous customers.

- Email service providers' systems are low-cost, relatively easy to use, and very efficient. They provide many essential facilities such as design templates and authoring systems, advice on content, avoidance of spamming, creating versions of the design for different mobiles and PCs, bounce handling, and an easy 'unsubscribe' service
- Build up email address lists:
 - Invite users on the website homepage to enrol to an e-newsletter, and on arrival or departure from the premises
 - On enquiry and booking forms, make the same invitation. Use an 'opt-in' default so that customers do not get the newsletter unless they make the positive choice
 - When enrolling, reassure customers that their personal information will not be used for any other purpose, and that there is an easy 'unsubscribe' facility. Tell them approximately how often the email will arrive, and what will be in it.



- Make newsletters a positive sales tool, with specific offers
- Make sure that landing pages (on the website where users arrive when they click on a link in the email) have a clear call to action designed to clinch a sale
- Take time to compile different emails for previous visitors and potential visitors. Then version them to meet the needs of each 'persona' (see above)
- Use the email system facilities to test the draft email. It is easy to make mistakes that can do more harm than good
- Send emails to visitors when they arrive back home:
 - Thank them and encourage happy memories – for example, give a link to a library of images on sites such as Flickr that visitors can use to add to their own
 - Send a link to an online customer satisfaction survey. Keep the survey short and friendly
 - Ask visitors to add a review to their favourite social networking site, blog or forum
 - Email new ideas to stimulate repeat visits (what's new, events, special offers, competitions, and games)
 - Include a 'Send to my Friends' facility in emails.

Case Study 7.4 points readers to a useful and practical guide on e-marketing from Tourism Australia.

Case Study 7.4 The Tourism e-kit: Understanding e-marketing

Tourism Australia have developed a tourism e-kit, designed to assist tourism operators to make the most of opportunities the internet provides. An initiative of the National Online Strategy Committee, the Tourism e-kit is funded by all Australian State and Territory tourism offices.

The series of online tutorials has been designed to assist the Australian tourism industry. The e-kit covers a wide range of subjects from the basics of developing a good website to advanced topics like search engine marketing and online product distribution. On top of step-by-step lessons on e-marketing, readers can also gain a great understanding of the Australian Tourism Data Warehouse (ATDW).

Source: Tourism Australia

www.tourism.australia.com

7.5.8 Smartphones: communicate with visitors before and during their visit

Smartphones are increasingly important for distributing information and special offers, and to gain bookings, from visitors before their visit, while they are travelling, and while they are in the destination.

Key features of smartphones that businesses should consider are:

- Maps: these use a global positioning system (GPS or satellite navigation) to provide itinerary planning and local route finding
- 'Location based services': these find and display visitor facilities (accommodation, attractions, restaurants, events, shops etc), with or without a map. The phone can show any location: the immediate surroundings at that moment, or the user can search by postcode, town name or a known business
- Websites, even those in a dedicated mobile format, may lose importance as people use the apps (applications)¹² on mobiles and iPads more, and use PCs less. Apps are easy to download, sit

12. Web applications are specially designed for smartphones, to combine internet resources with touch-screen navigation. There are over 200,000 apps in the Apple store, downloadable free or at fairly nominal charges.

conveniently as icons on the home screen, and are typically easier to use than websites (Jakob Nielsen's Alertbox, 2010) because they employ the phone's touch-screen navigation method. An example is the travel organiser 'Tripit'.

Thus smartphones improve visitor information and access to purchases massively.



A barrier at present is the cost to users when overseas: network roaming charges for data downloading when overseas mean that most smartphone users may turn off the data facility. Thus they will not receive email or be able to look at websites or satellite navigation (GPS) maps, though for domestic visitors this is not a problem.

Getting in touch may be initiated either by the business or by the visitor:

- Initiated by the business: the business sends an SMS (text) or email. Pilots suggest that uptake to such services is not yet cost-effective and may be limited by reluctance to disclose mobile phone numbers
- Initiated by the user:
 - The user finds a business that is included in the smartphone's map system. Inclusion in the system depends on the business ensuring that it is listed in as many distribution channels as possible (see above)
 - The user consults the business's website. Businesses need to judge at what point investment in a simplified version of their site for mobiles may be advisable
 - The user uses an app on their smartphone that provides visitor services. Such apps need to be identified and steps taken to gain listings in their source of data.

7.5.9 Work in partnership with other local businesses

Tourism businesses in any local area are often interdependent to some degree:

- Many businesses' offers are clearly mutually supportive accommodation, attractions, events, restaurants, transport
- Together, they form a local cluster of attractions which can nurture the local brand image
- Local cooperation can meet the trend towards 'total lifestyle service'

- Expertise and costs can be shared
- Distribution can be extended to reach more potential customers.



Action that can be taken together includes:

- Sharing each others' content:
 - One business's web server can deliver content to another's page.
 - If the DMO operates a product database, its web server could deliver a selection of local business entries to each of the participating partners' sites.
 - The DMO web server could deliver the entries to a new local site that answered search terms that individual businesses cannot 'own'.
- Each of these additional distribution tactics have been shown to be very effective in generating extra traffic¹³.
 - Building the local destination brand: businesses in a local area may be able to identify products and experiences that differentiate and establish local destination distinctiveness; this should complement, not compete with, DMO branding that may concentrate on a wider area. Businesses can then usefully work together online:
 - Upload newsy videos and pictures to YouTube, Flickr and other imagery-hosting sites. Find local people who can shoot inspirational, humorous or quirky video; make sure it is fully tagged with search terms when uploaded
 - Create local pages on social sites such as Facebook
 - Blog about local issues, Tweet about what the mini-destination is doing
 - Support the DMO with a supply of good video and pictures
 - Make a local crisis management plan that makes good use of online media.

In summary, the businesses that have been most successful in partnership working via online media are likely to be the ones that develop and maintain the most effective product offers and marketing activity.

Google Groups is a free service that helps save time and avoid too many meetings.

13. Examples are <http://www.ivisitorguide.com/harropfoldfarm/> and www.tastecheshire.com. See <http://ivisitorguide.blogspot.com/> North West Development Agency, England (23-6-2010)

7.5.10 Measure and evaluate performance

Transaction information from e-commerce is the ultimate measure. Other e-marketing tools allow testing and refinement of e-marketing actions:

- Online customer research surveys may be undertaken continuously, for example to monitor satisfaction with the website, or the service received during the visit. In the course of this, more market segment information can be obtained too. There are many easy-to-use online services¹⁴.

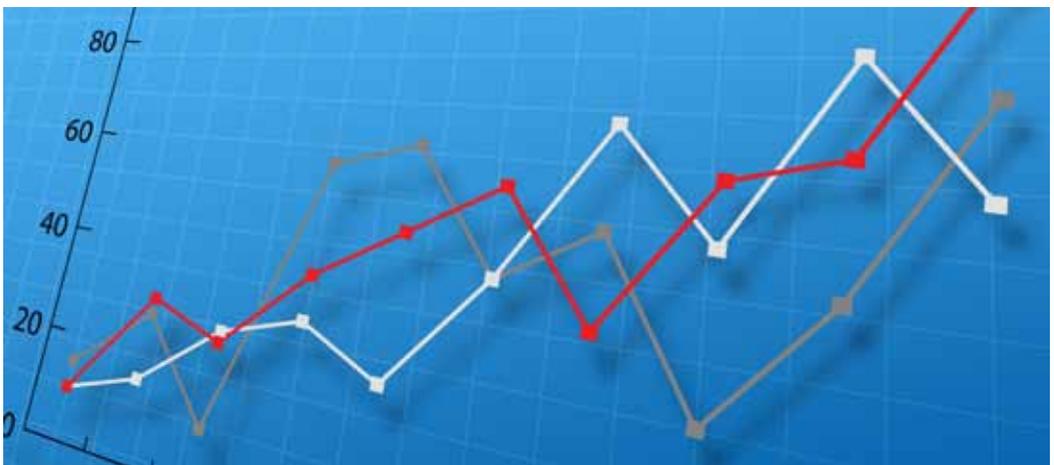
Website performance can be measured and improved in several ways, including:

- Web analytics – information about the site and its visitors gathered by systems such as Google Analytics
- Online surveys of users – reasons for using the site and reactions to it
- An audit by an independent expert
- User testing – at the least, this should comprise non-involved friends or family of the business being set tasks to do on the site, with an observer sitting behind them to see and record what they say and do. Large site operators use professional ‘laboratory’ testing services to do this
- Online experiments – using two or more versions of a website feature to test relative effectiveness.

To maximise the usefulness of measurement:

- Set key performance indicators
- Set intervals at which the data will be analysed so that new, remedial or increased actions can be agreed.

For further information refer to the International Federation for IT and Travel and Tourism (IFITT) www.ifitt.org which provides an eTourism knowledge hub for tourism and technology experts, in industry and academia.



The following independent opinion on new media summarises some of the key developments in this area.

¹⁴. An example is www.surveymonkey.com which can be used to produce and distribute questionnaires, and analyse results for a month, for around 20.

*Commentary from Professor Dimitrios Buhalis, Deputy Director, International Centre for Tourism and Hospitality Research (ICTHR), Bournemouth University:
Summary of key developments in new media for tourism*

Information Communications Technologies (ICTs) and the new media that have emerged as a result of the technological revolution have introduced great opportunities and challenges for the global tourism industry. Developments in ICTs have undoubtedly changed both business practices and strategies as well as industry structures. Developments in search engines, carrying capacity and speed of networks have influenced the number of travellers around the world who use technologies for planning and experiencing their travels. ICTs have also radically changed the efficiency and effectiveness of tourism organizations, the way that business is conducted in the marketplace, and the way consumers communicate and interact with organizations. ICTs not only empower consumers to identify, customise and purchase tourism products but they also support the globalisation of the industry by providing effective tools for suppliers to develop, manage and distribute their offerings worldwide. This in turn has led to the development of a wide range of new tools and services that facilitate global interaction between all tourism stakeholders around the world.

A key area of development has been distribution channels. Tour operators are now able to sell their packages directly, bypassing travel agencies, while travel agencies can package tour products and support the development of customised packages, bypassing the need for tour operators. By simplifying distribution channels and contacting consumers directly (disintermediating), operators and agents have been able to reduce distribution costs and create the opportunity for partnerships with countless affiliates and other distributors. As a result, for the first time ever, tourism enterprises do not have to rely exclusively on powerful intermediaries, such as tour operators or Global Distribution Systems. In con-



trast, reintermediation means that a very wide range of channels and third party intermediaries has emerged to address the needs of consumers. This includes online travel agencies, such as Expedia and Lastminute.com, meta search engines such as Kayak and Mobissimo; traditional intermediaries that have developed their electronic presence, such as Thomascook.com; auction sites such as eBay.com; price comparison sites such as Kelkoo and Kayak.com; price reversing sites such as Priceline.com and price prediction sites such as farecast.com.

Other key developments are as follows:

Communication will increasingly use multimedia and multi-platforms

Using animation or video clips can enhance information richness and interaction. For example, three-dimensional (3D) virtual tours can simulate real visits and real-life experiences and have been adopted by online marketers to attract consumers, encourage purchases, and create loyalty. Visualized tourism information such as digital maps with aerial and satellite images in both two dimensions and even three dimensions are blended with interactivity to allow people to “experience” products and destinations before actually visiting a place.

Social networking and User Generated Content (UGC)

The emergence of Web 2.0 or Travel 2.0 brings together the concept of Social networking/virtual communities and applies it to the tourism industry. TripAdvisor (www.tripadvisor.com) is amongst the most successful UGC sites in tourism. It facilitates the potential reviewing of any hotel around the world and brings together individuals in discussion forums. The system provides users with independent travel reviews and comments written from TripAdvisor members as well as expert advisors and provides a powerful platform for interaction between peers. Web 2.0 or Travel 2.0 providers such as tripadvisor.com, Facebook, twitter, IGOUGO.com and Wayn.com will increasingly enable consumers to interact and to offer peer to peer advice.

Virtual communities are becoming incredibly influential in tourism as consumers increasingly trust their peers, rather than marketing messages. A Virtual Travel Community (VTC) makes it easier for people to obtain information, maintain connections, develop relationships, and eventually make travel-related decisions. Since many travellers like to share their travel experiences and recommendations with others, VTCs have become one of their favourite areas to post their travel diary. It is evident that the quick identification of consumer needs through lifestyle segmentation and marketing based on social networking will enable organizations to reach potential clients with comprehensive, personalised and up-to-date products and services that satisfy those needs.

Mobiles and hand-held devices

Always-on (when users are connected to the Internet constantly) connectivity creates great opportunities for interactivity at the destination and the provision of personalized, contextualized, and location based services. For example, the proliferation of different mobile devices, such as Personal Digital Assistants (PDAs) and 3G mobile phones with Global Position Systems (GPSs) enable travellers to retrieve location and context based information, personalising and contextualising information. In addition to 3G mobile networks, Wireless Local Area Networks (WLANs) and the emerging WiMAX, (Worldwide Interoperability for Microwave Access) will support the delivery of 'last mile'¹⁵ wireless broadband access thus supporting users to have internet access whilst at the destination.

CONCLUSIONS

Constant innovation in the application of hardware, software and network developments means that only dynamic organizations which can respond efficiently and effectively to the requirements of their stakeholders, will be able to outperform their competitors and maintain their long term prosperity. The technological revolution experienced through the development of the Internet has dramatically changed the market conditions for tourism organizations. ICTs evolve rapidly providing new tools for tourism marketing and management and supporting the interactivity between tourism enterprises and consumers. As a result they reengineer the entire process of developing, managing and marketing tourism products and destinations.

15. The final leg of delivering connectivity from a communications provider to a customer

7.6

Looking ahead market and technology trends¹⁶



7.6.1 Online users – current

There are an estimated 1.8 billion internet users globally (Internet World Stats, 2009). There has been substantial growth in all world regions, with regions like Africa and the Middle East both recording growth of over 1,600% in the last 9 years. Asia and the Pacific remain in the top position with over 760 million, representing over 40% of the total worldwide online population.

7.6.2 Online users – forecasts

Further growth to 2.2 billion internet users is expected by 2013:

- Asia will remain the biggest growth market where 43% of the world's online population will reside by 2013, with 17% of the global online population in China alone
- Growth in the United States of America, Western Europe and major industrialised nations in Asia-Pacific such as Australia, Japan and South Korea will slow to between 1% and 3%
- Europe's growth will be fuelled by emerging markets. Russia and Turkey will grow by almost 8% annually
- China's online population (already the largest in the world) will rise by nearly 11% each year over the next half decade. Other Asian countries with substantial online growth rates include India, Indonesia, Pakistan, and the Philippines. More mature markets such as Japan and South Korea will rise by less than 2% each year
- Brazil is currently the fourth largest market in the world in terms of number of internet users, but despite a 7% annual growth rate over the next five years, it will drop to fifth position in 2010 when it is overtaken by India
- The countries of the Middle East and Africa currently represent just 8% of the global online population but over the next five years will see some of the highest growth rates, around 13%. Egypt, Iran, and Nigeria are among the countries with the highest growth rates in the region
- Online spending per capita is likely to remain highest in North America, Western Europe, and the developed markets of Asia throughout the next five years. The shifting online population and growing spending power among Asian consumers means that Asian markets will represent a far greater percentage of the total in 2013 than they do today.

(Forrester Research, 2009)

7.6.3 Connection speeds – broadband and wireless

Fast, high-capacity connections are critical for tourism, for transmission of imagery. Global fixed broadband subscriptions are expected to reach half a billion in 2010, driven by continued growth in emerging markets (Informa Telecoms & Media, reported by telecoms.com, 2010).

Telecoms carriers are planning '4G' to offer greater speed and to handle the massive data demands of mobile video, with tiered charging introduced (Coda Research Consultancy, reported by The Guardian, 2010). Additionally, there is continuing growth in WiFi to connect via 'hotspots' that cover a single room or many square miles (including across cities, such as Bristol, United Kingdom, which currently has

¹⁶ For continuing information on market trends, see www.newmediatrendwatch.com (02-07-2010).

37 WiFi hotspots in public areas). Such superfast connections will serve everyone on the move with a smartphone, tablet or laptop.



7.6.4 Convergence of devices and services

The long-awaited concept of the same set of services being available on whatever device is most convenient at any given moment, is approaching. For tourism, this will spark a new internet revolution. People will look for ideas together on the TV; then research the ideas on the TV, tablet or PC; then take the itinerary on the trip on a smartphone; they will build on during the holiday, adding content of their own; and share it online with family friends during and after the trip.

There is already live broadcasting on the internet of TV and radio, such as <http://www.ustream.tv>.

Smartphones and internet-enabled TV, previously the missing links, are now emerging:

- Smartphones and 'enhanced phones' accounted for over 80% of global sales in 2009 (ABI Research, reported by EweekEurope, 2010) and in two years smartphone sales will surpass PC shipments (Mary Meeker, Morgan Stanley, mocoNews.net, 2010). Mobile communication may become more important than conventional PC-based communication.
- Internet-enabled TV (IETV) will provide accurate targeting, brand development and sales. IETV combines TV's brilliant picture and sound with traditional internet services that deliver massive information and bookability – a perfect combination for travel sales. Globally, sales of IETV sets are beginning to climb, and are expected to reach 87.6 million units by 2013, compared with 14.7 million in 2009 (iSuppli, reported by WorldTVPC.com, 2009). By 2013, more than a third of all TV sets sold in the United States of America will be internet-enabled (4th Edition of Deloitte's "State of the Media Democracy", reported by eMarketer, 2009). In Europe, it is estimated that 20% of all television sets for sale will have an internet connection capability in 2010 (WorldTVPC.com, 2009). Businesses, even the very smallest ones, will be able to gain a place on digital TV via the same kind of online distribution channels that are available to them at present. But there will be key differences:
 - IETV TV will offer text look-up, but video clips and still pictures will assume a greater role
 - Some IETV channels will be highly segmented and may offer affordable paid-for advertisement opportunities to deliver sales.

7.6.5 The travel market

Currently (2010) an estimated 59% of total non-managed travel revenues are realised on the internet in the United States of America; in Europe, 43%; and in Asia-Pacific, 21% (PhoCusWright Inc., reported by

eMarketer, 2010b). In the most mature online travel market, the United States of America, the speed of growth in online travel sales is reducing. Nonetheless, United States of America online leisure/unmanaged business travel sales are expected to reach US\$119 billion by 2014, up from over US\$92 billion in 2010 (eMarketer, 2010). Mobile channels in the United States of America generated nearly US\$80 million in revenue in 2008 and 2009 more than the revenue from booking air travel (around US\$60 million) or rental cars (around US\$20 million) on mobiles. Travel industry online services are moving from dealing purely with bookings to providing content and services that cover all the stages in the 'customer journey' (Tnooz article by Tim Hughes, 2010b).

7.6.6 Social networking and user-generated content (UGC)

Networking will be the most popular online activity by 2012, overtaking shopping and surpassing communication and entertainment (Hotelmkt.com article quoting various sources, 2010).

7.6.7 Use of video

A characteristic of social networking is the enormous growth in the use of video, which is of particular help to tourism businesses. At every step of travel research, consumers are turning to online videos to help them make decisions. When considering a trip, 63% watch videos for personal travel. A small but growing number of users, 6%, are creating reviews that include their own travel videos (Google and OTX, 2009).

Box 7.1 provides a summary of the key steps to be considered in planning for e-marketing.

Box 7.1 Summary: key steps in planning for e-marketing

- Know your target: research the target market segments in terms of their preferred content, channels for information, and booking.
- Determine the role of e-marketing within the overall marketing strategy and the balance of activity and budget between online and offline marketing, broken down by target market segments and by stage of the 'customer journey'.
- Understand the central role of multi-media CRM and the need for it to be linked with offline marketing.
- Keep up to speed with new technology and what it can do for you in practical terms: subscribe to marketing technology newsletters, use a smartphone, be an active social networker, use your mobile to chat on Facebook.
- Define the business's brand values and work to establish and maintain these online.
- Find partners in order to share local destination marketing and to gain more distribution.
- Get and use the excellent management information that's available; online bookings reports; website analytics; email marketing reports; online research.
- Identify the staff skills needed to manage and operate e-marketing activities.
- Take a medium to long-term perspective, with a three-year business plan.

7.7 Other sources of UNWTO information

- World Tourism Organization (2008), *Handbook on E-marketing for Tourism Destinations*, UNWTO, Madrid.



8

Working
with partners
and other
stakeholders

8.1 Introduction

Since the 1990s, there has been a growing recognition within the tourism community that the effective management of tourism in destinations is best achieved through the effective coordination of the public and private sector and other relevant organizations (e.g. NGOs, academia). Consequently, management theory has broadened its traditional focus on planning, leading, organising and coordination to include partnerships, cooperation and collaboration. Working with partners has assumed increasing global significance as one of the underlying tenets of UNWTO policy activity to positively promote a greater collaborative culture across the different stakeholders involved both directly and indirectly in the tourism sector, in recognition of the value which can be added at different points in the tourism supply chain (or through a value chain).

UNWTO acknowledge the significance of cooperation and collaboration as a vital ingredient in increasing the competitiveness of the destination and its future prosperity. There are a number of elements to this increased competitiveness:

- For the public sector, this has resulted in reorganization for bodies such as National Tourism Organizations. Greater emphasis on partnerships and collaboration enables these organizations to address the problems of fragmentation that affect the tourism sector.
- Innovation across the tourism supply chain is encouraged and fostered so destinations remain attractive and seek market advantage in relation to their product offer.
- The cooperation of all the different stakeholders involved in tourism helps make the destination offer more visitor-focused so that the different interactions which the visitor has with the destination can be enhanced and value added. This in turn helps fulfil visitor satisfaction, encourages repeat visitation and word of mouth recommendations.

This chapter examines a number of key themes:

- Public-private partnerships (PPPs)
- Tourism business networks
- Coordinating role of the DMO
- Wider collaboration
- Future agendas.

N.B. Many of the terms used in this chapter are interchangeable (see glossary of terms at the beginning of this publication).



Commentary from Javier Blanco Herranz, Director, UNWTO Affiliate Members Programme: Towards better cooperation in tourism: promoting effective leadership and strong values

Tourism, like other economic sectors, has always sought effective and efficient methods to govern its own affairs with the greatest level of stakeholder cooperation possible. This is why public-private cooperation and collaboration occupies a preeminent place in the definition of public tourism policy in any destination on the planet.

The very nature of the tourism system, with its interrelated business structures as well as the growing role of tourism destinations as providers of tourism experiences (see Chapter 5), makes it vital to turn to cooperative practices in order to manage this complex sector of the global economy. Indeed, making this cooperation a priority makes even greater sense in the current global context of economic recovery and social uncertainty, all subject to ongoing and complex demographic, technological, environmental and economic changes.

While it is true that the development of public-private cooperation should always be adapted to diverse institutional, social and economic contexts, there are some core elements that, time and again remain fundamental to its success.

Firstly, it is essential that cooperation be driven by strong public leadership. This has been demonstrated very well in Case Study 8.2 “The Natural Tourism Partnerships Initiative” of Australia, and by the remarks made on this point by Faisal Saleh of Polo Iguassu, of Brazil.

Secondly, cooperation should essentially be a daily practice that is subjected to continual evaluation. It should not be reduced to a formal practice or merely a way of legitimizing the role of its promoter, but rather it should



be the clear expression of a profound cultural shift in a tourism destination that is capable of setting in motion processes of collective learning, innovation and transformation.

Thirdly, cooperative practice itself should be suitably structured, both technically and institutionally, to make cooperation sustainable by ensuring processes of open and balanced participation of all the actors that, directly or indirectly, play a part in making the destination what it is. This includes the local host society.

In short, public-private cooperation is a tourism strategy shared across the world. Now is the time to move toward creating higher-quality models that can be used effectively, in practice. In order to make this happen, besides ensuring the quality of its techniques, processes and tools, it is necessary to address the essential role of human capital. Furthermore, making a commitment to the general interest, to ethical values and to taking an open-minded and can-do approach to the daily management of this cooperation by the various actors who are called upon to cooperate are the sure-fire ingredients for collective success.

8.2 Public-Private Partnerships (PPPs)

PPPs in tourism have a key role to play in four main areas:

- Improving the attractiveness of a destination.
- Improving market efficiency.
- Improving productivity.
- Overall improvements to the management of tourism.

The work of UNWTO has led to five influential reports that have mapped out the landscape of PPPs since the 1990s, where the issue has been highlighted and pursued to assist in fostering greater activity in the area including:

- The lead report in 1997, *Towards new forms of Public-Private Sector Partnership: The changing role, structure and activities of National Tourism Administrations (NTAs)* which traced the origin of NTAs as a force unifying the tourism sector and the changing landscape of public sector domination of the management and direction of the industry, as a greater role for other stakeholders was emerging alongside a general downsizing of state funding for NTAs in many countries.
- A report entitled *Public-Private Sector Cooperation: Enhancing Tourism Competitiveness* (2001b) which became one of the most widely cited studies in the area, with its linking of competitiveness and performance to be achieved through collaboration and a series of case studies across many sectors and areas of tourism activity. The report also highlighted the importance of a clustering approach for businesses in relation to the work of Michael Porter.
- A report on *Tourism in the Age of Alliances, Mergers and Acquisitions* (2002e) which examines wider business trends affecting the tourism sector. It highlights the role of larger integrated tourism companies, some of which have been acquired by organizations that hitherto did not have an interest in tourism. It also illustrates the challenge for SMEs in an age of growing alliances and competition.
- A report on *Cooperation and Partnerships in Tourism: A Global Perspective* (2003) which reiterated many of the features associated with collaboration but also produced practical checklists on partnering with a series of case studies of successful partnerships, analysed in relation to their organization structure/partnership type, their performance, the risk and reward which partners shared, key success factors and some of the problems encountered.
- A report *Joining Forces: Collaborative Processes for Sustainable and Competitive Tourism* (2010f) which draws in the sustainability debate and examines the opportunities and different levels (e.g. international, national, regional and local) at which collaboration can occur and ways of strengthening the process.

What the UNWTO (2010f) study illustrates is a number of key actions for establishing and maintaining multi-stakeholder collaborations:

- **Getting started.** Forming the embryonic organization, encouraging stakeholders to join, creating a coordinating group and clarifying the issues to be examined and structures needed along with establishing a mandate.
- **Determining goals and actions.** Building understanding between the different stakeholders to establish a common set of goals and vision with realistic expectations, agreeing roles, drafting an action plan, securing resources and signing agreements.
- **Managing the process.** A leadership and management structure is established so that the capac-

ity and capabilities of the stakeholders are developed while maintaining the commitment of the stakeholders.

- **Adaptive management.** This includes defining success criteria, developing and implementing monitoring systems, evaluating progress, learning and adapting. This may involve identifying and overcoming obstacles as part of an adaptive approach to management and also widening the scope of the partnership to grow the membership or reshaping it to make improvements.

Adaptive management has been developed to try and understand uncertainty in policy partnerships and collaborative contexts and share these common traits of uncertainty as a feature of their creation and management. In tourism organizations a successful adaptive approach can be characterised by the following:

- Internal to the organization:
 - Well addressed mandates and flexible processes, which require the adaptive organization to set a minimum specification so that they are well defined but not rigid, with autonomy to the planning organization.
 - An innovative membership which is committed to continuous learning and able to undertake self-evaluation.
- External to the organization:
 - Multi-participant systems so that organizations are able to operate in complex and changing environments, and are able to deal with public scrutiny and to anticipate change.
 - Integration and coordination of related processes so that the organization can engage with diverse interests and functions and is able to communicate effectively.

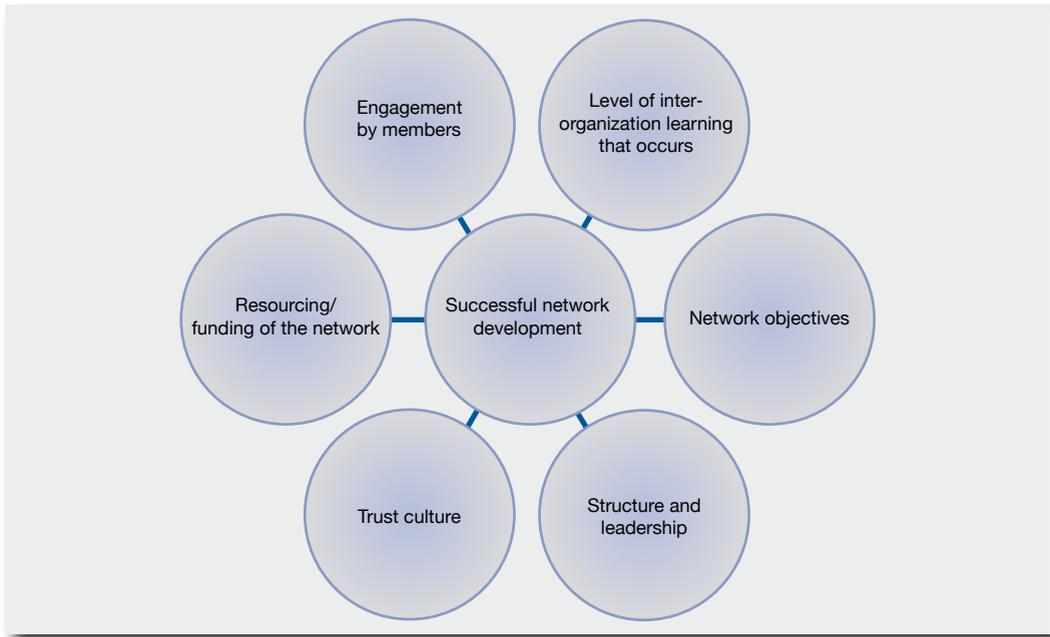
Source: Adapted from Reed (2000)

8.3 Tourism business networks



SMEs are the dominant business form in most countries but they are highly fragmented and uncoordinated. One action which many public sector bodies with an interest in tourism have promoted is the formation of networks of SMEs. Successful network development is dependent upon the factors identified in Figure 8.1 (Morrison et al, 2004).

Figure 8.1 Critical success factors in network development for SMEs



Where such networks flourish, important benefits accrue as illustrated in Table 8.1. This is why the public sector in many countries has shifted its focus from management of the sector to a more collaborative focus to help broker, lead and form partnerships (e.g. consortia, joint ventures, strategic alliances, co-operative marketing, value chain relationships). An example of a business sector partnership is given in Case Study 8.1.

Table 8.1 The benefits of tourism networks

Learning and Exchange	Improved Business Activity	Community Effects
Knowledge transfer Communication Developing a new culture and values Increasing the speed of agency implementation of initiatives Assisting SMEs in their development stage Improved understanding of tourism as a sector and its complexities and weaknesses	Co-operative activity (e.g. joint marketing) Increasing visitor numbers through collaboration Pooling of SME resources Inter-trading within the network Repeat business Stronger lobby for public sector investment	Developing a common purpose for tourism in destinations Engagement with SMEs Retaining visitors' spending locally

Source: Developed from Morrison et al (2004: 198).

Case Study 8.1 Tourism Industry Association of Canada, partnership for representing the tourism industry

The Tourism Industry Association of Canada (TIAC) is the voice of Canadian tourism. Founded in 1930 to encourage the development of tourism in Canada, TIAC serves today as the national private-sector advocate for this \$71.5 billion sector, representing the interests of the tourism business community nation-wide. Based in Ottawa, TIAC takes action on behalf of Canadian tourism businesses and promotes positive measures that help the industry grow and prosper.

TIAC is responsible for representing tourism interests at the national level, and its advocacy work involves promoting and supporting policies, programs and activities that will benefit the sector’s growth and development. TIAC’s membership reflects partnerships among all sectors of the industry, and provincial, territorial and regional tourism associations, enabling the association to address the full range of issues facing Canadian tourism.

While Canadian tourism includes large national and multinational companies, the majority of businesses in the sector are small and medium-sized enterprises:

- 79% have fewer than 20 employees;
- 19% have 20-99 employees;
- Just 2% have 100 or more employees.

TIAC’s Membership includes:

- **Tourism Businesses:** Businesses that offer goods and/or services directly to visitors and travel consumers. TIAC recognizes tourism business operators in a number of different categories: Accommodation; Airports; Attractions; Concert Halls; Convention Centres; Duty-Free Shops; Festivals/Events; Restaurants & Foodservice Providers; Sports Arenas; Transportation; Travel Services; Travel Trades.
- **Destination and Provincial/Territorial Marketing Organizations (DMO/PMO):** Organizations focused on the marketing and promotion of a provincial or regional tourism destination.
- **Sectoral Organizations and Associations:** Organizations that are membership-based and represent tourism issues for a specific segment or industry within the tourism sector.
- **Suppliers:** Businesses that sell goods and/or services to tourism businesses.
- **Media:** Communications organizations that provide the service of reporting travel & tourism stories to the public, consumers or the industry.
- **Government Departments/Agencies:** Federal, provincial or municipal departments or agencies that promote or support tourism or economic development.
- **Educational:** Schools or colleges with a tourism curriculum, or individuals or students that belong to member institutions.

Source: Tourism Industry Association of Canada

www.tiac-aitc.ca

The UNWTO has highlighted the benefits which may accrue to the public sector from a partnership with the private sector (2003c). There are also benefits for the private sector to partner with the public sector. These are summarised in Table 8.2.

Table 8.2 Benefits of partnership

Benefits to public sector of partnering with private sector	Benefits to private sector of partnering with public sector
<ul style="list-style-type: none"> • Access to commercial skills (planning, management and service) • Use of under-utilised assets • Great value from economic development opportunities • Access to new sources of capital • Accelerated development of infrastructure assets • Risk sharing • Improvement of service levels 	<ul style="list-style-type: none"> • Access to new markets • Expansion of products and services beyond existing capabilities • Opportunity to get a commercial return in relation to the risks • Enhancement of image and credibility through association • Improvement of skill level

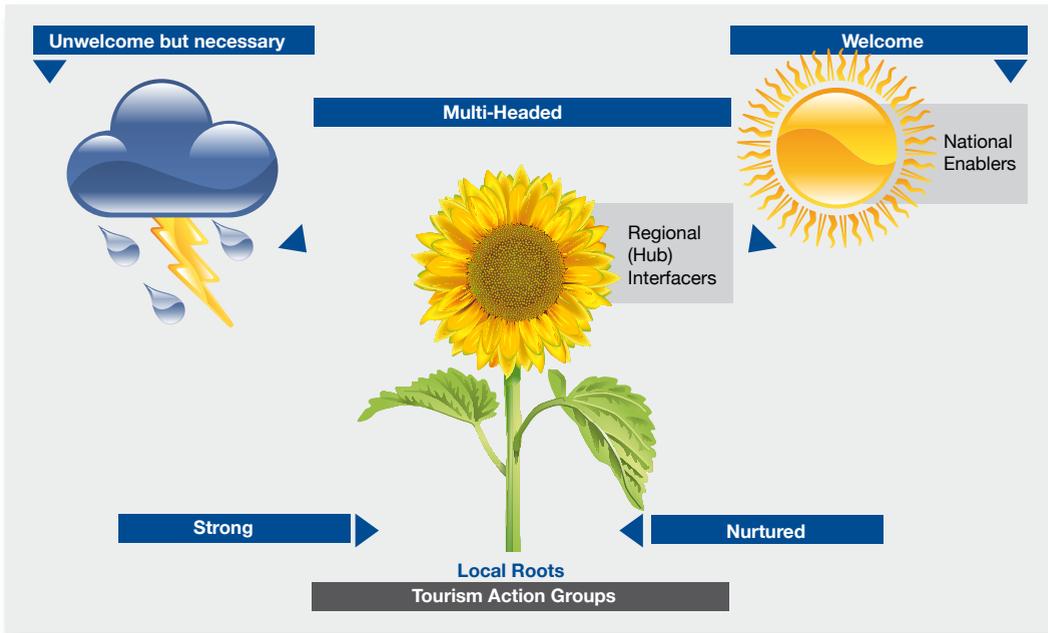
8.4 The co-ordinating role of the regional DMO

The multi-level nature of the tourism support structure provided by DMOs is reflected in Figure 8.2 below, referred to as “*The Sunflower Solution*” as outlined in the UNWTO publication *A Practical Guide to Tourism Destination Management* (2007b).

In Figure 8.2 the sun is the national tourism authority, whose “rays” (strategic programmes of activity) are benign. The winds and storms to the top left of the diagram are the competition, unwelcome but equally unavoidable and also necessary if destinations are to remain focussed.

At a regional level, or (in some countries) sub-regional level, the DMO should actively engage all its various stakeholders. The private sector in particular is attracted by the DMO’s marketing role, which should be a significant one. In performing this role, the DMO will have its own marketing budget but it will also be a bridge between the national agencies and the industry on the ground. This is an important role; whilst the national tourism authority will almost certainly be the single most significant tourism marketer, the collective spend of the industry will be much greater. If the regional DMO can bring together public and private resources so that they are mutually reinforcing within a common strategic approach, much more can be achieved for the same amount of money.

Figure 8.2 The sunflower solution



Source: UNWTO (2007b: 136) *Practical Guide to Tourism Destination Management*

When the regional DMO fully engages the tourism businesses in its programmes, it is in a position to play a co-ordinating role in tourism activity at the local level. To this end, the DMO will need to develop strong local roots, through the mechanism of local tourism action groups. Such groups should bring together the wide range of organizations that have a role to play in managing the destination to deliver

a high quality of experience.

The regional or sub-regional DMO should co-ordinate and facilitate the work of its partners through preparation of a joint Destination Management Plan and by overseeing implementation of related tourism action plans at a local level. In doing so, the DMO should listen to the views of local stakeholders and embrace them in the planning and implementation process.

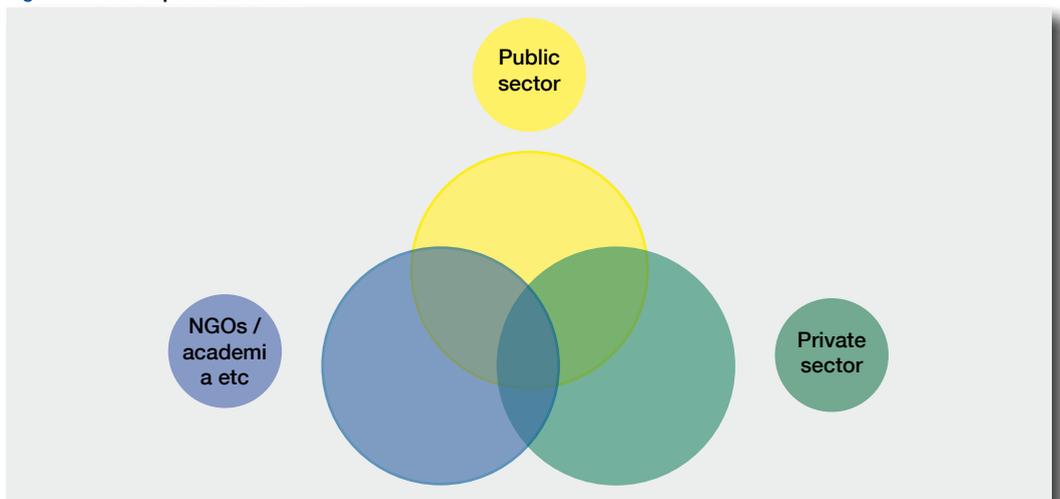
The DMO co-ordinating role is therefore about listening and adding value, and establishing the structures to allow a “*top-down-bottom-up*” equilibrium to be achieved. We refer to this as “*listening leadership*”. If it is real the DMO will be successful; if it is not the sunflower head is unlikely to bloom to its full potential.

8.5 Wider collaboration

Alongside the promotion of collaboration and cooperation amongst SMEs, there should also be collaboration and knowledge exchange between the public and private sectors and with other organizations. The optimum for successful innovation and collaboration occurs when the public and private sector and academia come together to meet and share knowledge (see Figure 8.3), known as the Triple Helix Model. However, this model has a number of drawbacks, not least finding agreement between several parties with different objectives and goals.

Forms of collaboration that have been promoted and where successes have occurred typically involve only public-private sector partnership, and tend not to include academia/ NGOs/civil society. Whilst critics may point to the knowledge which educational bodies have, it is rarely in a form which can be easily exploited by public-private partnerships since academic knowledge is created primarily for other academics with specific objectives and often using complex language and approaches. As a result, knowledge transfer remains limited and the Triple Helix model has only been embraced in a limited number of settings despite the role of government policy to promote such knowledge exchange from tourism researchers in universities and institutes in many countries.

Figure 8.3 The Triple Helix model



This broader exchange is illustrated by the example of the Natural Tourism Partnerships Initiative in Australia which brings together a partnership of public and private sectors as well as other agencies such as the conservation sector (see Case Study 8.2).

Case Study 8.2 The Natural Tourism Partnerships Initiative, Australia

The Natural Tourism Partnerships Initiative (NTPI) is a major project managed by Tourism and Transport Forum (TTF) Australia, with the objective of building stronger partnerships between private sector tourism operators and investors, park agencies, tourism agencies and the conservation sector.

The initiative was launched by the Minister for Small Business and Tourism, the Hon Fran Bailey MP in April 2006. It continues the work initiated by TTF Australia in 2004 in its landmark report: A Natural Partnership: Making National Parks a Tourism Priority.

The overall goal of the initiative is to develop public-private Natural Tourism Partnerships in park destinations to:

- Improve funding, management and conservation outcomes for our natural areas.
- Develop new sustainable visitor experiences, services and natural tourism products.
- More effectively market and promote our parks and protected areas.
- Provide an economic contribution to regional areas and local communities.

The Natural Tourism Partnerships action plan, developed as part of the NTPI project, identifies the key issues and a way forward for natural tourism partnerships with parks. This action plan advocates concrete proposals to progress Natural Tourism Partnerships by addressing the following key areas:

- Coordination between Federal, State and Local Governments.
- Regional park destination planning and management.
- Regulatory reform to enable investment in natural tourism.
- Policy reform for the development of parks' visitor experiences and tourism product.
- Mechanisms to fund parks and conservation through tourism.
- Regional park destination branding and marketing.
- Comprehensive research on the contribution of tourism and parks to the economy.
- Impact of global warming on parks and natural tourism and adaptive strategies to meet these challenges.

Natural Tourism Partnerships offer a powerful policy tool for improving the economic sustainability of parks, enhancing the quality of services, efficiently leveraging investment in conservation and contributing to the core function of protecting biodiversity.

Importantly, improving the park visitor experiences and facilities through Natural Tourism Partnerships will also lead to greater dispersal of tourists to regional areas.

NTPs are complex, demanding and time-consuming but can offer significant benefits to government, the private sector and the public. With the correct regulatory framework and strong political commitment, both the future of Australia's tourism industry and our national parks can be greatly enhanced.

The initiative started with a series of stakeholder forums which brought together CEOs from park agencies, tourism marketing authorities, conservation NGOs, private investors and private operators, – often for the first time as a group. These forums were followed by one-on-one interviews with partners and extensive research

to develop the action plan.

The critical factor in the success of the project was the engagement of CEOs from the public and private sectors throughout the processes. Only at the executive level can cultures be changed and genuine commitments made between partners. Success came when leaders realised they shared the same objectives but faced different risks. The key to Natural Tourism Partnerships is sharing the commercial, social and environment risk (and rewards) between partners.

The other factor crucial to success is not giving up. The initiative had to progress from a one-off project to a lasting partnership that is mainstream business for all involved. Since the action plan was launched in 2007 many real benefits have been achieved:

Changes to national park legislation and regulations to allow PPPs for eco-tourism.

Agreements between national park agencies and tourism marketing authorities to cooperatively market national parks and international distribution of park tours and product.

Additional government funding to expand the national park system and invest in sustainable tourism facilities in parks.

A cooperative regional branding, marketing and master planning system called "National Landscapes" to develop and promote the best of Australia's assets to the world.

Source: Tourism and Transport Forum (TTF), Australia

www.ttf.org.au

8.6 Future agendas

There is a need for the wider use of adaptive management approaches to PPPs and knowledge transfer to enrich PPS and to operationalise the Triple Helix model. It is also important for the need for adaptive management to develop partnership working to be recognised.

The Triple Helix model should be operationalised for two reasons:

- The need to tap into the latent research knowledge and intelligence which exists in universities and research institutes so it has a wider use for the public good.
- The knowledge which is created as a result of the Triple Helix style of collaboration needs to be disseminated in a form which the tourism sector can use for its competitive advantage.



Whilst this is still in its embryonic stages (and examples of trying to do this have lacked commercial acumen and management), there is evidence that at least knowledge transfer is beginning to be recognised as vital for partnership working as reflected in the Tourism Intelligence Scotland model of research and knowledge dissemination (www.tourism-intelligence.co.uk). Such knowledge creation and dissemination goes hand in hand with partnership working and innovation.

This chapter concludes with a commentary from Faisal Saleh, President of the Instituto Polo Internacional Iguassu, who illustrates many of the concepts discussed here with from a Latin American perspective.

*Commentary from Faisal Saleh, Instituto Polo Internacional Iguassu:
Working with Partners and Stake Holders: The Latin American perspective*

The triple border region of Argentina, Brazil and Paraguay is a territory shared by three countries with a rich social and cultural heritage and is homeland to more than 70 different ethnic groups. Integration is part of everyday life although socioeconomic and cultural differences exist, the people of this region live peacefully together. Nevertheless, many questions have arisen regarding border issues, economic activity and environmental problems and these need to be understood and addressed with the cooperation and collaboration of local stakeholders. The tri-national Iguassu destination could serve as an example for tourism integration in general for the southern part of the American continent.

The Institute Polo Iguassu is a destination management organization formed by individuals, corporations and institutions from the private, public and third sector. Polo Iguassu fulfils its role as representative for these organizations and rarely works in isolation. Its mission is to support and develop initiatives that are integration-oriented and to help structure tourism development in the MERCOSUR¹⁷ countries and Latin America.

Projects include:

- EIRETE EIRUI Education for Tourism which works with public schools from the three countries spreading values of citizenship, knowledge of history and culture and creating an awareness of tourism.



- The Committee Tri-national Iguassu Niagara formed of more than 20 institutions from four countries which works for an inclusive tourism. One of the best examples of a strategic alliance is the Campaign Vote for Cataratas New 7 Wonders. Brazil and Argentina have worked together in a multi-stakeholder environment to promote Iguazu Falls as part of the 7 Wonders Nature Campaign. The campaign has entered the last stage and they have been selected among the 28 finalists.

The story of Polo Iguassu is marked by the role of public and private partners, as well as involving countries such as Argentina and Paraguay.

Other success stories are:

- “Trilha Jovem”. A project which involves young people from low income families in the tourism labour market.
- In knowledge management, events

such as the Iguassu International Forum, make it possible for students, professors, researchers, public managers and entrepreneurs to discuss major issues involved in the development of the tourism.

- The “Destination Of Excellence” project. This has been supported by the Ministry of Tourism, under the management of Polo Iguassu. Polo Iguassu has established a strategic inter-institutional alliance comprising more than 20 institutions of education and technology, and has been applied in more than 20 courses for professionals from the tourism sector.
- COMTUR (Municipal Tourism Council and Tourism Forum). A PPP in essence, this example of governance brings together more than 30 institutions from various sectors for the management of the Lake Itaipu area.

- The “Temporada Boa” cooperative marketing project in Foz do Iguacu which links tourism, commerce, services and public sector to attract visitors during the low, almost eradicating seasonality.

The PPP presents itself as a viable formula; however it needs strong backing from government. In addition the strengthening and structuring of institutions, the construction of supportive relationship strategies, monitoring and evaluation process and the perception of collective and individual gain are issues that should be considered for their success.

17. Mercosur is a Regional Trade, Agreement (RTA) between Argentina, Brazil, Paraguay and Uruguay founded in 1991 by the Treaty of Asunci n, which was later amended and updated by the 1994 Treaty of Ouro Preto. Its purpose is to promote free trade and the fluid movement of goods, people, and currency. The official languages are Portuguese, Spanish and Guarani.



8.7

Other sources of UNWTO information

- World Tourism Organization (1997), *Towards new forms of Public-Private Sector Partnership: The Changing Role, Structure and Activities of National Tourism Administrations (NTAs)*, UNWTO, Madrid.
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9

Human resources

9.1 Introduction



Tourism is first and foremost a people business: people turn the supply of resources and products into experiences which are then consumed by visitors (as discussed in Chapter 2). The high level of human involvement in tourism experiences is key to creating value for the consumer. The relationship between consumer and employee can make or break the quality of the experience and is entirely dependent upon three critical and interconnected elements to human resource development:

- Education.
- Training.
- Management of human capital.

UNWTO has a critical role in promoting human resource development and some of its Affiliate Members have also provided examples of best practice to address the challenges facing Human Resource Management (HRM) in tourism. The three elements of education, training and management of human capital are the focus of this chapter, for each we discuss how these elements can be enhanced and developed to create a high value tourism labour force.

9.2 Human Resource Management



In simple terms Human Resource Management is about employment management, focused on managerial needs to employ, deploy and effectively manage the human element. A more complex definition of HRM is that it encompasses the planning, management, monitoring and control of human resources which should be aligned to the strategic objectives of the tourism organization. Within HRM there are also two fundamental focal points which help to differentiate between 'soft' and 'hard' forms of HRM:

- Hard HRM is associated with financially driven objectives and control of salary costs, which are typically a major component of most business running costs.
- Soft approaches are associated with the development of employees, recognising that human capital is a vital input to business and which requires investment and development to maximise the productivity of the individual.



The latter approach, combined with adequate control of salaries and financial inputs, characterises the more enlightened organization. If an organization treats its employees as an asset as opposed to a commodity it can expect less staff turnover. Alongside these approaches to HRM, employers need to be aware of the globalisation drivers which are shaping the growth and changes in tourism employment.

9.2.1 Key issues and challenges associated with HRM

Human resources are responsible for mediating the tourism experience to the consumer through the delivery processes used by tourism businesses amidst the globalising processes affecting them. As such, the human resource element in tourism is one of the most important dimensions to success in a global industry that generates 6-7% of the overall number of jobs worldwide (direct and indirect) (UNWTO 2010a). In addition, most tourism experiences or services have a high degree of intangibility so it is the responsibility of the employee to make these experiences special – to surprise or delight the consumer. At this point it is useful to outline a number of the key issues and challenges which affect human resource management in tourism in the twenty first century.

According to the 2001 report by the International Labour Organization (ILO) entitled Human Resources Development, Employment and Globalisation in the Hotel, Catering and Tourism Sector there are a number of effects of globalisation impacting upon tourism and employment:

- Liberalisation of air transport, creating demand for travel and thus employment in the transport sector.
- Liberalisation of trade in services, especially linked to General Agreement on Trade in Services (GATS) and the reduction of barriers to trade.
- Economic integration, such as the rise of trading blocs like the European Union and ASEAN. Harmonisation of rules and removal of barriers to travel in these blocs has resulted in greater travel opportunities between countries within the blocs.
- The impact of information communication technologies on the demand for certain types of labour in tourism, and those skilled in their use.
- The emerging use of the Internet and the impact of marketing and sales in tourism.
- The differential impact of these globalising factors on SMEs and larger tourism firms, especially the consolidation trends of the larger global tourism businesses.

Against this backdrop of globalisation, there is a wide range of issues associated with human resource management in tourism:

- Demographic issues such as a shrinking pool of labour in developed countries.
- Competition with other sectors of the economy where rates of pay are better.
- The poor image of the tourism sector as an employer in relation to employment conditions.
- The rewards and career structure that are perceived as poor compared to other professions.
- The requirement for lifelong learning and constant upgrading of skills to meet the demands of a fast changing sector, particularly in relation to technology and visitors' expectations.
- Skills shortages.

Finally, there are other associated issues such as:

- Remaining competitive at a business and destination level through sound human resource strategies.
- The impact of government legislation and interventions to regulate and assist the sector (e.g. via training provision and support).
- Improving low levels of productivity among staff .
- New paradigms in management of human capital such as empowerment (we return to this later in

relation to new modes of management to decentralise decision-making).

9.2.2 Responses to the issues and challenges posed by HRM

The consequences of globalisation for the tourism sector and the labour requirements of the sector in general, have been expressed in a number of ways:

- The need for labour that is flexible, adaptable and able to cope with change.
- Labour that can acquire the new skills needed in a changing global environment for tourism businesses, especially IT literacy and other transferable skills.
- A standard of education that enables employers to equip workers with the skills they need.
- An ability to cope with peaks and troughs in demand expressed through the impact of seasonality on the tourism industry and visitor demand.

Case Study 9.1 demonstrates how some of the issues associated with human resource management have been addressed in the tourism workforce in Jordan.

Case Study 9.1 A human resource development and quality assurance approach to workforce development in Jordan

This case study focuses on the human resource development and quality assurance component of the USAID-funded Jordan Tourism Development Project II (JTD II). The project aims to introduce best practice in site conservation and management and promoting sustainable tourism. JTD II provide technical support to enable the development of the necessary decision-making tools to ensure environment compliance.



One of JD II's main components focuses on Human Resource Development (HRD) and Quality Assurance (QA). The goal of this program is to transform Jordan's tourism product through world-class service provided by Jordanians with less reliance on foreign workers. The rapid growth of Jordan's tourism industry is challenged by a lack of willing and skilled workers. Based on current planned investments and growth rates, the industry is expected to experience a shortage of 25,400 workers over the next four years. This threatens to cause a sharp rise in labour costs and a severe decline in the standards of service.

JTD II plans on implementing a national human resource planning and certification strategy by establishing a public/private partnership to coordinate and integrate development programs for a professional workforce for the tourism industry. The project also focuses on strengthening tourism training and reforming the curricula of vocational education centres, community colleges and universities. Regarding QA, JTD II is developing and implementing industry quality assurance systems to achieve a distinguished standard of excellence in tourist services and facilities.

The National Tourism Strategy (NTS) for Jordan includes a major component focused on Human Resource Development, which sets forth the following goals:

- Facilitate and coordinate a tourism HRD plan designed to support a sustainable and competitive tourism industry, to bridge the skills gap and attract and recruit new entrants to the industry.
- Implement initiatives to strengthen the human resources base to assure international standards of performance and professionalism in tourism.
- Establish and support an industry-led council for human resources in tourism to facilitate and coordinate HR activities.

Major accomplishments to date by the JTD II are:

- Enhanced tourism HR policy planning and development.
- Reform of tourism and hospitality education.
- Strengthened tourism and hospitality vocational training.
- Development of tourism workforce through industry-based training.
- Adoption of quality systems and standards.
- Implementation of national public awareness campaigns for seven target groups.

In conclusion, a relevant, comprehensive technical and academic curriculum that is integrated with planned industry-based professional experience will generate employees with the right technical skills; business knowledge and service mentality; communication and interpersonal skills; attitudes; and entrepreneurial approach. These are the qualities that the workforce will need as it faces the challenges of increasing competition, sophisticated and varied consumer expectations, rapidly developing technology — all happening within a climate of continual change.

Source: Education Development Centre (2010).

The World Travel and Tourism Council (WTTC) (2001) Human Resources Task Force: Opportunities and Challenges report highlights the following themes, which to some extent address the issues facing HRM:

- The future role of human resources (HR) and electronic HR (e-HR) in managing global operations as technology makes this more feasible.
- The attraction and retention of staff.
- Education and training.
- Leadership and management development.
- Addressing gender issues and racial prejudice.
- Raising awareness of tourism as a generator of revenue (which has been achieved through the employment of Tourism Satellite Accounting – see Chapter 1).



9.3 Education and training



It is widely argued that investment in education and training in the tourism sector can improve efficiency and increase competitiveness. To clarify, in this context:

- **Education** refers to the development of generic and transferable attributes (e.g. knowledge and critical and evaluative skills such as how to use knowledge to improve one's work or business) and the level of attainment that employees have when leaving full-time education. Such educational attainment is usually certified through formal qualifications. However, there is some debate regarding the extent to which education may improve productivity.
- **Training** is more focused on the development of specific employment-related skills that may be required to undertake individual tasks in the workplace which education does not equip people with. Some managers have cited personality and training as important in an industry where operational skills require one to learn on the job. This is reflected in low levels of formal qualifications reported by the ILO (2001) in the case of staff in Germany and Austria.

High levels of staff turnover make training and educational inputs and their link to productivity hard to evaluate. However, ILO (2001) points to a shift from operational to social skills to cope with human interactions such as conflict, communication and teamwork. Even so, there is a need for continuous training although it is not commonplace in many organizations. A training gap exists in terms of supply and demand (ILO, 2001) with training often lagging behind the operational practices and skills needed to train employees, with a predominant focus on more generic management education and training.

We are living in an era where knowledge and skills are vital to adapt and develop the productive capacity of businesses involved in tourism. In an experience / service industry the human element is often the vital ingredient in remaining ahead of one's competitors through processes of continuous innovation. This innovation will come from staff and managers facilitated by the general levels of staff motivation and their personal attributes, along with the standards of education, training and their working environment. Staff need to feel valued if they are to give their best. It is a major challenge for UNWTO Member States to continuously drive up the level of education and skills in tourism staff to equip themselves to enable organizations to reach their full potential.

Investment in education and training is vital to increase the capacity of the tourism sector to improve its productivity and ability to improve its capabilities to design and deliver the next generation of visitor experiences. This requires an active role by managers and leadership to ensure that proactive strategies and that action is taken to ensure that human capital is recognised, invested in and managed in an effective manner.

Case Study 9.2 explores the development of education of the workforce in the Dominican Republic.

Case Study 9.2 Tourism education and workforce development in the Dominican Republic: the case of Puerto Plata

The USAID-Dominican Sustainable Tourism Alliance (DSTA) Program was established to promote sustainable tourism in the Dominican Republic in order to increase sector competitiveness. USAID co-finances the USAID-DSTA Program and the nine Tourism Clusters it represents. The George Washington University (GW) is a USAID-DSTA managing partner committed to achieving excellence for tourism workforce development and education. GW concentrated its efforts in the Puerto Plata region by providing technical assistance that empowered the Puerto Plata Cluster's education and training providers to prepare and engage workforces in their respective tourism industries.

The Program addresses the USAID Country Mission's requirements to:

- Assess occupational needs and workforce opportunities in the Puerto Plata tourism destination with special emphasis on gender considerations and on both out-of-school and in-school youth.
- Identify the basic tourism workforce competencies required by local industry to facilitate the delineation of career pathways from entry to mid-level jobs.
- Identify demand-side barriers to engaging the workforce in tourism, such as employer attitudes and willingness to offer internships and potential risk factors for youth employment in tourism.
- Assess education and training provider gap capacity.
- Put in place a supportive tourism education and workforce policy and institutional environment so that learners gain access to jobs and public sector authorities, education and training providers, and employers can benefit from increased workforce productivity.



The following activities addressed these objectives:

- Program Design Workshop: A multi-stakeholder workshop was conducted to formulate Puerto Plata's tourism education and workforce development strategy that addressed the issues and gaps discovered throughout the assessment phase.
- Partnership to Address Basic Education Needs: USAID-DSTA/GW partnered with the DREAM¹⁸ Project. The partnership has proven important to the tourism workforce development program given that literacy and numeracy skills will strengthen an individual's ability to participate in the market economy.
- Joint University Programs: During 2009, graduate students from GW conducted field studies in Puerto Plata. One group developed a business plan for weekly events in Puerto Plata's Historic Centre. Another

18. DREAM project is a nonprofit organization, provides quality education for children born into poverty in rural areas and small communities of the Dominican Republic.

group of GW graduate students teamed with undergraduate tourism students from four local universities to complete a consulting assignment for the Puerto Plata Culture and Tourism Cluster.

At the national level, the tourism education and workforce development thematic area included the following activities, which provided support for the Puerto Plata program as well as contributed to overall needs in tourism workforce development in the Dominican Republic:

- Tourism Management Development Certificate Program.
- Tourism Workforce Development Best Practices.
- Tourism Education and Training Providers Catalogue.

The following lessons for success were learned:

- Maintain a strategic focus.
- Create a workforce function within the Puerto Plata.
- Establish tourism and culture Cluster.
- Leverage of USAID funding.
- Encourage the Government to invest in Human Resource Development.

Source: Education Development Centre (2010).

9.3.1 UNWTO's role in education and training

UNWTO has had a long history of involvement in promoting the development of tourism education at a global level. This is epitomised by their seminal study in 1973 *Compilation and Preliminary Analysis of Information on Education and Vocational Training*. The study was one of the early attempts to examine the issue of education and training at a global level in tourism, observing that training is a more all-embracing term to include all the formal efforts by private and public organizations to increase the supply of skilled manpower for the sector. This seminal study identified three characteristics of the sector that is still relevant almost 40 years later:

- It is still a relatively young industry in relation to training and a wide range of policies and training programmes exist.
- The sector is comprised of a broad range of enterprises and activities which are very heterogeneous and so one approach is unlikely to meet all of their training needs, particularly characterised by the division of the sector into tourism and hospitality.
- Tourism is an important factor for developing countries and programmes are needed especially in these countries.

UNWTO has also sponsored research and work seeking to improve the general level of tourism education globally, as explained in their 1996(a) publication – *Educating the Educators in Tourism: A Manual of Tourism and Hospitality Education*. This was a summary of the leading work by the organization in the delivery of its tourism Educating the Educators programmes which, since the mid-1980s, were requested by national governments to establish a disciplined framework and approach to education and training. Whilst the book recognized that the general principles of tourism and hospitality education are universal, it also recognized that the implementation of these principles needs to be tailored at the local level to meet the needs of individual destinations. The book is a useful and original document because it summarizes the main stages involved in developing an education and training structure for tourism, the steps and decisions to be taken in designing a tourism curriculum and is a useful synthesis of the disparate sources on tourism and hospitality education. The book contains five sections (the development and study of tourism and hospitality; curriculum and course design for tourism and hospitality educators; the

delivery of tourism and hospitality education; issues for tourism and hospitality educator; an overview of tourism and hospitality education) and 11 study themes.

A wide range of tourism organizations and non-tourism organizations have an involvement in tourism. This means there is a major role for the public sector in coordinating a response to education and training initiatives in tourism and often a need for state intervention in the process of human resource development to overcome the fragmented and sometimes piecemeal approach.

The influential work of UNWTO in relation to the promotion of education and training in tourism is considerable. The **UNWTO.Themis Foundation** is responsible for implementing the work programme on Education and Training of the UNWTO, with the objective of supporting Member States in the formulation and implementation of educational policies, plans and instruments which effectively contribute to an improvement in the quality, competitiveness and sustainability of the tourism sector through excellence in education and training.

Most products and services of the Education, Training and Knowledge Management in Tourism (UNWTO) listed here are offered through the UNWTO.Themis Foundation. These products and services include:

- **UNWTO.Strategy:** Needs assessment in tourism education and training. Human Resource Development Plans.
The aim of this programme is to strengthen National Tourism Administrations (NTAs) capacity to the manage the tourism sector by carrying out an assessment of the sector's strengths and weaknesses in education and training, and a gap analysis to identify the difference between the educational supply and the tourism sector's needs. Policy recommendations and Strategic Development Plans are developed based on the findings of these studies. This programme can also be used to evaluate institutions responsible for the management of the tourism sector and to come up with recommendations for the improvement of these institutions (implementation of this programme is in progress).
- **UNWTO.Capacity:** Capacity building initiatives
This programme seeks, through different education and training initiatives, to strengthen and develop the capacities and competencies of tourism experts in their key action areas, as well as sharing knowledge and tools in a practical and interactive way. According to the specification of the content, length and audience, these initiatives are divided into 3 formats: Specialized Training Activities (FOCUS), Capacity Building Courses (IMMERSION) and Educations and Research Initiatives (E&R).
- **UNWTO.Volunteers:** Applied training in development assistance
UNWTO.Volunteers programme aims at training young professionals in tourism as a tool for poverty alleviation and development, enabling them to carry-out hands-on transfers of applied practical know-how that will empower the beneficiaries willing to undertake initiatives related to the sustainable development of tourism. This programme is structured in two areas of work: a University Course on Tourism and International Cooperation for Development and UNWTO.Volunteers Corps: Volunteers in action!
- **UNWTO.TedQual:** Quality Assurance System for Education and Training Programmes.
The objective of this programme is to improve the quality of the tourism education, training and research programmes. For this purpose, evaluation criteria have been defined to seek, among other things, to measure the efficiency of their academic system, as well as their degree of incorporation of the tourism industry and students needs to those programmes.

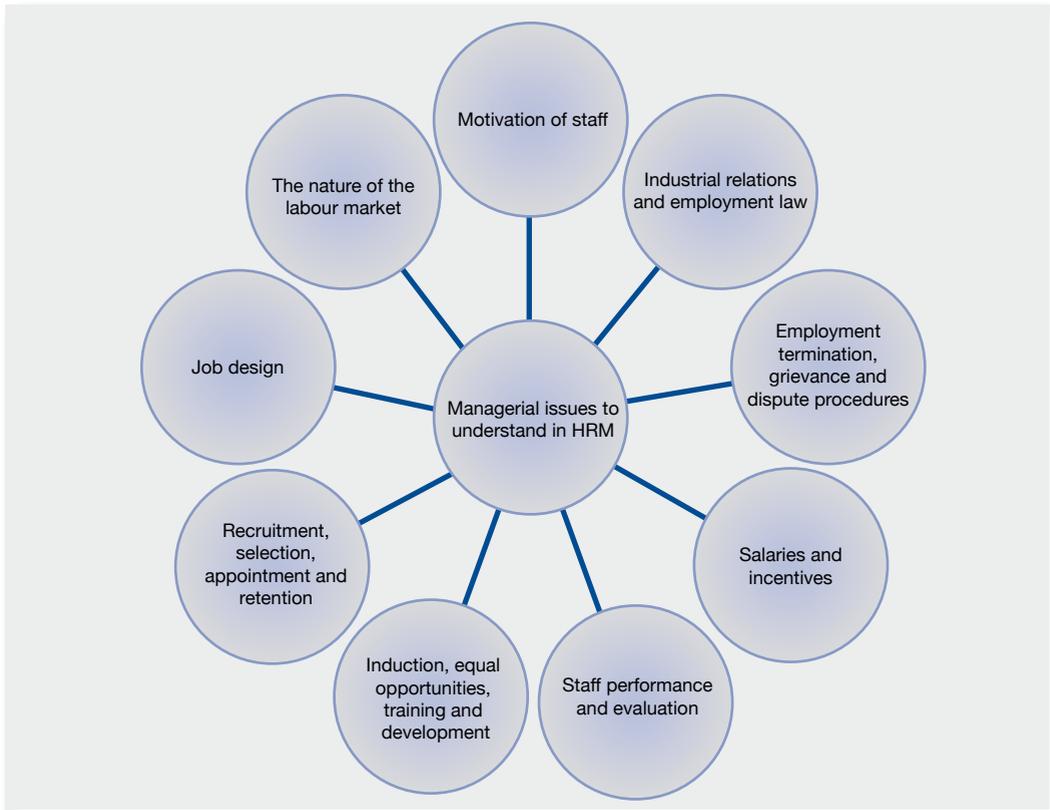
9.4 Management of human capital



Human capital has become an attractive proposition to use in relation to the development of human resources because it adopts a more holistic approach to the employee and the organization. It posits that people are not a perishable resource that can easily be recruited and replaced when the organization no longer has a use for them. Instead, the focus is on the individual as a resource whereby their skills, abilities and qualities can be developed through education and training to make them a productive labour asset for the organization. This marks a sea change in thinking because it recognises that for an organization to innovate and to be competitive, it must not only attract and retain staff but also needs to invest in development of its staff resource. Through such investment it may be possible to develop greater flexibility and adaptability, so as to move with the times and compete more effectively. Lifelong learning is particularly important to achieve adaptability, especially where employees are using fast-changing technology. This is a positive approach to employees and human resource development.

With regards to employees as human capital, the range and scope of HR issues a manager in tourism will need to understand and engage with is particularly wide ranging (see Figure 9.1). This diverse range of tasks requires an understanding of the nature of labour markets and, within an organization, the overall management of staff activities. In addition, one of the greatest challenges is in managing a diverse workforce with different cultural, age and gender dimensions.

Figure 9.1 Issues for the human resource manager to understand



9.4.1 New management methods

New management methods are important for the effective management of staff with diverse and wide ranging needs. Innovation, team working and empowerment have a particularly important role to play in effective staff management. Empowering is of particular interest for practitioners which enables employees within tourism organizations to control and deal with situations in a human interaction setting. It is seen as a positive feature for employees that increases their emotional attachment and ability to manage service encounters and gives them a sense of attachment to the organization as a part of a team that is allowed to deal with customers in a less controlled and hierarchical manner. Underlying notions of empowerment are a higher level of the individual's involvement with the organization, with staff being consulted and allowed to participate more fully in the running of the organization. Case Study 9.3 below demonstrates that empowerment can be rewarding for some organization's employees and aid staff retention.



The International Labour Organization (ILO) (2001) study also provided a good example of innovation to address issues of recruitment and retention citing a European Commission funded study. The study reported that one hotel in London targeted working women with children of school age and provided childcare with a play leader to address the problem of retention for room service staff. The cost of the play leader was recouped by a drop in the cost of advertising and recruitment. This shows that simple innovations can often make a major difference in the workplace. One of the other major challenges for tourism managers in the twenty first century is finding ways to make tourism employment more sustainable and higher quality. One tool which has been advanced is the technique of multi-skilling, in part to address issues of recruitment (i.e. one person fulfilling several roles) which requires training and policies adding more value to the employer and building the employee's skill set.

Case Study 9.3 Empowerment of staff

One of the most widely cited examples of a successful tourism-related organization to have implemented a model of HRM that embraces empowerment principles is SouthWest Airlines in the United States of America. This is a successful low-cost airline which has outperformed many of the full-service carriers. The company's style of people management is widely attributed as a contributing to its successful transformation from a regional to a national carrier. Some of the HRM implementations are:

- Staff are organised into with a high ratio of supervisor to team members (1: 12 or 1:10) – the highest for the United States of America airline sector.
- The airline empowers its managers and supervisors to perform the work of other staff so that they work as player-coaches and there are fewer demarcations and hierarchical distinctions. The airline has found

that this approach is conducive to building shared goals and relationships towards problem-solving.

- The airline also encourages a healthy family-life – work balance and to facilitate a culture of flexibility it allows employees to trade shifts so that they can fit their life commitments with work.
- The airline does not endorse negative controls such as finger pointing when things go wrong but prefers to learn from mistakes and looks at the wider performance of the organization rather than individual incidents, functions and individual outputs.
- The flexible nature of job boundaries between staff allows cross-over and training of employees focused on competencies and employees are able to build relationships and engage in teamwork.
- The airline invest in its staff and their careers with flexible working practices with empowerment at the basis of the organizational culture.

Source: Gittell (2003).

9.4.2 Improving working conditions and the status of the sector

One of the most protracted problems for the tourism sector is associated with improving working conditions and the status of employment in tourism. In developed countries tourism managers frequently report that there has been a proliferation of regulations that they must comply with in relation to the employment of staff (for many SMEs this adds additional costs to their business). HOTREC¹⁹, which represents the European hospitality sector, identified over 200 European Union measures that affected the sector, the most obvious being the 35 hour working week directive. Many such directives are focused on health and safety of employees and guests and so are designed to improve the status and position of workers in the sector.

However, a number of challenges remain in the global tourism sector, particular in developing countries:

- The ILO (2001) report pointed to the situation in developing countries where, in the informal tourism sector, many staff are not protected, suffer from low wage levels and endure very poor working conditions.
- The ILO (2001) report also observed that the hotel and catering sector often provides entry level work for many employees in the informal sector but wage levels are a deterrent for employers seeking to expand their labour force from this pool of workers.
- The issue of gender arises in most surveys of employee concerns in the tourism sector, due to its high dependence upon female labour ranging from 46-90% of some labour markets and sectors in the tourism sector. Female wage rates are typically lower than male counterparts.
- There is a prevalence of child labour and exploitation in the formal and informal sector.
- Both women and children are frequently the seasonal labour sources to meet peak demand.

Organizations such as Tourism Concern have sought to improve conditions for those employed in tourism in developing countries employed in tourism (see Chapter 4).

9.5

Future issues for HRM in tourism

The UNWTO (2001c: 24) Tourism Challenges in the Twenty First Century – Human Resource Development in Asia-Pacific report recognised that:

19. A confederation of national associations of hotels, restaurants, cafés, and similar establishments in Europe



“There are however structural obstacles to the creation and consolidation of tourism employment: the lack of quality training, a poorly developed information policy and too much red tape. As a result, the cost of the labour factor exceeds the value added it itself creates, situation that should be remedied by a new paradigm. For the formulation of this paradigm it is necessary for the public and private players to take concerted action”.

To focus attention on the actions required to develop human resource issues across the tourism sector globally, the report outlined a framework for action – the UNWTO *Madrid Declaration on Human Resources in Tourism* produced in 1998 and which is reproduced in Box 9.1 with a focus on removing obstacles through policy initiatives and a paradigm shift in the way human resource development is viewed.

Box 9.1 Madrid declaration on Human Resources in tourism

1. Tourism has considerable potential for creating jobs in the coming decades.
2. In spite of this potential, there are important obstacles to the creation of tourism employment, viz.: the low quality of training, a poorly developed information policy and too much red tape. This gives rise to increased costs in the labour factor and a decrease in its value added.
3. To tackle these problems, the concerted action of public and private players is essential in all aspects of tourism activity, including human resource development.
4. Human resources are the most important factor for achieving quality in tourism. Quality itself is an indispensable condition for the management of human resources in tourism.
5. The internal and external challenges in the New Age of Tourism demand a paradigmatic change for human resources in tourism. What is vital is not so much the management of the related costs but rather the reengineering of processes to achieve a maximum contribution in terms of value added.
6. The globalization of tourism markets entails paradoxes that must be resolved with creativity: the world is being transformed into a transparent stage where various formulas to meet the challenges of the environment compete with each other; the solutions are to be found on that global stage but must be applied locally.
7. In this connection, information and technology are increasingly important as formulas for business survival and success; they are necessary but insufficient elements. It is the nodular skills of institutions and enterprises that are important, skills that confer true and virtually permanent competitive advantages: the qualification and mutual influence of the company's human resources; the flow within our organizations of information, concepts and ideas without frontiers; the culture of quality, the efficiency of and constant change in institutions; education and training geared to enhancing these nodular skills; as well as the ability of our human resources to understand the value system in which we operate and their consequent strategic capacity.

Madrid, January 27th 1998.

Source: UNWTO (2001c: 227)

A study by WTTC (2001) set out an agenda for the development of human resource development issues in tourism (Box 9.2).

Box 9.2 Global issues for managing human capital in the tourism sector

The WTTC (2001) report highlighted key concerns (which are wider HR trends affecting workforces) such as work-life balance, less hierarchical forms of management and the rise of new concepts such as empowerment of employees. However the report also observed the widely understood issue of high levels of staff turnover in the sector (e.g. inadequate opportunities for promotion, dissatisfaction with company management and pay, lack of flexibility and empowerment of staff, poor career paths, bad working environments, conflict with staff/managers and poor employee benefits). Therefore, among the greatest challenges for human resource managers in the tourism sector is to align employment. To address these issues, the tourism sector will need to improve staff retention, recruit staff with industry experience, introduce performance-based rewards and seek

to improve the image of the sector.

Specific actions for the tourism sector were:

- Improving internal communications about the organization and strategy
- Improving remuneration and benefits
- Taking a greater focus on retention strategies
- Focusing on new recruitment audiences such as retirees, returners and the disabled
- Providing employment flexibility
- Recruiting based on competencies to do the work.

Source: WTTC (2001).

This chapter concludes with two commentaries. The first presents the industry perspectives from IATA, providing a forward look regarding the issues facing human resources in the recovery from the global economic downturn and measures taken to face these issues. The second, from Professor J.R. Brent Ritchie, presents a critical response to the chapter and opens the way for further debate on the subject.

*Commentary from Guido Gianasso Vice-President, Human Capital, IATA Training & Development Institute, International Air Transport Association (IATA):
Human resources on the rebound*

The wide range of challenges facing human resource management in tourism are pressures common to major industries worldwide: how to improve efficiency and increase competitiveness.

The demand for skilled people never went away during the travel and tourism industry's downturn. Shifting workforce demographics, talent shortages and skills gaps continue to be shared concerns as the industry moves to renew and reinvent itself.

The singular focus of the renewal must be on sustained investments in employee training and development. The continual upgrading of key competencies, the mastering of new technologies, the promotion of industry standards on a global scale, and the accessibility of quality training programs worldwide will influence the rebound significantly.

On the leading edge of innovation and change

The IATA Training and Development Institute (ITDI) is helping to meet the challenge head-on. ITDI is the leading provider of global



aviation training solutions and professional development programs, developing Human Capital for tomorrow's air transport industry.

Travel and tourism is one of eight key industry sectors for which IATA have developed specialized programmes. Their International Travel & Tourism Training Programme is designed to give individuals in the industry the skills and knowledge to maximise career opportunities in this rapidly expanding industry. From entry-level travel agent basics to senior management for agencies or tour operations, each course is focussed on upgrading the competencies and skills of Travel and Tourism personnel through the use of innovative

tools, cutting-edge technology and industry expertise. Each course leads to an IATA qualification, recognised internationally by the travel industry.

Greater efficiencies for the industry

Standardized procedures for travel agents under the recognised and respected ITDI brand are also bringing greater efficiencies to the industry. ITDI's travel and tourism accreditation and code services for the industry simplify the business relationship between agents and airlines as well as other tourism service providers. Some 60,000 IATA travel agents worldwide currently benefit from IATA accreditation, selling US\$220 billion worth of airline tickets on behalf of approximately 230 IATA airline members.

Accessibility improves success

Accessibility to quality training and development will feature prominently in developing human capital to its fullest potential. Every

year, ITDI brings to market innovative e-learning programs that offer students in Travel and Tourism exceptional flexibility for distance learning. IATA harnesses the power of technology to deliver training that is innovative, flexible and cost-effective. Through e-learning, students can enrol anytime, study at their own pace, and obtain the knowledge and skills they require to upgrade their professional competencies anywhere in the world. The material can be accessed via CD-ROMs and e-books or delivered directly to the student on devices such as the Apple iPad™. These advanced learning solutions facilitate endless possibilities for the student's personal and professional growth.

Investing in Human Capital is a powerful response to meet the evolving challenges facing human resource management in tourism. Sustained investments in training and development will be determining factors in meeting those challenges, and in the future success of the industry.

www.iata.org

Commentary from J.R. Brent Ritchie, Chair, World Tourism Education & Research Centre, Professorship in Tourism Management, University of Calgary: A response to the Human Resources chapter

Since the issues addressed in the Human Resource Management chapter are both wide-ranging and complex, I have chosen to focus my comments on those issues which I consider to be most significant—and which, if not recognized and addressed, may severely constrain the success of many of the important policy areas covered by the entire publication.

The Primacy of Delivering Excellent Experiences to the Visitor

I believe that it is highly significant that the authors of "Policy and Practice for Global



Tourism" have commenced the chapter on HRM by first highlighting the ultimate goal of all tourism policy and practice; that is, the

design and delivery of experiences that bring to the visitor great pleasure—and exceptional memories of the tourism experience. The fact that we must never lose sight of this goal in all we do in tourism is aptly reinforced by beginning the chapter by stressing that the fundamental goal of HRM in tourism is to ensure that all efforts must strive to turn all available human resources into high quality, highly memorable visitor experiences.

I believe that innovative and effective human resource management can provide greater leverage for successful tourism than any of the eleven Chapters examined. In brief, if we can effectively identify, educate and train high quality employees—and especially the leaders, of tomorrow—then HRM is the single best area upon which to focus our efforts—since these leaders will identify and provide the best solutions to the broad range of complex issues identified in this report—and the people to implement those solutions.

While skills training undoubtedly touches a substantially greater number of tourism employees—and is therefore quite critical to ensuring that the delivery of tourism experiences by front-line employees is effective and efficient, it is my view that it is equally or even more important to ensure that managerial level employees are appropriately well educated. With the right education they will possess the ability to formulate successful tourism development strategies for the destination; formulate policy decisions that will set the destination on the right course for success and to subsequently manage the tourism system effectively on a day-to-day basis.

Now that I have revealed my biases and priorities, allow me to comment on certain of the other important issues in the HRM chapter which I believe should receive even greater emphasis.

Areas for greater emphasis

The first of these areas relates to what is identified in the report as “the emerging use of the Internet”. As one who has never ceased to be amazed at the impact of the Internet since it emerged from seemingly nowhere in 1995, I would encourage further examination of both the current and potential impact of the Internet (in its current and likely future forms), on policy formulation and implementation, on managerial practices, and on the performance of front-line employees in the delivery of quality visitor experiences. In brief, I believe that the tourism system needs to explore in much greater depth, how to make more extensive and more integrative use of the potential of the Internet to contribute to better tourism experiences and to enhance the delivery of these experiences.

The discussions on the empowerment of staff – particularly the example provided of Southwest Airlines in which they stress the importance of a healthy family-life-work balance and the contribution it makes to improved commitments with work should be applauded. The importance of these facts have been greatly overlooked in all industries—but especially in tourism where long hours and unusual demands on employees can be particularly detrimental to both employee well-being and their on-job performance.

9.6

Other sources of UNWTO information



- World Tourism Organization (1996), *Educating the Educators in Tourism*, UNWTO, Madrid.
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Elibrary

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10

Crises and
disasters:
managing through
to recovery and
business continuity

10.1

Introduction

For a successful tourism sector to prosper, there needs to a high degree of macroeconomic stability and relative stability in the factors which shape tourist decision-making such as the perception of the destination. When the relative stability is affected by sudden shock events such as terrorism, natural disasters and other human-related disasters such as the onset of SARS or swine flu, tourism is deemed to be a first-impact activity (i.e. it is one of the first sectors to be severely impacted). There have been a growing number of such events year on year which are affecting the tourism sector (e.g. Glaesser, 2006). Awareness of these events is accelerated by the rise of a 24 hour media society. Crises are communicated globally by the media in real time and this can contribute to tourist decision-making to cancel their trips or substitute destinations. For the destination affected by such events, their speed and sudden onset pose many problems for business continuity and business' ability to continue with their activities during a crisis or emergency.

The first impact nature of tourism emphasises the need for advance planning to anticipate what might happen (see Chapter 11 on scenario planning and its role in planning for such situations). For the tourism sector, crisis planning has also assumed a significant position given that many crises recovery plans give non-essential activities (such as tourism) quite low priority. In the midst of a crisis, where human life is threatened, political attention is normally directed towards stabilising the situation and provision of basic human needs (shelter, food, water and medical care). The private sector is increasingly being encouraged to develop business continuity for the tourism sector. This is because tourism stakeholders need to take action to ensure they are able to weather the storm of crises and unpredictable events to ensure the long-term survival of the tourism capacity and infrastructure. Without such action, the destination is unlikely to have the capacity to recover and redevelop the sector and its tourism markets.

This chapter explores the growing interest in preparations for crises and disasters and presents case studies of best practice in relation to different aspects of crisis management, particularly showcasing the work of UNWTO. There are numerous academic texts on this growing area of research (e.g. Glaesser, 2006) alongside practical guides (e.g. Lynch, 2004) which readers are directed to if they require more information or detail on the process and application of crisis management in tourism, with useful case studies and lessons from previous events. The chapter aims to illustrate some of the principles and tools which businesses and organizations need to follow to develop a greater resilience towards the onset of crises. The chapter concludes with a 'glimpse behind the scenes' of managing the H1N1 Pandemic in 2009.

10.2

What is a crisis?

A starting point for any preparatory work on crises is to understand why preparations are deemed important (i.e. what are crises?), what taxonomies exist for crises and disasters and why organizations need to safeguard visitor well-being as part of a wider remit that extends beyond crises and disasters.

Glaesser (2006: 14) suggests that *"a crisis is an undesired, extraordinary, often unexpected and timely*

limited process with ambivalent development possibilities. It demands immediate decisions and counter-measures in order to influence the further development positively for the organization (destination) and to limit the negative consequences as much as possible. A crisis situation is determined by evaluating the seriousness of the occurring negative events, which threaten, weaken or destroy competitive advantages or important goals of the organization”.

There have been many other attempts to try and define the nature of a crisis, so as to try and understand the scope and scale of the problems facing the tourism sector. In essence crises can range from “*from small-scale organizational issues ranging from staff illness, staff challenges/breakdowns, malevolence and organizational misdeeds to external factors such as natural disasters (earthquakes, floods and fires) and terrorist incidents*” Ritchie (2004: 670, based on Coombs (1999)).

A crisis will have a number of consequences and implications:

- Disruption to an organization or destination’s normal activities.
- Poses a threat to the viability or ability of the organization or destination’s ability to function.
- Crises affect the image of the destination or organization.
- Requires management actions to address the challenges and changes posed by the crisis event.
- It is unpredictable and has unforeseen consequences and outcomes which challenge the competitive advantage of the destination.
- Will impact on tourism markets and their normal operation, accelerated by the impact of media reporting and the cumulative effect on consumer perception.
- Is characterised by negative consequences and impacts.
- Needs a well thought-out crisis management plan or recovery strategy that is able to help the business and/or destination to restore business activities and tourism confidence.

Source: Faulkner (2001); Glaesser (2006); Ritchie (2004)

In summary, there is a simple distinction between those crises affecting or occurring within an organization, and those which are external to it. This also illustrates a critical distinction between those crises which organizations may be able to control and those which they are unable

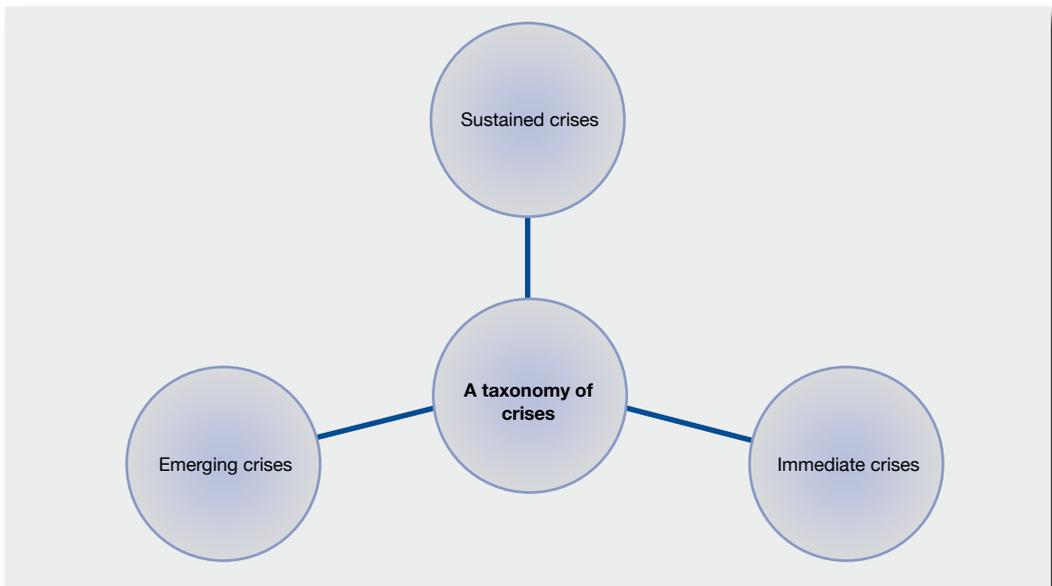


to influence or control. In simple terms, a crisis is an event which is unpredictable and which can occur or unfold very suddenly.

Glaesser (2006) provides a taxonomy of crises types in tourism which range from those affecting the natural environment, to those associated with crime and terrorism and political/economic crises such as wars and riots, to disease and epidemics and transport-related event such as an aircraft crash. In addition, the UNWTO (1998b) *Handbook on Natural Disaster Reduction in Tourist Areas* documented the range of natural disasters that constitute serious hazards to tourist resorts (i.e. tropical cyclones such as hurricanes and typhoons, storm surges such as tsunamis, coastal, estuarine and river flooding, avalanches and earthquakes).

A simple taxonomy of crises will include three types of crises as shown in Figure 10.1.

Figure 10.1 A taxonomy of crises



Source: Based on Parson (1996)

According to this taxonomy:

- *Immediate crises* are those where organizations or destinations have no forewarning or ability to prepare a plan to manage the event.
- *Emerging crises* are less immediate and gradually evolve and may potentially be averted by organizational intervention.
- *Sustained crises* are ones with a degree of longevity and so may last for a prolonged timeframe.



The implications of Figure 10.1 are that organizations need to develop proactive strategies which will enable them to respond in appropriate ways in relation to each category of crisis as each has different planning requirements. Business and organizational or destination action is required in tourism, since any competitive advantage or position a destination or business has may be lost as the result of inactivity or planning for crises. There is also a critical need to understand how a crisis or disaster evolves and develops and its lifecycle, so as to establish the type of action and management required at each stage. In addition, crises tend to repeat in their basic form so there is value in identifying and understanding their basic stages, learning from past experience and applying this in future crises and disaster planning.

The following outlines the crisis and disaster lifecycle stages:

- A pre-event stage where plans can be formulated to mitigate a crisis or disaster.
- Prodromal stage where there is a recognition that the crisis will occur.
- The emergency or acute stage where the crisis begins to unfold and action needs to be taken to minimise the impact on people and their property.
- An intermediate stage where the focus of government and agencies will be on restoring essential services and utilities (e.g. water) to try and establish a return to normality.
- Recovery stage where there is a gradual return to some degree of normality including organization learning to build lessons learned into future crisis plans.
- Resolution the situation preceding the crisis is returned to.

Source: Developed and simplified from Faulkner (2001: 140)

There is an underlying public sector ethos for managing for crises, associated with the UNWTO Global Code of Ethics, to ensure that destinations take appropriate action to take care of visitors whilst they are guests in the destination. This has developed as part of an evolving agenda on remaining both competitive and attractive to visitors in adverse circumstances or during crises. Visitor well-being and safety has evolved as an important notion in parallel with the UNWTO Global Code of Ethics for Tourism (see Chapter 4 for more detail on this) because it is central to avoiding negative publicity. It is also associated with overall visitor well-being during the customer journey and advising visitors of how to avoid negative events and experiences. For the destination and tourism organizations, crisis management is about assessing the level of risk associated with crises and natural disasters and associated measures which can be developed to protect resident and visitor well-being.



10.3

Crisis management

There are distinct phases to crisis management which are associated with effective risk management:

- Taking precautions (i.e. planning).
- Coping with the crisis when it unfolds.
- Recovery (as discussed above).

Source: Glaesser (2006)

But within each of these stages, risk management will involve the ongoing analysis of threats and risks, measures to protect the visitor and with training and explanation to stakeholders of what types of instruments need to be employed. For example, this may involve a critical role of coordination for the public sector, especially NTOs, as UNWTO's (1996b: 22) *Tourist Safety and Security* report identified.

The UNWTO (2007c) *Communications and Incentives: The Importance of Fast and Sincere Reporting* publication observes that the tourism sector was less prepared for coordinated responses to crises than other sectors and highlights the importance of working with the media. Box 10.1 shows some of the basic principles for dealing with the media in a crisis situation.

Box 10.1 Basic principles for dealing with the media

1. Be quick. Information speeds around the globe in a matter of minutes. If you do not provide the information quickly, the media will still report the news, but without the benefit of your input. Your objective must be to have your information included as part of the first story when an incident occurs at your destination. The objective should be to translate vague and hence harmful impressions of the nature and locations of incidents into a more detailed assessment of risk probabilities at the given destinations.
2. Be honest and factual. National tourism administrations need to have credibility with the media. By their very nature, safety and security events are exceptional. Natural disasters, crime, and health problems do not know international boundaries. If an event occurs at your destination, provide full information – who, what, when, where, how – and add as much background information as possible. Background information will tend to put such events into perspective.
3. Be responsive. Your first press release may generate additional requests for information, background, or interviews. Cooperation with the press can pay long-term dividends.



4. Be prepared. The national tourism administration should have a designated person for dealing with the media. That person should be familiar with all information relating to safety and security and should have a database of all press representatives in the country and principle ones abroad. Overseas tourism offices of the country should replicate this organization. The media will be more understanding if they know the tourism press person and are used to dealing with him or her. If the media is receiving a steady stream of information from the press person, that information will usually be good news, which tends from the start to put emergencies into the context of an exceptional event. Such policy may help build alliances on information contents based on principles of ethics and openness, by public access to industry/destination contingency plans and by a professional attitude towards safety and security aspects.

Source: UNWTO (1996b: 30-31)

The UNWTO (1996b) influential report on tourist safety suggested that one example of best practice would be to set issues such as tourist well-being in a national plan for safety (see Box 10.2).

Box 10.2 The potential contents of a National Tourist Safety and Security Plan

A National Tourist Safety and Security plan should address the following main areas:

- Identification of potential tourist risks according to types of travel, affected tourism sectors, and locations.
- Detection and prevention of offences against tourists.
- Protection of tourists and residents from illicit drug trafficking.
- Protection of tourist sites and facilities against unlawful interference.
- Establishment of guidelines for operators of tourist facilities in the event of such interference.
- Responsibilities for dealing with the press and other media, at home and abroad.
- Information to be provided to the international travel trade on safety and security issues.
- Organization of crisis management in the event of a natural disaster or other emergency.
- Adoption of safety standards and practices in tourist facilities and sites with reference to fire protection, theft, sanitary and health requirements.
- Development of liability rules in tourist establishments.
- Safety and security aspects of licensing for accommodation establishments, restaurants, taxi companies, and tour guides.
- Provision of appropriate documentation and information on tourist safety to the public, for both outgoing and incoming travellers.
- Development of national policies with regard to tourist health, including reporting systems on health problems of tourists.
- Development of tourist insurance and travel assistance insurance.
- Promotion, collection and dissemination of reliable research statistics on crimes against travellers.

This was complemented in 2005 by a World Health Organization report, International Travel and Health, which has an explicit focus on travel medicine and best practice for safeguarding tourist well-being.

Source: UNWTO (1996b: 24)

Where this is not necessarily feasible, more specific measures such as preparing a disaster management strategy in areas where natural risks are particularly high, may be a first practical step as shown in Box 10.3 from UNWTO's (1998b) influential report on this theme.

Box 10.3 Best practice in natural disaster reduction strategy formulation

The UNWTO (1998b) Handbook on Natural Disaster Reduction in Tourist Areas is a good example of a report which combines examples of best practice in relation to crisis management, especially the way in which resorts should prepare for natural disasters. The UNWTO report also serves as a practical guide to resort managers and NTOs as it contains invaluable check lists of what to do to prepare for specific risks. The report

is particularly useful in explaining the measures which need to be taken to implement a natural disaster strategy.



The strategy of disaster mitigation involves complex decisions, not least because it is concerned with events which occur irregularly. Investment in disaster mitigation, though generally cost-effective, may also be seen as expensive. Therefore, it is necessary to consider carefully the efficiency with which these scarce resources are used. It is essential to realize that disaster reduction is not an end in itself. It has two fundamental objectives:

- (a) The reduction of deaths and injuries in tourism-receiving areas.
- (b) The reduction of property losses (both buildings and economic assets) and environmental degradation in tourist areas.

These losses could be either direct (involving immediate damage as a result of the disaster impact) or indirect (i.e. longer-term damage to the livelihoods of populations in tourist areas through hotels and other accommodation capacity being out of service for long periods of time). Indirect losses are likely to be less tangible but, since the tourist image of the receiving country is involved, they can have a greater social and economic impact than the visible direct losses. As is well known, the media publicity that attends an accident involving even a few international tourists can have an impact on the market far exceeding the scale of the original event. Therefore, tourist areas need to pay particular attention to the indirect consequences of disasters. To implement a disaster reduction strategy, UNWTO (1998b) pointed to the United Nations Department of Humanitarian Assistance (UN-DHA) and its nine crucial requirements and mechanisms for effective implementation of disaster reduction. These requirements apply to tourism areas as well as to other zones in countries affected by natural disasters. They are grouped under the following headings:

Governmental resources

- (a) Political will and commitment;
- (b) Resources; and
- (c) Leadership, management and coordination.

Knowledge and skills

- (a) Public awareness;
- (b) Community participation;
- (c) Training and education; and
- (d) Research and development.

Restrictions and incentives

- (a) Legal and administrative framework; and
- (b) Financial incentives.

UNWTO (1998b) also argued that disaster reduction is synonymous with risk reduction. Risk, as defined by UN-DHA, means the sum of all losses that can be expected from the occurrence in a tourist area of a particular natural phenomenon. In order to introduce the consideration of risk into tourism area planning, planners require information from physical scientists and engineers which enables them to:

- (a) Assess the specific risk to various types of tourist plants within the region considered;
- (b) Compare the risk incurred in locating a given type of tourist plant at one or other of several possible sites with different hazard levels; and
- (c) Decide on appropriate planning measures to control or reduce risk.

Source: UNWTO (1998b: 3-4).

The eruption of Iceland's Eyjafjallajokull volcano in April 2010 illustrates the broad reaching impacts of a natural disaster. The ash cloud gave rise to serious legal discussions regarding the definition of a Force Majeure and the precise rights and obligations of the parties to the travel contract in response to a Force Majeure. This was debated recently by Dugardyn and Waegemans (presentation given at 22nd IFTTA International Conference, Rome, 1-5 September 2010). Certainly, the crisis highlighted the lack of global regulation governing the sector under international law with many travellers stranded far from home without possibility of return and with little assistance. The UNWTO realised there is much confusion regarding the attribution of responsibilities in terms of the obligation to assist visitors in situation of force majeure.



ISO 31000 :2009 Risk management Principles and Guidelines has been suggested as a possible guide for managing risks such as this. The guidelines can be used by any public, private or community enterprise, association, group or individual and are not sector specific, and can be applied throughout the life of an organization, and to a wide range of activities, including strategies and decisions, operations, processes, functions, projects, products, services and assets.

Case Study 10.1 summarises the key economic impacts resulting from the eruption.

Case Study 10.1 Economic impacts of eruption of Eyjafjallajokull

On 14 April, 2010, Iceland's Eyjafjallajokull volcano spewed an ash plume which rose over three kilometres into the sky. Concerns over engine safety caused an interruption in global air traffic to an extent not seen since 11 September, 2001 and the largest breakdown in European civil aviation since World War II. The closure of large portions of European air space over the week 15-21 April disrupted global travel, trade and business demonstrating the integral role air transport plays in the basic functions of society and commerce. The effects of the crisis extended far beyond the direct impact on the air transport industry. The impact has been felt acutely by travellers and destinations; exporters and those reliant on imported inputs; as well as general production and

productivity.

Key impacts:

- Global aviation sector losses in the first week totalled US\$2.6 billion. However, when factoring in deferred business and leisure travel, the net aviation sector impact was US\$2.2 billion.
- The visitor spending impact felt by destinations around the world is estimated at US\$1.6 billion in lost revenues, primarily to hospitality sectors.
- Productivity losses stemming from stranded workers are estimated at US\$490 million.
- International trade has also been severely disrupted as a result of the flight restrictions—particularly for perishable goods and for just-in-time production processes (e.g. high-value items which are also low-weight such as electronic parts and machine components).
- The total impact on global GDP caused by the first week's disruption amounts to approximately US\$4.7 billion.
- Since the massive airspace shutdown in the first week, another 5,000 flights have been sporadically cancelled. This would add an additional 5% to the first week impacts, bringing the total cost to US\$5.0 billion lost GDP through 24 May, 2010.

Source: Oxford Economics (2010a)

10.4 SMEs and crisis management



The tourism sector is dependent upon SMEs in many countries for the delivery of tourism experiences at a destination level. However, there is a widespread recognition from experience of crisis management in the tourism sector (e.g. the impact of Foot and Mouth Disease in the United Kingdom in 2002) that such businesses do not have the resources or expertise of medium to larger scale organizations and the public sector to undertake business continuity planning. This is one reason why the public sector tourism organizations and national government business-related departments have intervened to promote business continuity planning. For example, the New Jersey Commerce, Economic Growth and Tourism Commission produced a guide for businesses in the wake of 9/11 entitled *A Blueprint for Emergency Preparedness* (<http://www.myitprovider.com/download/emergency-prep.pdf>) and cited research that confirmed that “48% of businesses have not taken steps to increase security or prepare for an emergency or disaster and only 8% have a comprehensive business continuity plan”. If their findings are typical of the SME sector, it confirms the importance of public sector intervention and assistance to seek to improve awareness and action on business continuity planning. The New Jersey model is a simple checklist to guide businesses on what to do and so offers an easy to use guide.

Similarly, since 2004 in the United Kingdom (in line with many countries), public sector bodies have been required to prepare contingency and business continuity plans. Part of this has also led to useful guides and advice for SMEs given the cost of developing plans for their individual businesses which would be prohibitively expensive. For example, in the wake of the London Bombings in 2005, VisitBritain's Tourism Industry Emergency Response group coordinated response was followed by VisitLondon²⁰ developing a business recovery and toolkit for businesses to assist in the recovery as well as pointing to sources of help and advice for businesses whose markets were severely affected by the terrorist outbreak. In 2007,

20. The Tourism Industry Emergency Response (TIER) group received a PR Week Award for Best Crisis Communications and VisitScotland's Crisis Communications Team won a similar type of award for its communication strategy during an outbreak of avian flu in 2006.

the London Development Agency created an online guide for SMEs to assist with business continuity planning called Business as Usual (www.london.gov.uk/lccp/publications/business-usual.jsp).

A similar toolkit, available in South Australia (business continuity information management kit, www.southaustralia.biz by the Department of Trade and Economic Development), is primarily designed to deal with emergencies such as floods and bushfires as well interruptions to normal business conditions (as well as the impact of an influenza pandemic), and provides guidance on conducting a business impact analysis of interruptions due to emergencies. It also emphasises that businesses need to identify the risks which emergencies will pose to the immediate, short and medium term viability of the business. This follows a similar format to many other examples from the public sector to create these resources for SMEs such as the case of Tourism Victoria in Australia (see Case Study 10.2).

Case Study 10.2 Tourism Victoria advice to businesses on business continuity planning

Tourism Victoria is the Victorian Government's lead tourism agency, they provide a foundation for industry growth. With strong research, policy, strategy and aviation platforms, the organization is building a framework for greater commercial reach, and with seed investment and infrastructure they are enabling industry to venture into new territories.

The practical advice of Tourism Victoria on business continuity planning highlights the importance of risk assessment for Small and Mediums Enterprises (SME)s and other organizations to identify what to do in an emergency so as to:

- Repair or replace damaged equipment and infrastructure.
- Relocate the business to an alternate location, or identify new sites to conduct visitor activities.
- Temporarily contract operations.
- Provide staff with multiple skills.
- Upload computer systems with backed up data.
- Provide or arrange for a range of services for staff, which may include counselling and taking time off.
- Communicate with employees, customers and suppliers.

The plan should specify what should be done in response to the above points, who will do it and when.

This may involve making checklists and as the Australian Government (2008) report Good Security, Good Business, suggests, this may involve:

- Developing relationships with more than one business or supplier, so that if one is affected by an incident your business can continue as usual.
- Having backup processes in place for key business documents and information. Consider keeping copies of invoices, customer records, bank account details and insurance policies that are vital to your business.
- Locating this information at a second site and update it regularly.
- Planning for disruptions to electricity, gas, water, sewerage and telecommunications systems. Are backup systems available? Are there alternatives that can be used?
- Preparing for broken machinery, damaged equipment and computer systems. Know who can fix them and have their contact details at hand.

Source: Tourism Victoria

www.tourism.vic.gov.au

10.5 DMOs and crisis management

It is not just the SME sector which has seen a growing need for crisis management awareness and activity. Destination Marketing Organizations (especially at a national level) have also begun to develop generic and specialised business continuity plans for risks which they perceive are likely to impact upon the destination's tourism sector. They have been exercising a leadership role to safeguard the future competitiveness of the sector through proactive management and intervention, coordinating and liaising with stakeholders.

NTOs have embarked on risk assessment in terms of the impact of specific events and crises that may affect the tourism sector. They are relative newcomers to this activity compared to some of the larger private sector companies that are particularly vulnerable to crises for their profitability (e.g. airlines) and which have specific staff to deal with issues such as risk assessment and crisis management. Numerous tour operators have dedicated staff who can be mobilised when crises occur, and standard operating procedures have been developed to ensure the smooth implementation of crisis management plans.



Many governments have similar crisis management teams (e.g. the United Kingdom COBRA team) but public sector tourism organizations have been slow to develop such an approach. Many have been required to develop business continuity plans although some NTOs with scenario planning teams (e.g. VisitScotland) have also worked alongside national government and tourism organizations (e.g. Visit-Britain and its Tourism Industry Emergency Response (TIER) structure) to prepare for specific events as discussed earlier such as avian flu or swine flu. Such plans require extensive in-house development and consultation with industry bodies to agree protocols and how they should be implemented.

The most effective plans are simple, easy to implement and identify who is required to take specific actions to champion specific issues. The case of VisitScotland (Case Study 10.3), outlines their experience of implementing their crisis communications plan in response to avian influenza in 2006 and has a number of practical lessons for other NTOs and tourism businesses facing a crisis situation. It is a candid and frank reflection on what they did, what worked well and what they might do better next time.

Case Study 10.3 VisitScotland's experience of a crisis communication strategy in handling an outbreak of avian flu in 2006

What worked well:

Plan, prepare and rehearse

VisitScotland already had plans in place

They had put together statements and Q and A in advance

Had had a rehearsal (Orkney possible case which was not confirmed)

Communicate quickly, regularly and accurately

Information sent out to stakeholders as soon as possible – briefing sent to key stakeholders that morning

Internal audience and industry/customer facing staff (Tourist Information Centre, Relationship Managers, Quality Assurance Advisors) were included. .

Case was confirmed at 4pm – information was sent out to 8000 businesses by the next morning

Monitor coverage and challenge false information

Challenged use of language (quarantine/plague – The Scotsman newspaper used that term)

Corrected misinformation

Monitored press to ensure that the information was factual rather than sensational in both the United Kingdom and abroad (thankfully was mostly factual)

Work with all partners and support each other

Working with local partners to share intelligence (i.e. – Were there any cancellations?)

Working with VisitBritain to monitor press coverage abroad and get message out to national organizations (i.e. national hotel chains) and to British Embassies

Working with stakeholders like Association of Scottish Visitor Attractions (ASVA) and Scottish Training Federation (STF) to get messages out

Ensure consistency of message amongst stakeholders (i.e. this is not a crisis)

Worked with press colleagues in Department of Culture Media and Sport and the Scottish Executive to clarify terminology

Proactively put up people to talk down the crisis

Refused to criticize anyone

What could be improved?

Information was not as coordinated as would have liked some people got it three times i.e., need a better process.

Needed deputies for both external and internal stakeholders as some were on holiday and some did not cascade their information

Now need to plan for a flu pandemic – get good sensible information and advice together in advance

What worked really well

All worked together as a team in a coordinated and effective way

Source: VisitScotland

A further example is also shown below of VisitBritain's and TIER's actions during the 2005 London Bombings, which shows a high level of congruence with the actions of VisitScotland in 2006 in relation to the avian flu outbreak (see Case Study 10.4). The TIER model is widely recognised as a focused and

responsive organizational reaction on behalf of public and private sector tourism interests and offers many examples of best practice in the way a crisis is handled by a coordinating body when a major crisis occurs. It highlights the importance of planning in advance.

Case Study 10.4 TIER Response to the July 2005 London Bombings



- Provide accurate, consistent information to reassure and inform visitors
- Provide facts, information and reassurance
- Ensure media worldwide and United Kingdom government were given consistent messages from Britain's tourism industry
- Limit speculation as to the possible impact and provide the authoritative impact assessment
- Leverage opportunities to demonstrate consumer confidence and kick-start recovery
- Information from official sources only
- Production of a Holding Statement to the media until the situation is clarified
- Agreement by TIER to not be drawn into providing comment or speculating on impact
- Briefed overseas offices and monitored perception (questionnaires)
- Gathered 3rd party statements (e.g. from Mayor of New York, Rudy Giuliani)
- Daily reports to government/COBRA
- TIER meetings held on 8, 13, 27 July and 12 August
- Oxford Economic Forecasting commissioned to provide definitive impact assessment
- Weekly monitor of overseas impact
- Consumer reassurance statements developed and distributed via VisitBritain's web platform which operates in 40 international markets
- E-bulletins to United Kingdom tourism industry
- 50 radio/TV interviews

Outcome:

- Effective management of speculation on impact
- Lack of sensational headlines and reporting
- Use of third party statements and PR opportunities – first China ADS trip and ABC 'Good Morning America'
- Strong industry communications
- Recovery marketing led by Visit London
- Shortlisted for the CIPR Excellence Award for Crisis Management

Source: VisitBritain and TIER

But NTOs alone cannot address wider global issues. It has become increasingly evident, from the effects of several crises and disasters in tourism, that a more global focus is required to facilitate the coordination and dissemination of best practice to SMEs, tourism businesses and especially the public sector. One important development in 2006 was UNWTO's creation to the Tourism Emergency Response Network (TERN) as outlined in Box 10.4.

Further information regarding sources of information for crisis management can be found at www.unwto.org 'Risk and Crisis Management' section.

Box 10.4 The UNWTO Tourism Emergency Response Network

The Tourism Emergency Response Network (TERN) is a closely knit grouping of the leading tourism associations of the world launched in 2006. While the UNWTO took the initiative in mobilizing the travel trade in the face of the potential evolution of the H5N1 avian flu virus to a pandemic form, the necessity for closer collaboration and cooperation amongst the decision makers and stakeholders in tourism was reinforced as a result of recent events that were damaging to the industry. The catalyst was the tsunami of December 2004 when individuals and nations became conscious of the fragility of established systems against unforeseen and unpredictable elements.

While the initiative for this "network of networks" stemmed from UNWTO, TERN is characterized by its independence and inter-dependency where each partner works for the common good of a single cause: making travel and destinations safe for tourists. Some basic guidelines were established including:

- Working closely with the UN System Influenza Coordinator, the WHO and other involved UN agencies.
- Share real time information and ideas.
- Give clear, concise and geographically specific public messages.
- Seek close media liaison to better spread information as necessary.

The task of managing the activities related to TERN is the responsibility of the Risk and Crisis Management (RCM) section of the UNWTO. TERN plays a prominent role in UNWTO's portal www.SOS.travel designed to serve travellers and industry partners alike as the one-stop shop emergency platform. Mitigating the impacts of natural and man-made disasters on tourism and coordinating and communicating these efforts through the different interfaces such as TERN is a primary objective of the RCM unit. The role of TERN, therefore, has seen a gradual evolution from the initial purpose for which it was set up as an advisory and participatory body dealing with a pandemic to one that encompasses all threats to the tourism industry. Being a network of the leading tourism associations of the world, the joint membership of TERN far surpasses that of any similar grouping. The relationship between UNWTO and TERN, while being mutually beneficial, has also underscored the responsibility of each institution to help improve the well-being of travellers and to mitigate the impacts of natural and man-made disasters on tourism.

Source: UNWTO (www.sos.travel).

10.6

Pandemic (H1N1) 2009: what happened behind the scenes

The following section is an in-depth commentary which provides a look behind the scenes at UNWTO in response to the Pandemic (H1N1), or swine flu. The material for this section has been provided by Dr. Dirk Glaesser, Chief, Risk and Crisis Management, World Tourism Organization.

10.6.1 The beginning

On Saturday 25 April 2009, at 7.35 am local time in Madrid, the World Tourism Organization's Risk and Crisis Management department received an alert from the Department of Public Information of the United Nations (UNDPI) that an unusual development of swine flu cases (H1N1) had been observed in Mexico and the United States of America, which required international attention. Together with the alert, first background information was provided. To ensure consistency, a one voice-one face approach was agreed with the World Health Organization (WHO) as the lead agency.

The Management of UNWTO was immediately informed. The Secretary-General ad interim of UNWTO was about to board a plane to Mexico to open, along with President Felipe Calderon of Mexico, the tourism fair of Acapulco, this notification had an unexpected additional importance. WHO and UNDPPI were immediately informed of this previously arranged trip of the Secretary-General and talking points were agreed on to ensure the best support through UNWTO for the travel and tourism sector.

At 10.50 am the Tourism Emergency Response Network (TERN) was alerted by UNWTO and the first talking points prepared by the Secretariat were provided. This information was to be used as a heads-up and to allow a consistent communications approach right from the beginning of the situation.

In the evening of Saturday, WHO, after consultation with its Emergency Committee and following the protocol of the International Health Regulations (IHR), declared this situation as a public health emergency of international concern. From that moment, and the weeks onwards, UNWTO was highly engaged into a new process of emergency coordination and communication.



10.6.2 The challenges

Why did the travel and tourism sector pay special attention to this kind of communicable disease? This question has at least two answers: one from the perspective of time and the other from the perspective of peculiarities of tourism.

First, from a time point of view, the travel and tourism sector still recalled the SARS in 2003 and the Avian and Human Influenza (H5N1) in 2005, and feared that another looming threat was appearing. The effect on the first few countries affected showed immediately the enormous impacts that those incidents were causing on the travel and tourism sector.

Second, from the perspective of the peculiarities of tourism there are several points, which make it necessary that preparations are carried out for this kind of events:

- **The communications facet**
Communications play a crucial role when dealing with pandemics. Inconsistencies of messages have to be avoided as much as possible. Decisions have to be taken and explained against a background of incomplete information.
- **The sensitivity**
The tourism product is predominantly immaterial and is consumed in a place different from the usual place of residence. Expressed in information-economic terms, the tourism product is a trust and belief product that demands that the supplier is able to reduce uncertainty and risk, above all, in relations with potential customers. Therefore, when it comes to crises, trust and belief products are much more challenging to handle than other products.
- **Rapid spread of communicable disease**
The frequent links and speedier connec-

tions of international travel enable the fast spread of a communicable disease. The Pandemic (H1N1) 2009 spread around the globe in just 6 weeks.

- **The logistical challenge**
With 5 to 8 million international travellers en route, on average, on any given day of the year, logistical questions have a more complex nature. International travellers are often unfamiliar with the emergency structures and procedures of the host country. Often international travellers are not in command of the local languages, nor are they prepared for extended stays. The increasing number of individual travellers not using the services of tour operators is complicating issues even further. If the much larger number of domestic travellers is also taken into account, the logistical challenge becomes clear.

10.6.3 The lessons learned so far

The Pandemic (H1N1) 2009 brought many lessons. Despite of its overall mild severity, the pandemic was extremely harmful to the travel and tourism sector. Although it is difficult to assess the global cost of the pandemic, it would not be too far from reality to state that 50% of the economic burden of this pandemic was shouldered by the travel and tourism sector.

- **The branding issue**
Branding a new disease is important so that it is referred to in a correct and consistent manner. Previously pandemics were named after the place where they appeared or of the attributed place of incident. From the beginning, WHO tried to avoid this kind of labelling after a specific geographic area. However, branding it the Swine influenza caused irrational slaughtering of pigs in other countries and impacted on the meat producing and exporting sector. Countries used various differ-

ent names for the pandemic such as Mexican Flu, the Novel Flu, North American Flu, Swine influenza, influenza A(H1N1) and Pandemic (H1N1) 2009 to name just a few. Translation problems such as that of H1N1, which could simply not be translated into Arabic, complicated the situation further.

Inconsistencies of this nature can and must be avoided. UNWTO recommended already at the very early stage to use for future situations pre-agreed and especially tested names, whether by artificial nature as used in the case of pharmaceutical products or by first/given names as done with hurricanes. The general public should at no stage experience inconsistencies because of this labeling nor shall regions, countries or other sectors unnecessarily be harmed because of the branding.

- **High importance of targeted and two-way communications**

Targeted communications proved extremely helpful during the beginning of the pandemic when sector stakeholders were informed directly. This enabled them to take the necessary measures to prepare further and ensure the well being of their own stakeholders and customers.

- **Balanced information**

The evolving situation was confirming a rather mild virus. However previous pandemics had shown that influenza viruses are notoriously unpredictable and unstable and so it was difficult to assess the severity of the next waves of the pandemic. UNWTO found the right encouragement for those who wished to travel and the right discouragement for those who had fallen sick.

- **Case management**

The handling of smaller operational issues would normally not be an element of the work of UNWTO or WHO. However, previous situations had shown that limiting personal freedom through actions such as quarantine,

restricting access of cruise liners to harbours etc. (although they may have been justified under the regulatory framework of the IHR) could cause the spotlight of the international media. Sometimes these situations can worsen quickly and cause tit-for-tat reaction by the state whose nationals were affected. These consequences have to be avoided as they cause large damage to the travel and tourism sector.

- **Complacency**

Immediately after the first wave had affected the northern hemisphere and peaked in the southern hemisphere, UNWTO initiated the “Review and Preparation Exercises” which, differently to the Simulation Exercises conducted previously, aimed at identifying the good practices and deficits (we avoided the use of the term “lessons learned” as it was at that stage too early to draw conclusions of that kind).

- **Fast and sincere reporting**

Fast and sincere reporting of incidents such as communicable diseases is very important to try to contain the spread of the disease right as from the beginning. This calls for a professional handling not only of the communication efforts but also for the ideas that have to be developed to best support those countries that, for the benefit of many others, reported the incidents fast and sincerely and thus allowed the international community to gain valuable time for their own preparations.

10.6.4 Conclusions

There are many different points of view on whether this pandemic was managed the right way or not. Whatever the conclusions, communicable diseases are one of the major challenges for sustainable tourism development. The lessons learned from the management of this pandemic are very important, in particular the way in which crises are communicated. These lessons will not only serve

us well in the area of health risks but also across the multi-hazard preparedness work the sector is carrying out. They will, as this pandemic also highlighted like no other event before, foster cross-sectoral preparedness

and response, which definitely will allow us to come a step closer to the ultimate aim of achieving a sustainable tourism development and ensuring the safety and well being of all travellers and host communities.

10.7

Other sources of UNWTO information



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11

Tools and techniques to develop our understanding of the future of tourism

11.1

Introduction

Understanding how the tourism sector is changing and anticipating and tourism demand and supply will develop in the future remains a subject of intense interest for businesses and destination management organizations alike. Anticipating if and how tourism will change in the future is a strategic requirement for the tourism sector, especially since the public sector needs to understand the implications of tourism growth to develop the infrastructure and facilities needed in the future. Given the lead times for new infrastructure provision (typically in excess of ten years for airports and transport infrastructure) managers need to know both what the future may look like and also to understand some of the tools and techniques for predicting the future. This chapter commences with a discussion of what exactly is meant by the future and how we can try to understand it. This is followed by a review of some of the principal techniques used to evaluate the future. Key trends to watch in the future given and the publication closes with four possible scenarios for tourism in the next 20 years.

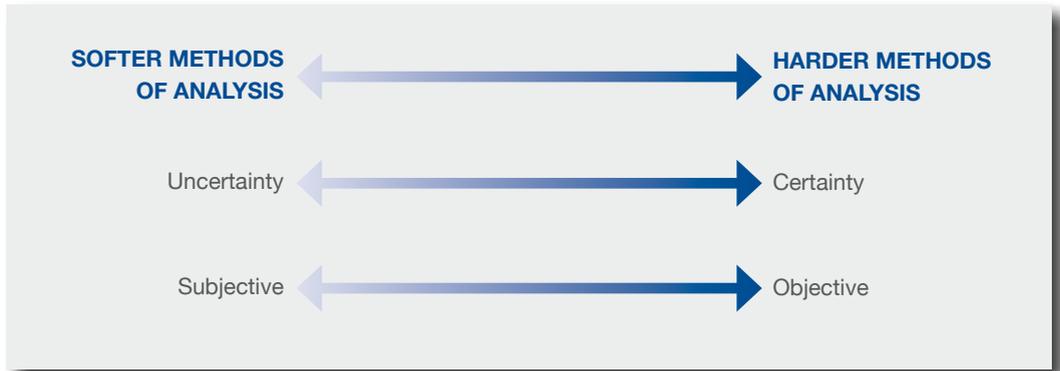
11.2

Futures research: an overview

Despite the problem of defining and identifying what the future will be, a distinct area of research has emerged from management science on futures research, sometimes called futurology. Resulting research has been developed because decision-makers would like to know what might happen in a specific time period in relation to tourism (i.e. what will be the shape and form of tourism in a destination in 5, 10 and 25 years time?). A range of the most popular futures research techniques are shown in Figure 11.1. The use of these techniques ultimately depends upon the purpose for which they are going to be used and how you approach the study of the future. In other words, each technique can be used according to how much perceived certainty we would like to embrace in the future.

Figure 11.1 Techniques used in futures research

TECHNIQUE	Informed Fiction writing	Scenarios	Modelling	Forecasting
CHARACTERISTICS	<ul style="list-style-type: none"> Not based on reality, but on future possible fictitious situations Very qualitative 	<ul style="list-style-type: none"> Clarifies risk Possibility of change and uncertainty is clarified Very qualitative and subjective 	<ul style="list-style-type: none"> Combines elements of known and expected phenomenon using models Based on predictable outcomes and change Typically involves economic modelling 	<ul style="list-style-type: none"> Quantitative orientation based on current knowledge and data Quantitative forecasts expressed as the most likely range of values given past behaviour of observed variable.



There is also a need to be aware of three other elements to the process of evaluating the future (i.e. futur-ing) before choosing a specific approach:

- How much complexity do we wish to understand in how the future will unfold and what are the roles of existing and emergent trends?
- What are the main drivers of change?(see Table 11.1)
- How might it affect society in the future e.g. how will technology affect the lives of visitors?

Two of the most commonly used research methods (Scenarios and Forecasting) are explored in this chapter in further detail.

Table 11.1 Main drivers of change

Drives of change	
World Drivers	People Drivers
<ul style="list-style-type: none"> • The world economy is growing and people are becoming wealthier, with differences across countries • The world population is growing • New technology is changing the way people get information and organise their holidays and leisure time • Travellers are becoming more concerned about the environment • Transport and political issues will impact tourism in the form of security threats, fuel prices and legislation • The budget and luxury sectors are growing and travellers are combining the two during their holiday • Travellers want more value for money in the budget and luxury markets 	<ul style="list-style-type: none"> • Travellers are becoming more sophisticated, demanding and time pressured • Family and holiday groupings are changing • Growing interest in health and well-being and relief from stresses of everyday life • Travellers are better educated and more frequently in pursuit of new knowledge and cultural capital • Niche markets are developing more unique experiences • Travellers are seeking more meaning from their lives and authenticity in the experiences • Travellers are getting older and mature travellers are more young at heart

Further information on demographics changes, in particular can be found in the 2010 UNWTO / ETC publication *Demographic Change and Tourism*

Inevitably, this means that trying to comprehend what the future might bring for tourism requires us to think across subjects and themes and outside of tourism. But the fundamental starting point for any discussion is to establish what timeframe we need to consider in understanding the future.

There may be different tourism futures depending upon the timeframe involved:

- The immediate future (i.e. tomorrow, next week or next month, a year).
- The medium term (5 to 10 years).
- The longer term (i.e. 25 years or an even longer horizon, such as the lifespan of an individual).

For tourism, the medium to longer term will be shaped by important challenges and obstacles to growth such as climate change and the end of oil as an energy source.



For visitors and the tourism sector, the issue is how to adapt to these new realities:

- What types of tourism develop as a consequence.
- Which types of destination will flourish or decline.

Different assumptions can be made and modelled in a rational and scientific manner. Yet understanding how individuals and groups may respond to change can require a more qualitative approach to gain insights into consumer behaviour and implications for policymaking. Whichever approach is adopted, there are three types of tourism future to consider:

- What may happen?, described as *possible futures*.
- What is the most likely to happen?, described as *probable futures*.
- What would we like to happen?, known as the *preferable future*.

These futures will be shaped by one or more driver(s), which refers to the most influential trends which are then sub-divided and broken down into components. To identify the most significant drivers likely, all trends are systematically scanned (environmental scanning). This scanning then leads to the identification of the principal trends that will be future drivers of change.

The starting point for considering uncertainty is that some things will change in the future and some will not. This gives rise to two interconnected processes – continuity and change. Each process will be affected by different drivers. The degree of change or continuity is important as change may be minor, major or involve a complete transformation. This means that we are dealing with considerable levels of ambiguity.

The different futuring techniques seek to provide a definitive response (e.g. quantitative methods) such as an economic forecasting ranging through to those more able to accommodate ambiguity and uncertainty.

11.3

Scenario planning



Scenario planning performs two important functions:

- Risk management scenario development enables strategies and decisions to be tested against possible futures.
- Creativity and sparking new ideas.

(Duinker and Greig, 2007)

In the tourism sector, scenario planning is still in its relative infancy (though some companies, such as British Airways have engaged in this process). Publicly available examples include the series of studies undertaken by VisitScotland on a wide range of futures themes including oil, transport, accommodation, the impact of war and the effect of avian flu and a flu pandemic. As two of these studies show (e.g. Page et al, 2006, 2009), there are a number of clear steps in scenario planning as outlined in Box 11.1.

Box 11.1 Steps to take for Scenario Planning in tourism

1. Review the literature on the subject from existing published sources and scientifically generated research as well as public and private sector reports.
2. Environmental scanning of trends.
3. Interviews with industry players to develop a list of potential drivers from the environmental scanning process, associated with the use of proprietary scenarios software to map out the complexity.
4. Constructing two (or up to four) scenarios incorporating the drivers to develop an understanding of potential changes that may arise. In the case of VisitScotland, this also involved the use of an economic model – the Moffat Model to identify potential changes which might arise from different assumptions made in the scenarios to create a greater degree of economic reality.
5. Hosting a workshop to test the scenarios with an invited group of industry experts who are asked to read the scenarios and comment on the issues and implications raised.
6. The mapping of the main issues and workshop results, which are ranked and rated by respondents to produce an ordered list of changes which may occur in each scenario.
7. Interpretation and identification of potential policy issues by the scenario planning team to analyse the main risks and challenges for the organization.
8. Publication of the results and dissemination to the tourism sector or internal distribution.
9. Implementation of strategies to minimize any risks for the organization identified in the scenario planning exercise such as developing a business continuity plan.

Source: Adapted and developed from Page et al (2006, 2010); Page and Connell (2009)

The scenario planning process is helpful when looking at a long time horizon to understand significant changes to the way society exists today.

11.4

Forecasting demand



Forecasting demand is important for the following reasons:

- For suppliers to understand the demand for their products and services.

Tools and techniques to develop our understanding of the future of tourism. [11]

- For the public and private sector to understand the investments required in destination infrastructure.
- To inform governments in relation to policy making for their tourism economies.

All managers require some form of forecasting or planning for the future in order to minimise the risk of failure and to maximise the possibilities of success. The accuracy of the forecasts will affect the quality of the management decision (Archer, 1987). Reliable forecasts are essential for managers and decision makers to try and ensure adequate supply is available to meet demand and to facilitate planning.

Forecasting can best be described as a process whereby future changes in demand are calculated: it attempts to make estimations of future demand using a range of possible scenarios to assess the likely scale of change. The principal methods of forecasting are:

- Extrapolating how the previous performance of demand may shape future patterns.
- Statistical analysis using weights or variables.
- Structured group discussions

(Jefferson and Lickorish, 1991: 102).

UNWTO's Handbook on Tourism Forecasting Methods (2008b) outlines the wide range of techniques now used in tourism forecasting and their application with worked examples. The main techniques examined in the Handbook are:

- Simple and advanced extrapolative models.
- Autoregressive moving average methods.
- Causal models including linear regression, multiple regression, structural economic models.
- Qualitative forecasting methods (including the Delphi method, scenario planning).
- Mixtures of methods.
- How to choose a forecasting methodology and case studies from around the world of where different techniques have been used.

Although using statistical techniques such as moving averages may be easy and relatively inexpensive, they are 'non-causal'. This means that they do not explain what specific factors are shaping the trends, they only indicate what is happening in terms of observed trends. In contrast, econometric models are termed 'causal' as they look for statistical relationships to infer what is causing demand to take a certain form and so these techniques are considerably more complex.

Typically a number of variables are used as factors to model those which directly and indirectly influence tourism demand. These variables are considered according to their statistical relationship with each other including:

- Number of tourist trips.
- Total tourist expenditure and expenditure per capita.
- Market shares of tourism.
- The tourism sector's share of gross domestic product.

Depending on the complexity of the methodology employed, the forecasting model may examine how one dependent variable (e.g. tourist trips) and other independent variables (e.g. the state of the national and international economy, leisure time, levels of disposable income, inflation and foreign exchange rates) affect demand (Page, 2009).

The implementation of forecasting techniques has been undertaken by UNWTO in developing their 20:20 Vision to forecast demand for 2020 as shown in the Case Study 11.1.

Case Study 11.1 UNWTO 2020 Vision: forecasting tourism demand to 2020²¹

In 1999, UNWTO undertook a forecasting exercise designed to assess the scale of tourism demand globally and for each of the UNWTO regions. This study was undertaken to inform thinking on how tourism might develop and among the main features identified as drivers of change, were the following:

- The importance of technology in everyday life.
- The prevalence of automated services and access to such services from the home.
- The rise of relative isolation and home-centred activity in leisure as a result of technology.
- The population will be looking for a personal touch in terms of services and the type of tourist experiences which are created.
- By 2020, international arrivals will reach 1.6 billion and spend up to \$2 trillion.
- The overall population participation rate in international tourism will be 7% by 2020.
- Domestic tourism will remain numerically more significant than international tourism and many countries will reach their capacity to accommodate such visits.
- The major growth in international outbound markets will be in Asia, Latin America, the Middle East and Africa.
- The Top 10 destinations in 2020 will change so that the number one will be China followed by France, the United States of America, Spain, Hong Kong, and the United Kingdom with other destinations rising up the list of top 20 destinations, notably the Russian Federation, Singapore and South Africa.
- The fastest rates of growth in tourism per annum to 2020 will be the Middle East (8.6%), East Asia Pacific (8.3%), Africa (6.2%) and South Asia (5.9%) with a world growth rate of 4.3% per annum whilst Europe and the Americas will be lower than the global average.
- Among the main drivers affecting international activity to 2020 were the following: economic factors (e.g. global economic growth, above average performance of the Asian economies), technology (i.e. ICTs and transport technology), political (removal of barriers to travel and increased deregulation), demographic (i.e. an ageing population and the changing nature of the western household with the rise of single parent households and re-marriage and other microtrends), globalisation, localisation, socio-economic awareness including environmental issues, growing urban congestion in industrialised nations with the rise of megacities with populations in excess of 10 million, the shift from a service to experience economy to emphasise experiences that engage the consumer, increased marketing activity using technology to engage the consumer and concerns over the safety of travel.
- UNWTO also listed a number of tourism megatrends that are influencing aspects of the development of tourism.

21. NB: Research is underway to produce UNWTO Future Vision: Tourism Towards 2030. The study will forecast international tourism growth through to the year 2030 and identify key actual and future trends and their impact on tourism development.



The following commentary has been provided by Professor Stephen Page, London Metropolitan University and discusses how the future of tourism may be forecast.

Commentary from Professor Stephen J. Page, TEAM Tourism Consulting and London Metropolitan University:

Tourism and the Future How do we visualise tourism futures?

Understanding how tourism will change in the future has gathered pace as different drivers have attracted international attention (e.g. climate change and the future provision of oil and energy to supply tourism requirements). These macro drivers discussed in this chapter and others throughout this book, including the fast pace of technological change, will transform the nature of our experience of tourism over the next two decades. However, we need to recognise that change in tourism is not necessarily a sudden or dramatic event. It may be a gradual process where there is a combination of continuity of existing conditions and the evolution of new ideas, trends and technology that begin to shape the market for new tourism experiences. Sometimes sudden leaps forward in technology may change the nature of tourism, but even innovations like the internet do not change tourism overnight. Innovations take time to diffuse and embed in consumer behaviour before we see major shifts in behaviour and purchasing habits.

Therefore futures researchers who focus on tourism need to be aware of the multitude of different factors, trends and changes occurring in society which are not necessarily impacting upon tourism today but may do so in the future. A good example is the rise of social media and the themes discussed in Chapter 7. Many of these have begun to impact on tourism and their influence and roles have become more firmly rooted in the day to day life of e-savvy consumers and a society hooked on and linked in to mobile technology. In addition, the introduction of technologies and sites that permit interactive communication and user generated content (for example TripAdvisor) have transformed the



way the tourist and product provider interact. For the futures researcher, understanding the next stage of this evolutionary phase of tourism and technology and what it will mean for the different elements of the tourism system (i.e. the destination and accommodation, transport providers, attractions and tourists) will be vital to understanding how the tourism system will function in 2020 and 2050.

Forecasting the future, visualising the key issues and trends and their implications in a holistic manner requires us to think about what exists now, what might occur in the intervening period and how this will lead to new landscapes and experiences of tourism. They may be similar or dramatically different from today. Tourists will still need to be hosted and accommodated (albeit in a more diverse range of forms) but the nature of the experiences may gradually change, not least because of environmental constraints and problems highlighted in Chapter 3 on sustainability. In the medium to long-term, climate change will lead to transformations in many Mediterranean destinations that have been the backbone of the mass tourism industry over the last 40 years. Successful destinations and businesses will need to visualise

what this means for them. For example, they need to visualise what hotter and drier summer temperatures will mean for the traditional summer beach holiday, which may become less attractive or unviable.

For the public sector, this means existing tourist infrastructure may need to be adapted or transformed to meet new tourist types and needs and, potentially, new seasonal patterns of visitation. For tourism businesses, these changes may signal the end of certain product types and the resulting need to develop new experiences and products that fit the market demand. This could be a shift from high volume summer mass tourism to lower volume autumnal holidays assuming that the summer holiday itself is not transformed by changes in society and the economy by 2020 and 2050.

The nature of the holiday in 10 or 40 years time has been the subject of comparatively

little research and we are assuming that the nature and structure of a holiday will be the same in the future as it is today. If we look back in time, we can see changes have occurred in the nature of holidays and so a critical re-think is needed to try to look ahead to what the future structure of a holiday may be.

Above all the future of tourism can best be understood by looking at the cumulative effect of the many drivers of tourism outlined throughout the chapters in this book to get some sense of where tourism is now and where it may be heading in the next 10 to 40 years. However, the changes affecting many tourism destinations and tourists as consumers are almost imperceptible on a monthly or yearly basis. But when looked at cumulatively when we see the potential changes over a longer time horizon which will shape the future destinations and their likely markets.

www.team-tourism.com, www.londonmet.ac.uk

11.5

Key trends for the future



11.5.1 Tourism without oil

Much of the worldwide development of tourism in the period since 1950 has been predicated on the relatively cheap sources of oil as an energy source to fuel the development of domestic and international tourism. As the United Kingdom 2010 Industry Taskforce on Peak Oil and Energy Security reports concludes *“an end to the age of cheap oil is indeed with us²²”*. Given that oil-based fuels have been used to transport visitors on land, sea and in the air, the principal concern for tourism organizations and businesses in the future is what will happen in a society where oil is no longer the main form of energy. One indication of the effect of declining sources of oil and price spikes in oil has been the growing cost of international travel, an increase in domestic forms of travel and the effect on inflation since oil is currently used for around 90% of the world’s transportation. As Becken (2008: 695) states *“in its present form, tourism is dependent on the availability of oil and is comparatively oil-intensive”*.

There are concerns among energy analysts regarding what is called Peak Oil – the point of peak oil production. Energy modelling suggests that the peak of oil will be no later than 2040 though pessimistic

22. The Oil Crunch A wake-up call for the United Kingdom economy, Second report of the United Kingdom Industry Taskforce on Peak Oil and Energy Security (ITPOES) 2010

mists believe we may have already passed the point of peak oil. Forecasts of future use of oil to 2030 also indicate that over half of the demand for energy will be transport related and currently the focus is on oil as the majority of forms of visitor transport are dependent upon oil as an energy source. Transport currently consumes half of all oil supply each year yet, in a world where oil is scarce, its use for tourism is unlikely to be prioritised (Becken, 2008). This means destinations need to look carefully at their future energy needs in relation to the transit of tourists and destination-based needs.



It is clear that a future without oil will require adaptation and changes to consumer behaviour and alternative sources of energy are being promoted (e.g. wind, solar and wave power etc.). However,

“these oil based liquid fuels simply cannot be substituted in the short to medium term. If anything, current trends in the growth of air travel and road haulage suggest that future demand growth will more than compensate for any energy-saving or oil-substitution measures. Global supply restrictions and price volatility will therefore pose a growing threat to the [...] transport sector as the global oil crunch hits home” (Industry Taskforce on Peak Oil & Energy Security (ITPOES) 2010: 27).

One long term expectation associated with the decline of oil is energy inflation (already highlighted during recent political crises) further impacted by the need to pay for the cost to the environment and climate change. These costs will be passed on to the end user which has the following important implications for tourism.

- Consumers will see a differential pricing structure to reduce forms of tourism which are energy consumptive not only in terms of transport but also in the production of tourism experiences in the accommodation, attractions and at the destination level. Even where new technology is used to pioneer new energy sources, the investment costs are likely to have to be met through consumer use.
- The shift from oil as a dependent form of energy for transport will mean that future sources of visitor transport will need to be sustainable in the development of policy and systems to move visitors to and from destinations and within them.

Research by UNWTO in 2006 found that rising oil prices had not had a demonstrable impact on international tourism. However, this is now changing as transport and the price of oil is recognised as a key driver of change to international tourism. As the supply of oil declines and issues such as greening the economy and addressing climate change become higher priorities, tourism will become a more expensive activity. The greatest risk for tourism destinations will be those dependent upon oil intense visitors (i.e. those from long haul markets). Whilst eco-efficiency may improve over time and new forms of technology may impact upon consumption of oil, in the long-term oil depletion is likely to become a reality.

In this context scenario planning and forecasting has an important role to play in trying to understand how to make a transition from an oil-based to non-oil based tourism economy. The most obvious starting point will be to think about the types of visitor markets it will seek to nurture.

11.5.2 Future environmental issues – climate change and biodiversity

Given that tourism is a resource dependent economic activity, there has been a consistent concern since the 1960s that tourism may act as a destructive force on its resource base unless it is managed. These concerns have been incorporated since the 1980s in the wider sustainability debate, but all these concerns have been characterised by one main feature: a concern about future resource use and consumption by the tourism sector and visitors over different timeframes from typical forecasting horizons (5-10 years) through to longer time horizons. The concerns in the 1960s regarding the overuse of natural resources have been lost in sustainability debates that have downplayed the likelihood that in a 25-50 timeframe some existing natural tourism environments will be destroyed and will not be capable of absorbing visitor activities. Combine these predictions alongside the potential effects of climate change and global concerns over declining biodiversity in many key tourism environments (e.g. the coral reef environment of eastern Australia) **then the rationale for tourism (i.e. the attraction of natural resource environments such as sun, sea and sand) may be dramatically modified by threats such as climate change.**

As Chapter 3 on sustainability has argued, many key tourism destinations such as the Mediterranean coast may face major changes in their climate, making the summer season a less comfortable and appealing possibility. Consequently, as Chapter 4 on tourism as a force for social change highlights, visitors need to be better educated in the future about their direct and indirect impact on climate change if such environments are to remain viable destinations in the future. In many parts of coastal Asia the pressures of urbanisation and emerging mega cities will also pose considerable conflicts with tourism over land and resources in the next two decades. This exemplifies many of the pressures which the economic development-urbanisation-tourism-natural environment resource base relationships will pose for policy-makers. Part of this problem is directly related to the demographic issues of expanding population numbers and a desire to travel alongside many long-term trends associated with the nature of the visitor as a consumer.

11.5.3 Demographic considerations – the changing visitor

The UNWTO / ETC (2010) publication Demographic Change and Tourism highlights the key challenge of understanding future changes in the demographic profile of future visitors as 'demography is one of the external factors that shape tourism demand and development translated into the marketing area, demographic changes are likely [to] impact on the patterns of travel demand'(UNWTO/ETC 2010: 8). An important illustration of the scale of demand change is evident from the forecasts of population growth to 2030: the world's population is expected to increase from 6.9 billion in 2009 to 8.3 billion in 2030, focused particularly in the newly industrialising countries such as India and China. This will trigger a continued demand for travel and tourism activity at a global scale, although focused on certain regions of the world such as Asia –Pacific and Latin America. The UNWTO/ETC (2010) report focuses on three specific drivers that will shape the nature, scale and types of consumer demand for tourism arising from demographic change in relation to:

- Population growth and ageing: In mature tourism markets the population structure is ageing and is facing many challenges such as uncertainty of retirement income and public debt in western nations. By 2015, around 25% of Europe's population will be aged 65 or more as the baby boomer

generation reaches retirement. In contrast, many BRIC economies are seeing a growth in first time outbound travellers and a relatively youthful population structure to cater for. This means the tourism sector will need to think carefully about segmentation, product development and how to communicate with these different markets globally. These trends also have to be set against greater rates of life expectancy which will translate into older and more active senior markets seeking some form of tourism in the future.

- Migration: the UNWTO/ETC (2010) publication highlights the impact of migration on world travel patterns, which affected around 5% of the population in 2005. By 2030 this is likely to grow to 15% and the implications for this global diaspora are greater opportunities for VFR travel, especially among the Chinese migrants and other nations with a strong migration history. This was highlighted in 2009 by Scotland's hosting of Homecoming, an event to celebrate and create a clan gathering in Scotland since there are 40 million people of Scottish descent living worldwide. The implications of this migration-led tourism have also been explored in the UNWTO (2010d) report on tourism and migration.

11.5.4 Economic considerations

Global tourism, in the immediate and long-term future, is increasingly polarising into the regional patterns of growth that are indicative of the area's economic characteristics (i.e. slow growth developed economies; medium growth and fast growing economies) which is shaping both the patterns of demand and some of the inbound trends (especially linked to business tourism). In the Western developed economies the near future is one characterised by high levels of public debt and there are debates as to whether the resulting unemployment from public sector restructuring will be replaced by private sector employment. This is likely to have major impacts on the way the state prioritises tourism as an area for future growth and development, since significant contrasts exist between the state-led tourism development in the United Arab Emirates and public sector cuts and constraints on tourism growth in countries such as the United Kingdom. General economic conditions not only impact on employment but also have a substantial effect on tourism demand in relation to the perception of household spending on a luxury good. In the United Kingdom this has manifested itself (alongside a depreciating sterling currency) with the resurgence of domestic tourism (alongside similar campaigns in Australia) to retain this valuable economic spending within the national economy. Combined with these economic conditions is a growing shift towards taxing travel due to the recognition of the carbon consumed by holidays and travel which will make tourism a more expensive good in many countries in the long-term.

Against this background of economic changes are the impact on the behaviour of the future visitors and Case Study 11.2 below, highlights some key findings and insights from a recent report for Amadeus.

Case Study 11.2 Key findings and insights from The Travel Gold Rush 2020

Amadeus recently commissioned a study to explore the trends shaping the future of travel, specifically focused on the challenges and opportunities facing airlines and agents. The report looks at potential new revenue opportunities and drivers of profitability, new models driving future growth and changing traveller tastes and preferences. The following key points are highlighted:

The big picture:

- The global travel industry is making an uneven recovery from the recession.
- Asia will represent one third of travel spending by 2020 up from 21% today.

Options for growth:

- Ancillary services offer new opportunities but they may not be the silver bullet to revenue growth that many expect
- Airlines and agents must explore new models that take a more comprehensive view of the total travel experience.

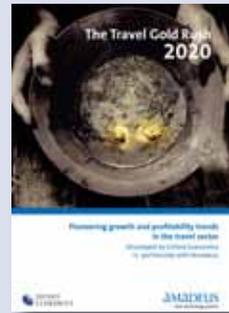
The future revealed:

- Traditional cabin classes to be replaced by “virtual classes” as individual traveller preferences create a personalised experience.
- Face-to-face (F2F) travel agents set to become more highly valued

Exploring new frontiers:

- Richer, older and going somewhere demographic changes will alter Western travel.
- Business travel will recover from the recent recession but business class may face changes.
- Emerging nations’ travel habits remain the great unknown

See <http://www.amadeus.com/amadeus/goldrush2020.html>



Source: Oxford Economics in partnership with Amadeus (2010b), *The Travel Gold Rush 2020*

11.6

Tourism in the future



We conclude the chapter with a commentary from Stephanie Draper, Director, Change Strategies, Forum for the Future in which she discusses four possible scenarios for tourism in the next 20 years.



Commentary from Stephanie Draper, Director, Change Strategies, Forum for the Future: What could the next 20 years of tourism look like?

We can't predict the future, but instead Forum for the Future uses visions and scenarios to offer vivid images of possible futures. The Tourism 2023 project explored how the tourism industry might change in the next couple of decades.

The pace of change in the tourism sector looks set to accelerate. Our world is becoming crowded and available resources scarce. By the mid-2020s, the UN expects the world population to grow to eight billion. That's an additional 1.3 billion people, who will place dramatic new demands on the planet. By 2025, 1.8 billion people are expected to be living in water scarce regions²³. At same time the middle classes of countries like China and India will potentially reshape global tourism flows. Climate change will also have dramatic impacts on how, where and when (and even if) people travel. We are more connected than even before and digital media is developing rapidly.



We can be relatively certain that these changes are going to have an impact, but they could play out in a number of different ways. The following four scenarios explore a range of questions to give us four different plausible futures, any of which could be the shape of things to come.



1. Boom and burst

So in 2025 we could be living in a world where people are affluent and travelling far and wide. This has been made possible by rapid advances in technology, such as the breakthrough in algae-based fuels (IATA estimates commercial certification of biofuels is possible as early as 2010-11²⁴). In this world the most advanced technologies have been deployed early, enabling tourism to keep pace with regulation and rising energy and carbon prices. But expensive trade-offs have been needed and the travel industry has effectively financed the decarbonisation of other sectors of the economy, which has made margins tighter than ever.

People travel for lots of different things. Masses of people go on cheap medical and beauty tourism breaks to Costa Rica and India. But some destinations are at breaking point. Some 'ration' their visitors in the same way that the Galapagos Islands do today²⁵. Visitors in London, Paris and New York are herded between attractions and overcrowding often ruins wilderness experience. This is a growth world but it is full of tensions that need addressing.

23. Food and Agricultural Organization, United Nations, 14 February 2007

24. AFP, 31 March 2009

25. The Daily Telegraph, 4 February 2009

2. Divided disquiet

A toxic combination of devastating climate change impacts, wars over scarce resources and social unrest has created an unstable world. Protectionism is strong and global trade has shrunk. Tight security and additional visa checks make travel cumbersome and time-consuming for holidaymakers.

Visitors are highly selective in where and when they travel, cramming into a small number of destinations where overcrowding compounds the problems. “Doomsday tourism” where visitors rush to see fast-disappearing attractions is popular in the glacier parks of Patagonia and the bleached corals of Australia’s Great Barrier Reef.

Many people are starting to think it is not worth the hassle. And breakthroughs in technology have helped a move towards more virtual experiences. This is especially popular with business as the availability, convenience and cost of advanced videoconferencing or telepresencing enable them to cut costs. By some estimates, up to 20% of global business travel could be substituted by such technologies by 2020²⁶. This means fewer air routes, closing them to many holidaymakers, but instead they can take up opportunities for gaming holidays and more virtual experiences very popular with the youth market.

3. Price and privilege

The very high oil price has made travel punitively expensive. Dwindling supplies and rising demand from the new economies of Asia have pushed energy prices into a series of sharp and unpredictable spikes. The travel industry has been badly hit and aviation has shrunk dramatically.

Cost is the primary concern for holidaymakers as everyone asks: how far can I get for my money? Although a small, elite market continues to fly regularly, the vast majority of people simply cannot afford to. People save

up for years to go overseas or join the new mass market of overland connections. Pan-European rail, bus and sea networks offer the most cost-effective means of travel for most people. State-of-the-art super-hubs provide seamless connections between different parts of the comfortable and affordable system of overland travel.

4. Carbon clampdown

In this final scenario, it is peoples’ attitudes and government behaviour that shift. A number of governments have introduced tradable carbon quotas for all households to tackle climate change, following strong public support to tackle climate shocks. Individual allowances are seen as the fairest way of allocating the “right to pollute” equally. The economy is more localised, and disposable incomes are low following a long recession. Peer-to-peer holidaying allows people to “swap lives” with another family in another part of the world. For holidaymakers the purpose and real costs of travel have changed: what you are doing is more important than where you are. Ethical travel is a new mass market, and some governments encourage this with a carbon rebate for volunteering whilst abroad.

All of these futures are plausible, the reality is that characteristics from all these possible futures will be part of the future of the industry. What we can be sure of is that business as usual is not going to be an option. The industry will need to change and adapt. There are risks in all these, but opportunities too. Thinking ahead and planning for the long-term is an essential part of any organization’s strategic planning. The four Tourism 2023 scenarios are considered invaluable tools for policy testing, strategy development and innovation.

26. Smart 2020, The Climate Group, 2008

11.7

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Glossary of key terms

- **Benchmarking** - making comparisons with other organizations and then learning the lessons that those companies throw up.
- **Competitiveness** the essence of competitiveness is the process of competition which is at the heart of the free market economy, where businesses, and in this case tourist destinations, compete for tourists.
- **Consortium** – A pooling of resources to gain a benefit which could not be afforded individually.
- **Convergence** when multiple media products and services come together to form one product and service with the advantages of all of them.
- **Cooperative marketing** an agreement among partners to market products or services through a joint promotion.
- **Corporate Social Responsibility** - is a voluntary form of self-regulation by businesses where they set out to monitor their own adherence to rules, regulations, ethical standards and laws.
- **Crisis** - an undesired, extraordinary, often unexpected and timely limited process with ambivalent development possibilities.
- **Destination brand** - a unique combination of product characteristics and added values, both tangible and non-tangible. The brand is not only a trademark (logo, strapline or icon), but an experience and image that signals a value system and positioning. It establishes the kind of experience that the visitor can expect from the destination.
- **Destination management** - the co-ordinated management of all the elements that make up a destination (attractions, amenities, access, marketing and pricing). Destination management takes a strategic approach to link-up these separate entities for the better management of the destination.
- **Destination marketing organization (DMO)** the organization which will lead the coalition of many organizations and interest working towards a common goal and which are required for destination management. Also known as tourist boards.
- **Domestic tourism** comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism trip or part of an outbound tourism trip.
- **Ecotourism** - "Responsible travel to natural areas that conserves the environment and improves the well-being of local people." (International Ecotourism Society, 1990)
- **Forecasting** - a process whereby future changes in demand are calculated: forecasting attempts to make estimations of future demand using a range of possible scenarios to assess the likely scale of change
- **Global Code of Ethics for Tourism** - a frame of reference for the responsible and sustainable development of world tourism. It draws inspiration from many similar declarations and industry codes that have come before and it adds new thinking that reflects our changing society at the beginning of the 21st century.
- **Global Sustainable Tourism Criteria** a set of 37 voluntary standards representing the minimum that any tourism business should aspire to reach in order to protect and sustain the world's natural and cultural resources while ensuring tourism meets its potential as a tool for poverty alleviation.
- **Green economy** – the process of reconfiguring businesses and infrastructure to deliver better returns on natural, human and economic capital investments while at the same time reducing greenhouse gas emissions, extracting and using fewer natural resources, creating less waste and reducing social disparities.
- **Human Resource Management (HRM)** - is about employment management, focused on managerial needs to employ, deploy and effectively manage the human element. It encompasses the planning, management, monitoring and control of human resources which should be aligned to the strategic objectives of the tourism organization
- **Inbound tourism** comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.
- **Innovation** is a process which allows businesses and organizations to perform their activities and

functions in new ways that will enable them to become more efficient, profitable and competitive and ensure the continual improvement of the visitor experience

- **International tourism** comprises inbound tourism plus outbound tourism, that is to say, the activities of resident visitors outside the country of reference, either as part of domestic or outbound trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.
- **Joint venture** a cooperative project where the partners pursue an opportunity and in some cases, the initiative can assume a corporate entity.
- **Knowledge management** A process associated with identifying relevant knowledge, capturing that knowledge and then transferring and sharing that knowledge with others (within and outside of the organization). Also includes optimisation and effective management of the flow of knowledge.
- **Market segmentation** a framework for understanding different tourists and their motivations
- **Multi-stakeholder process (or Collaboration)** Action that involves more than one type of stakeholder. This will normally involve stakeholders with different core purposes and overall interests, although their interests may coincide or be mutually supportive in terms of the specific collaborative actions taken.
- **Organizational networks (networks)** A multi-organization alliance in which member businesses collaborate to meet common objectives.
- **Outbound tourism** comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.
- **Partnership** A group of collaborating stakeholders who are engaged together in taking action and who may be described as partners. The partnership may be formalised with a legal agreement or it may be an informal and loose working arrangement.
- **Pro-poor tourism** - tourism which is used strategically to help reduce poverty.
- **Public-Private Tourism Partnerships** The forming of formal or informal partnerships between different organizations with varying philosophies towards how tourism should be managed and developed. The public sector has a wider public interest as its main desired outcome whereas private sector businesses are ultimately concerned with their business turnover and profitability. The merging of the two different interest groups should ideally help to develop a more holistic approach towards tourism development and management where the groups work in harmony rather than in potential conflict.
- **Social media** - are media for social interaction, using highly accessible web-based technologies
- **Stakeholders** Any individual, community, group or organization with an interest in the outcome of an activity, either by being affected by it or by influencing it. Typically stakeholder bodies may fall into one of the three types: Government or the public sector (national and local government); business or the private sector; civil society, including NGOs, charities, voluntary bodies, community and educational organizations (e.g. universities and research institutes).
- **Strategic alliance** a longer term agreement to achieve common objectives and can involve smaller or larger organizations. The term strategic is used to describe the objectives of the alliance which are vital to a business or market development strategy.
- **Sustainable tourism** sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability.
- **Tourism destination** - A local tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and

network to form larger destinations.

- **Tourism as a force for societal growth** - discusses tourism in terms of additional direct benefits, enhancements and contributions which tourism can bring to people and communities.
- **Tourist experience** – The overall impression a visitor attaches to their encounter with a specific place, event, holiday or activity.
- **Tourism expenditure** refers to the amount paid for the acquisition of consumption of goods and services as well as valuables for own use or to give away for and during tourism trips.
- **Tourism industries** the activities that typically produce tourism characteristic products.
- **Tourism Satellite Account (TSA)** a statistical tool for the economic accounting of tourism.
- **Tourism sector** as contemplated by the TSA, is the cluster of production units in different industries that provide consumption goods and services demanded by visitors.
- **Tourist** – A visitor is classified as a tourist if his / her trip includes an overnight stay.
- **User Generated Content (UGC)** online content created by end-users rather than by destinations or media owners.
- **Value chain relationship** where organizations in different industry sectors may link their skills together to create value.
- **Visitor** a visitor is a traveller making a trip to a main destination outside his / her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A visitor is classified as a tourist if his / her trip includes an overnight stay, or as a same day visitor otherwise.
- **Customer journey** - refers to a series of inter-connected stages from planning, through to booking, visiting and finally reflection.
- **Web 2.0** - web applications that facilitate interactive information sharing

List of abbreviations

ABTA	Association of British Travel Agents
ASVA	Association of Scottish Visitor Attractions
ATDW	Australian Tourism Data Warehouse
BM	Business Models
BRIC	Brazil, India, China, Russia
CBCVB	Convention & Visitors Bureaux Confederation
CBD	Convention on Biological Diversity
COP	Conference of the Parties
CSR	Corporate Social Responsibility
CVBx	Convention & Visitors Bureaux
DMO	Destination Management Organization
DQM	Destination Quality Management
DSTA	Dominican Sustainable Tourism Alliance
E&R	Educations and Research Initiatives
e-HR	Electronic Human Resources
EMG	Environmental Management Group
ETC	European Travel Commission
F2F	Face-to-face
GATS	General Agreement on Trade in Services
GCET	Global Code of Ethics for Tourism
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GPS	Global Positioning System
GSM	Global System for Mobile Communication
GSTC	Global Sustainable Tourism Criteria
GVA	Gross Value Add
GW	George Washington University
HNTO	Hungarian National Tourist Office
HR	Human Resources
HRD	Human Resource Development
HRM	Human Resource Management
IATA	International Air Transport Association
ICTHR	International Centre for Tourism and Hospitality Research
ICTs	Information Communication Technologies
ICZM	Integrated Coastal Zone Management

IETV	Internet-enabled TV
IFITT	International Federation for IT and Travel and Tourism
IFTTA	International Forum of Travel and Tourism Advocates
IHR	International Health Regulations
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IPDT	Instituto de Planeamento e Desenvolvimento do Turismo
ITDI	IATA Training and Development Institute
ITPOES	Industry Taskforce on Peak Oil & Energy Security
JTD II	Jordan Tourism Development Project II
KM	Knowledge Management
LCC	Low Cost Carrier
MDGs	Millennium Development Goals
MLT	Migration-led Tourism
NASCO	Namibia's Communal Conservancy Tourism Sector
NGO	Non-Governmental Organization
NTA	National Tourism Administration
NTO	National Tourist Organization
NTPI	Natural Tourism Partnerships Initiative
NTS	National Tourism Strategy
OECD	Organization for Economic Co-operation and Development
PATA	Pacific Asia Travel Association
PDA	Personal Digital Assistant
PMO	Provincial/Territorial Marketing Organizations
PPP	Public-Private Partnership
QA	Quality Assurance
RCM	Risk and Crisis Management
RETACDA Project	Reduction of Emissions in Terminal Areas using Continuous Decent Approach (CDA)
RoI	Return on Investment
SEGITTUR	Society for Innovation Management and Technology Tourism, SA

SEO	Search Engine Optimisation
SESAR programme	Single European Sky ATM Research Programme
SIDS	Small Islands Developing States
SME	Small and Medium Enterprise
SMS	Short Message Service (text)
SNV	Netherlands Development Organization
STF	Scottish Training Federation
STSC	Sustainable Tourism Stewardship Council
TERN	Tourism Emergency Response Network
TIAC	Tourism Industry Association of Canada
TIER	Tourism Industry Emergency Response
TIES	International Ecotourism Society
TKZN	Tourism KwaZulu-Natal
TLM	Tourism-led Migration
TRC	Tourism Resilience Committee
TSA	Tourism Satellite Account
TTCI	Travel and Tourism Competitiveness Index
TTF	Tourism and Transport Forum
UDHR	Universal Declaration on Human Rights
UGC	User Generated Content
UN	United Nations
UNDHA	United Nations Department of Humanitarian Assistance
UNDPI	Department of Public Information of the United Nations
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
USAID	United States Agency for International Development
VAT	Value Added Tax
VFR	Visiting Friends and Relatives
VICE	Visitor Industry Community Economy
VTC	Virtual Travel Community
WAP	Wireless Application Protocol

WCED	World Commission on Environment and Development
WHC	World Heritage Centre
WHO	World Health Organization
WiMAX	Worldwide Interoperability for Microwave Access
WLAN	Wireless Local Area Network
WMO	World Meteorological Organization
WSSD	World Summit on Sustainable Development
WTTC	World Travel and Tourism Council

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