

Tourism Industry and Its Multidisciplinary Character

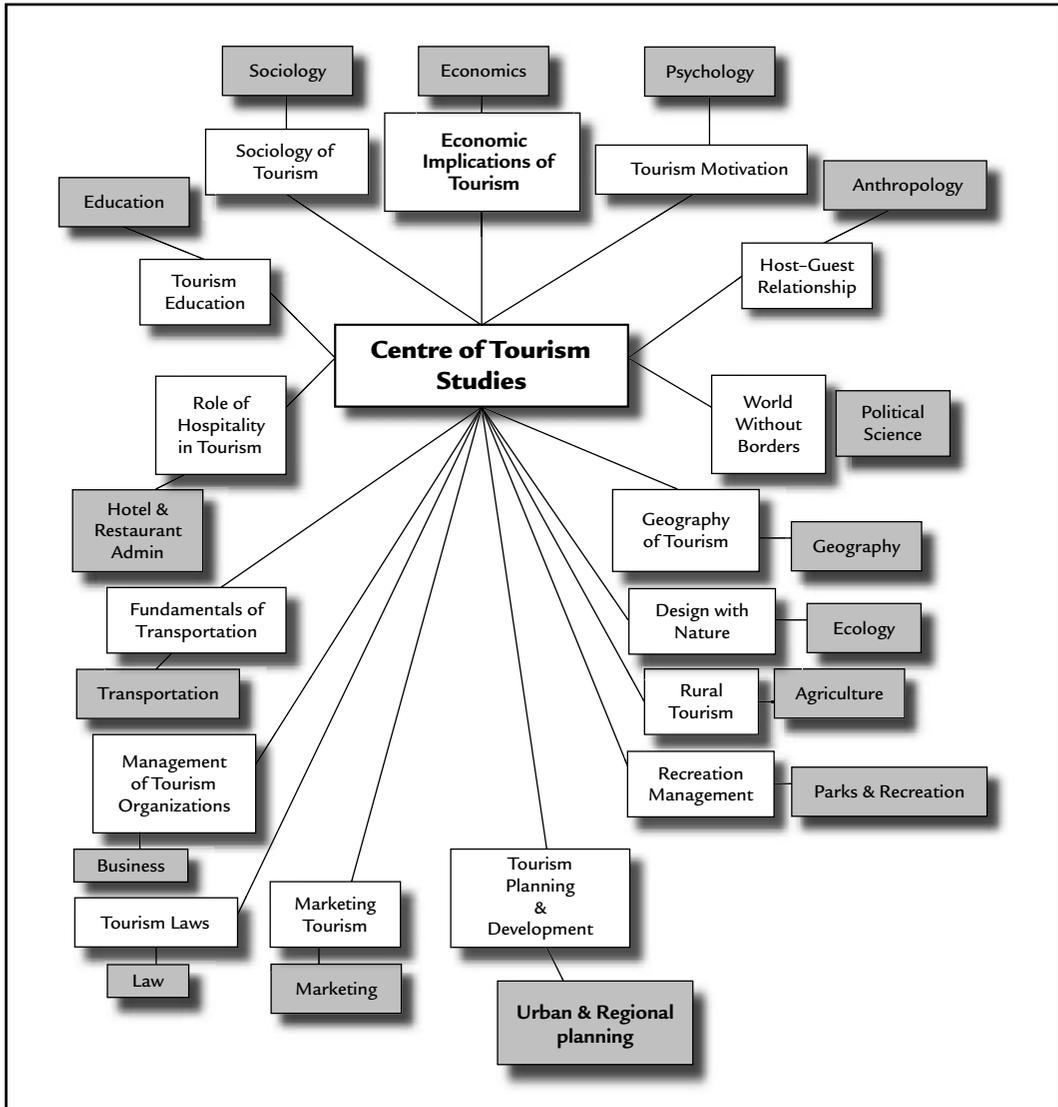
The tourism industry is, however, not a single identifiable sector of the economy; that is to say, it is not a single branch of production which can be defined in terms of the United Nations International Standard Industrial Classification of All Economic Activities. The goods and services (the product of the tourism industry) originate in several different industries and are often sold to both tourists and residents. In some industries, tourists consume the output only indirectly. Many countries consider international tourism a source of valuable foreign exchange to alleviate balance of payments problems. In recent years the job-generating potential of tourism has been increasingly emphasized. Advantages of tourism include the fact that it is a relatively labour intensive industry and that many job opportunities lie in low skill occupations where unemployment tends to be extremely serious. The importance of tourism in most countries has grown so rapidly that it has become necessary to include its economic contribution into national and regional accounts. Therefore the UN-WTO and some other organizations and countries proposed, through the United Nations Statistical Commission, such a change in national accounting procedures that would enable incorporation of the tourism sector (tourism characteristic products and services and tourism connected products and services).

Tourism characteristic products and services include accommodation and services of travel agents and tour operators. In other branches (providing tourism connected products and services) the line is not so clear. Their output is consumed both by tourists and visitors as well as by local people. Whereas air travel caters for tourists, regional and municipal public transport is used by both tourists and locals. The same can be said about restaurants and other catering facilities. In short, tourism connected industries are those where the relationship to tourists is even looser, however, there would be no tourism without their existence. Handicrafts, recreation, sports and entertainment facilities attract tourists, but the locals benefit from them as well. Government departments, non-governmental organizations, banks and other bodies provide the necessary background for the development of tourism. Educational institutions must prepare new professionals and offer life-long education and training to people already working in the tourism industry.

■ **single identifiable sector** = samostatně definovatelný sektor,
branch of production = výrobní odvětví, **resident** = místní obyvatel,
to alleviate = zmírnit, zmenšit, **job generating potential** = potenciál pro tvorbu
pracovních míst, **labour intensive** = náročný na pracovní sílu,

- **low skill occupation** = zaměstnání vyžadující nízkou kvalifikaci,
- economic contribution** = ekonomický přínos, **national accounts** = národní účty,
- looser relationship** = volnější vztah, **handicrafts** = řemesla,
- entertainment** = zábava, **to attract** = lákat, **non-governmental organisation** = nevládní organizace, **background** = zázemí

The Multidisciplinary Character of the Tourism Industry



The tourism industry is not limited to traditional tourist destinations any more. Changes in our lifestyle, interests and demands, together with the development of business and conference travel, have brought tourism business and thus new job opportunities to destinations where in the past tourists would never go. Regarding this new situation, managers in many different branches and positions have to deal directly or indirectly with issues of tourism. Some statistics of the European Union state that at least 6 % of the workforce of the EU are employed in tourism and concerning indirect employment, the situation can be described by the ratio 1:2. Thus, whether we like it or not, many people in the world are, or will be, affected by tourism even without leaving their home towns, and professional decisions of many managers in different positions may directly or indirectly affect tourism.

There are many aspects from the point of view of consumers, professionals and locals that should be taken into account to make the tourism industry effective.

- **destination** = turistická destinace (turisticky atraktivní místo), **workforce** = pracovní síla, **ratio** = poměr, **effective** = efektivní

□ Exercise 1

Discuss the relationships between tourism and individual sciences or branches as shown on the previous page. If you don't know what to talk about, you will find some hints for the discussion, seen from different perspectives, listed below. Answering some of the following questions may require basic knowledge of the tourism industry, personal experience and application of knowledge from other subjects studied at the university. If you lack proper expressions, consult other sections of this book or a dictionary.

Sociology: Why do people travel? Does a consumer's social position have any influence on his decision about the type of product he is going to buy? Does the saying "We must keep up with the Jones" also apply to tourism? What is the role of education in choosing a type of holiday? Are tourism products or tourist destinations subject to fashion? How important is disposable income of potential tourists?

Economics: Input-output analysis; Tourism Satellite Accounts; yield management; political constraints and incentives including taxation policies;

Psychology: Types of tourists; dealing with "difficult clients"; psychological barriers to travelling. Characterise people who prefer to travel in groups and those who travel independently. Why should they be handled in a different way? Tourism as a fashion; changing visitors' tastes and preferences;

Anthropology: Dealing with clients according to their types; solving problems with having in mind the saying "A guest is always right."

- Political Science:* Political stability; foreign affairs and diplomacy; types of barriers to travel; How can a government intervene (incentive and disincentive policies)? Visa policy (time demanding, costly, etc.); currency policy (unfavourable exchange rates, day limits, extra charges); customs policy can be either incentive or disincentive – give examples; “Europe without borders” and “Destination Europe” are two mottos of the EU. Can you explain them?
- Geography:* Tourist regions according to the WTO; characteristic features of regions and their strengths and weaknesses; proximity; accessibility; climate; risks; level of development; etc. One of the EU programmes is called “Interreg” and it is concerned with Euroregions. Explain the concept of an Euroregion and give examples of Euroregions in our country and abroad.
- Ecology:* Sustainable development of tourism, carrying capacities, Limits of Acceptable Change; zoning; site planning; landscaping; architectural design of buildings; Visitor Management Systems (controlling visitor flow); waste management; ecological means of transport within the destination;
- Agriculture:* Rural tourism; accommodation at farm houses (at operating farms); supply of local products;
- Parks and Recreation:* Attractions; holiday centres; theme parks; animation in resorts;
- Urban and Regional Development:* National heritage; tourism in historic town centres; tourist flow management; carrying capacities of a region, see also ecology; Discuss the links between the level of tourism and the infrastructure of the region. Which institutions and local authorities are vital for the development of the tourism industry? Discuss the benefits of tourism as an important job generator for local population.
- Marketing:* Supply-side and demand-side oriented market research; niche markets; target groups; advertising; promotional campaigns; in-house marketing; role of “word-of-mouth” marketing; loyalty programmes; special offers; ability of decision-makers to market and promote the destination effectively;
- Law:* Customer protection, contracts, documents, insurance policies; Unified legislation within the EU also requires unified terminology. This may

lead to some discrepancy in expressions used by the professionals and the public. The result is that the professionals should know both professional terms as well as general English words used for different products and services. Give examples. If you don't know any, you will find them later in this textbook. Laws on taxation can also be encouraging or discouraging for the development of the tourism industry.

Business: Structure of companies; competence; types of management; chains versus independent establishments and globalisation versus national identity; forms of ownership; human resources – recruitment, training;

Transportation: Accessibility; transport infrastructure; types of transport and their specifics; fleet planning; types of travel documents; loyalty programmes and their consequences for the number of passengers;

*Hotel and
Restaurant*

Administration: Specific features of running a hotel or an independent restaurant; types of rates; occupancy; specific features of jobs in hospitality; specific requirements on labour force, see also: business;

Education: Types of schools; in-house training courses; certificates and their compatibility.

Direct, Indirect and Induced Benefits of Tourism

The economic benefits of tourism are direct, indirect and induced. Direct benefits are those which are realized through direct tourist expenditures for products and services in the destination. Indirect benefits are generated by the circulation of the tourism expenditure in the destination through inter-business transactions in the domestic economy.

When the direct business receipts are used to purchase other goods and services from domestic suppliers, they stimulate income and employment in other sectors. The growth in income and employment results in induced benefits, such as higher levels of income and jobs in the local tertiary sector. The relationship between the direct tourism expenditure in the economy and the secondary effect of the expenditure upon the economy is expressed by tourism multipliers. However, since tourism multipliers can be calculated in different ways, it is not easy to compare the multipliers of different countries. They should be examined along with other measurements and indicators to determine positive and negative economic impacts of tourism on the economy.

- **induced benefit** = odvozený přínos, **tourism expenditure** = výdaje cestovního ruchu, **to generate** = vytvářet, **circulation** = oběh, **business receipts** = podnikové příjmy, **supplier** = dodavatel, **tourism multiplier** = multiplikátor cestovního ruchu, **to calculate** = vypočítat, **to examine** = zkoumat, sledovat, **measurement** = míra, **indicator** = ukazatel, **to determine** = stanovit

? Questions for Discussion:

1. How many international and domestic tourists visit your region?
2. Which aspects do you consider if you are making a decision about your holiday?
3. Which provisions would prevent you from going to some destination?
4. How important for you is a reference of your friends about a destination?



Language corner: Articles

THE is used with

- countries whose compound name includes a “common name” such as Emirates, Republic, Kingdom, States, Union, e.g. the United Kingdom (of Great Britain and Northern Ireland), the Czech Republic, the United States of America and the Netherlands; exception: the Sudan;
- island groups, e.g. the Canary Islands, the Shetlands;
- geographical regions whose name consists of more than one word , e.g. the Middle East;
- cardinal points, e.g. the North, the West;
- mountains, e.g. the Himalayas, the Alps;
- deserts, e.g. the Sahara
- oceans, seas and rivers, e.g. the Pacific, the Baltic Sea, the Thames;
- hotels, e.g. the Ritz
- unique institutions, e.g. the British Museum, the National Gallery, the Opera;

NO ARTICLE is used with

- countries whose name does not include any “common name”, e.g. Great Britain, America;
- individual islands, e.g. Ireland, Malta;
- individual mountains, e.g. Ben Nevis, Mount Everest;
- lakes, e.g. Loch Lomond;
- towns and streets, Dublin, Oxford Street;
- airports, railway stations, etc. e.g. Heathrow, Victoria Station;

□ Exercise 2

Complete the speech of a guide welcoming guests to a tour of Great Britain with an article where necessary.

Dear friends, let me welcome you on behalf of Sunny Tours to ... 1 ... 5-day tour of ... 2 ... Great Britain. I am sure, that some of you have already been to ... 3 ... United Kingdom, but I hope you will find the tour interesting, too. After a day in ... 4 ... London we will go to Scotland by coach. In London you are staying in ... 5 ... Mayfair Intercontinental hotel situated in the very centre of the town, in ... 6 ... Stratton Street. There is a sightseeing tour of London in the morning and time at your leisure in the afternoon. I would recommend a visit to ... 7 ... National Gallery to everyone interested in paintings. On Tuesday morning we are heading for the North of the country. After a stop-over in Edinburgh, ... 8 ... capital of ... 9 ... Scotland we will go to Aberdeen and explore its surroundings to the north of ... 10 ... River Dee. We will take a scenic road to Tormintoul, ... 11 ... highest village in ... 12 ... Highlands where we will join the Malt Whisky Trail. This is a signposted route featuring seven whisky distilleries, each with excellent interpretation facilities. You will also see a lot from the inland of Scotland as we will pass many tiny villages and glens on our way to Glasgow. The route will take us through ... 13 ... Grampians to the highest mountain of Great Britain, ... 14 ... Ben Nevis. Of course we cannot miss ... 15 ... Loch Ness famous for its mysterious Loch Ness Monster. We will also go along the shore of Loch Lommond, ... 16 ... largest area of fresh water in ... 17 ... British Isles. We will complete our tour in Glasgow where you will join the BA 776 flight back to ... 18 ... USA.

Where is the market going?

In 2004, world tourism was above all marked by the strong rebound of Asia and the Pacific after the SARS-induced setbacks in 2003, and by the return of the Americas to positive results. The recovery of the world economy, in particular of the economies of major American and European generating markets, together with the strength of the Asian economies, strongly contributed to the very good results in 2004.

In the past years tourism has also been characterized by the redistribution of tourism flows under the influence of exchange rates. Above all Europe has struggled to adapt to the increasing strength of the Euro as it is tough for destinations in the Euro Zone to compete with less expensive destinations elsewhere in the world. This is not only true for travellers from outside of Europe, but also for European travellers, for who prices outside the Euro Zone have dropped substantially.

The upswing of the world economy had a particularly positive impact on business tourism, which is nevertheless still recovering slower than leisure travel, but performing better than in the three previous years. 2004 was also a year of further consolidation of trends previously identified with respect to the consumer's profile: dynamic packaging

induced by Internet use and the continued expansion of low-cost airlines; independent travel; shorter stays and more holiday breaks; special interest travel, late booking and high price sensitivity, etc.

Long-haul traffic also rebounded strongly after three subdued years resulting in substantial growth in air traffic. 2004 also brought the continued good performance of the cruise industry.

(WTO World Tourism Barometer; Volume 3, No.1, January 2005)

- **setback** = pokles, **exchange rate** = směnný kurz, **upswing** = rozmach, **packaging** = sestavování zájezdů (prázdninových balíčků), **low-cost airlines** = nízkonákladové letecké společnosti, **late booking** = pozdní rezervace (zájezdy na poslední chvíli), **price sensitivity** = cenová vnímavost, **long-haul traffic** = dálkové lety, **subdued** = zde: slabý

Listening Comprehension 1: Prospects for 2004

You will hear a part of a speech given by a participant of a WTO conference. Listen and complete the sentences below:

1. The growth in international arrivals from January to August 2004 is estimated at
2. Bad figures of the previous years were affected by
3. SARS hit hardest
4. Asia and Pacific reported an increase of
5. In 2001-2003 North America experienced a period of
6. Leading tourism countries in Africa are
7. The growth in international arrivals in Africa is estimated at
8. Tourism growth in Europe seems to reach
9. The year 2004 showed a gradual recovery of
10. The results show that tourism has a great potential to