CHAPTER]

Tourism in Perspective

LEARNING OBJECTIVES

- Understand what tourism is and its many definitions.
- Learn the components of tourism and tourism management.
- Examine the various approaches to studying tourism and determine which is of greatest interest to you.
- Appreciate how important this industry is to the economy of the world and of many countries.
- Know the benefits and costs of tourism.



Tourism is visiting the exquisite canaled city of Venice, Italy; exploring the waterways and walkways; riding in a gondola; taking the *vaporetti* (public "bus" ferries); admiring the bridges, museums, palaces, and churches. This magical city with its unique beauty provides tourists from all over the world enjoyment. *Photo courtesy of © PhotoDisc, Inc./Getty Images.*

INTRODUCTION

Bon Voyage!

You are setting off on a voyage to learn about the subject of **tourism**. Assuming that the forecasters and futurists are correct, you are studying the world's largest industry. Tourism is alive with dynamic growth, new activities, new destinations, new technology, new markets, and rapid changes. Record numbers of tourists are traveling the globe, attracted by an increased variety of tour packages, cruises, adventure experiences, and independent itineraries. All of these visitors and the activities they generate change local communities. They have an economic and social impact that cannot be ignored. In today's society, attention must be paid to environmental issues, cultural issues, economic issues, the way landscapes are created to appeal to tourists, and how tourists behave.

The tourism industry is global. It is big business and will continue to grow. Meeting this growth with well-planned, environmentally sound development is a challenge for planning all over the world, whether it is Indonesia, Nepal, the United States, Australia, Thailand, or France. The goal of this chapter and the book is to raise issues, provide frameworks, and generate your thoughtful consideration of the issues and changes facing this complex field as it operates in an increasingly technological and global age.

WHAT IS TOURISM?

When we think of tourism, we think primarily of people who are visiting a particular place for sightseeing, visiting friends and relatives, taking a vacation, and having a good time. They may spend their leisure time engaging in various sports, sunbathing, talking, singing, taking rides, touring, reading, or simply enjoying the environment. If we consider the subject further, we may include in our definition of tourism people who are participating in a convention, a business conference, or some other kind of business or professional activity, as well as those who are taking a study tour under an expert guide or doing some kind of scientific research or study.

These visitors use all forms of transportation, from hiking in a wilderness park to flying in a jet to an exciting city. Transportation can include taking a chairlift up a Colorado mountainside or standing at the rail of a cruise ship looking across the blue Caribbean. Whether people travel by one of these means or by car, motorcoach, camper, train, taxi, motorbike, or bicycle, they are taking a trip and thus are engaging in tourism. That is what this book is all about—why people travel (and why some don't) and the socioeconomic effects that their presence and expenditures have on a society.

Any attempt to define tourism and to describe its scope fully must consider the various groups that participate in and are affected by this industry. Their perspectives



In the United States, the definition of a person-trip is one person traveling 50 miles (one way) or more away from home, or staying overnight regardless of distance. U.S. residents take over two billion person-trips a year—mostly by motor vehicle on the nation's highways. *Courtesy of The Adirondack Regional Tourism Council.*

are vital to the development of a comprehensive definition. Four different perspectives of tourism can be identified:

- 1. The tourist. The tourist seeks various psychic and physical experiences and satisfactions. The nature of these will largely determine the destinations chosen and the activities enjoyed.
- 2. The businesses providing tourist goods and services. Businesspeople see tourism as an opportunity to make a profit by supplying the goods and services that the tourist market demands.
- **3.** The government of the host community or area. Politicians view tourism as a wealth factor in the economy of their jurisdictions. Their perspective is related to the incomes their citizens can earn from this business. Politicians also consider the foreign exchange receipts from international tourism as well as the tax receipts collected from tourist expenditures, either directly or indirectly. The government can play an important role in tourism policy, development, promotion, and implementation (see Chapter 15).
- **4.** The host community. Local people usually see tourism as a cultural and employment factor. Of importance to this group, for example, is the effect of the interaction between large numbers of international visitors and residents. This effect may be beneficial or harmful, or both.

Thus, tourism may be defined as the processes, activities, and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities, and surrounding environments that are involved in the attracting and hosting of visitors. (See the Glossary for definitions of tourist and excursionist.)

Tourism is a composite of activities, services, and industries that deliver a travel experience: transportation, accommodations, eating and drinking establishments, shops, entertainment, activity facilities, and other hospitality services available for individuals or groups that are traveling away from home. It encompasses all providers of visitor and visitor-related services. Tourism is the entire world industry of travel, hotels, transportation, and all other components that, including promotion, serve the needs and wants of travelers. Finally, tourism is the sum total of tourist expenditures within the borders of a nation or a political subdivision or a transportation-centered economic area of contiguous states or nations. This economic concept also considers the income multiplier of these tourist expenditures (discussed in Chapter 14).

One has only to consider the multidimensional aspects of tourism and its interactions with other activities to understand why it is difficult to come up with a meaningful definition that will be universally accepted. Each of the many definitions that have arisen is aimed at fitting a special situation and solving an immediate problem, and the lack of uniform definitions has hampered the study of tourism as a discipline. Development of a field depends on: (1) uniform definitions, (2) description, (3) analysis, (4) prediction, and (5) control.



Tourism is relaxing and enjoying a beautiful beach. The tranquillity of St. Martin offers a quiet escape from the complexities of the modern world. *Photo courtesy of the Le Meridian Le Domaine, St. Martin.* Modern tourism is a discipline that has only recently attracted the attention of scholars from many fields. The majority of studies have been conducted for special purposes and have used narrow operational definitions to suit particular needs of researchers or government officials; these studies have not encompassed a systems approach. Consequently, many definitions of tourism and the tourist are based on distance traveled, the length of time spent, and the purpose of the trip. This makes it difficult to gather statistical information that scholars can use to develop a database, describe the tourism phenomenon, and do analyses.

The problem is not trivial. It has been tackled by a number of august bodies over the years, including the League of Nations, the United Nations, the United Nations World Tourism Organization (UNWTO), the Organization for Economic Cooperation and Development (OECD), the National Tourism Resources Review Commission, and the U.S. Senate's National Tourism Policy Study.

The following review of various definitions illustrates the problems of arriving at a consensus. We examine the concept of the movement of people and the terminology and definitions applied by the United Nations World Tourism Organization and those of the United States, Canada, the United Kingdom, and Australia. Later, a comprehensive classification of travelers is provided that endeavors to reflect a consensus of current thought and practice.

United Nations World Tourism Organization Definitions

The International Conference on Travel and Tourism Statistics convened by the United Nations World Tourism Organization (UNWTO) in Ottawa, Canada, in 1991 reviewed, updated, and expanded on the work of earlier international groups. The Ottawa Conference made some fundamental recommendations on definitions of tourism, travelers, and tourists. The United Nations Statistical Commission adopted the UNWTO's recommendations on tourism statistics on March 4, 1993.

Tourism

The UNWTO has taken the concept of tourism beyond a stereotypical image of "holiday making." The officially accepted definition is: "Tourism comprises the activities of persons traveling to and staying in places outside their **usual environment** for not more than one consecutive year for leisure, business, and other purposes." The term *usual environment* is intended to exclude trips within the area of usual residence, frequent and regular trips between the domicile and the workplace, and other community trips of a routine character.

1. International tourism

- a. Inbound tourism: Visits to a country by nonresidents
- b. Outbound tourism: Visits by residents of a country to another country
- 2. Internal tourism: Visits by residents and nonresidents of the country of reference
- 3. Domestic tourism: Visits by residents of a country to their own country

4. National tourism: Internal tourism plus outbound tourism (the resident tourism market for travel agents, airlines, and other suppliers)

Traveler Terminology for International Tourism

Underlying the foregoing conceptualization of tourism is the overall concept of traveler, defined as "any person on a trip between two or more countries or between two or more localities within his/her country of usual residence." All types of travelers engaged in tourism are described as **visitors**, a term that constitutes the basic concept of the entire system of tourism statistics. International visitors are persons who travel for a period not exceeding twelve months to a country other than the one in which they generally reside and whose main purpose is other than the exercise of an activity remunerated from within the place visited. Internal visitors are persons who travel to a destination within their own country, that is outside their usual environment, for a period not exceeding twelve months.

All visitors are subdivided into two further categories:

- Same-day visitors: Visitors who do not spend the night in a collective or private accommodation in the country visited—for example, a cruise ship passenger spending four hours in a port or day-trippers visiting an attraction
- **2.** Tourists: Visitors who stay in the country visited for at least one night—for example, a visitor on a two-week vacation

There are many purposes for a visit—notably pleasure, business, and other purposes, such as family reasons, health, and transit.

United States

The Western Council for Travel Research in 1963 employed the term **visitor** and defined a **visit** as occurring every time a visitor entered an area under study. The definition of **tourist** used by the National Tourism Resources Review Commission in 1973 was: "A tourist is one who travels away from home for a distance of at least 50 miles (one way) for business, pleasure, personal affairs, or any other purpose except to commute to work, whether he stays overnight or returns the same day."

The Travel Industry Association of America (TIA) research department defines a person-trip as one person traveling 50 miles (one way) or more away from home or staying overnight, regardless of distance. Trips are included regardless of purpose, excluding only crews, students, military personnel on active duty, and commuters.

Canada

In a series of quarterly household sample surveys known as the Canadian Travel Survey that began in 1978, trips qualifying for inclusion are similar to those in the United States. The 50-mile figure was a compromise to satisfy concerns regarding the accuracy of recall for shorter trips and the possibility of the inclusion of trips completed entirely within the boundaries of a large metropolitan area such as Toronto.

The determination of which length of trip to include in surveys of domestic travel has varied according to the purpose of the survey methodology employed. Whereas there is general agreement that commuting journeys and one-way trips should be excluded, qualifying distances vary. The province of Ontario favors 25 miles.

In Canada's international travel surveys, the primary groups of travelers identified are nonresident travelers, resident travelers, and other travelers. Both nonresident and resident travelers include both same-day and business travelers. Other travelers consist of immigrants, former residents, military personnel, and crews.

United Kingdom

The National Tourist Boards of England, Scotland, and Northern Ireland sponsor a continuous survey of internal tourism, the United Kingdom Tourism Survey (UKTS). It measures all trips away from home lasting one night or more; these include: (1) trips taken by residents for holidays, (2) visits to friends and relatives (nonholiday), or (3) trips taken for business, conferences, and most other purposes. In its findings, the UKTS distinguishes between holiday trips of short (one to three nights) and long (four-plus nights) duration.

The International Passenger Survey collects information on both overseas visitors to the United Kingdom and travel abroad by U.K. residents. It distinguishes five different types of visits: holiday independent, holiday inclusive, business, visits to friends and relatives, and miscellaneous.

Australia

The Australian Bureau of Industry Economics in 1979 placed length of stay and distance traveled constraints in its definition of *tourist* as follows: "A person visiting a location at least 40 kilometers from his usual place of residence, for a period of at least 24 hours and not exceeding 12 months."

In supporting the use of the UNWTO definitions, the Australian Bureau of Statistics notes that the term "*usual environment* is somewhat vague." It states that "visits to tourist attractions by local residents should not be included" and that visits to second homes should be included only "where they are clearly for temporary recreational purposes."

Comprehensive Classification of Travelers

The main types of travelers are indicated in Figure 1.1. Shown is the fundamental distinction between residents and visitors and the interest of travel and tourism practitioners in the characteristics of nontravelers as well as travelers. The figure also reflects

the apparent consensus that business and same-day travel both fall within the scope of travel and tourism.

Placed to one side are some other types of travelers generally regarded as being outside the area of interest, although included in some travel surveys. Foremost among these exclusions are commuters, who seem to fall outside the area of interest to all in the travel and tourism community. Other travelers generally excluded from studies on travel and tourism are those who undertake trips within the community, which for convenience are described arbitrarily as trips involving less than a specific one-way distance, such as 50 miles. These "other travelers" have been focused on in the Nationwide Personal Transportation Surveys conducted by the U.S. Department of Transportation. The broad class of travelers categorized as migrants, both international and domestic, is also commonly excluded from tourism or travel research, on the grounds that their movement is not temporary, although they use the same facilities as other travelers, albeit in one direction, and frequently require temporary accommodation on reaching their destination. The real significance of migration to travel and tourism, however, is not in the one-way trip in itself, but in the long-run implications of a transplanted demand for travel and the creation of a new travel destination for separated friends and relatives.

Other groups of travelers are commonly excluded from travel and tourism studies because their travel is not affected by travel promotion, although they tend to compete for the same types of facilities and services. Students and temporary workers traveling purely for reasons of education or temporary employment are two leading examples. Another frequently excluded group consists of crews, although they can be regarded as special subsets of tourists.

Of those travelers directly within the scope of travel and tourism, basic distinctions are made among those whose trips are completed within one day. The sameday visitors are also called day-trippers and **excursionists** because they stay less than twenty-four hours. While they are important travelers, their economic significance pales in comparison to travelers who stay one or more nights. An additional meaningful division may also be made between those international travelers whose travel is between continents and those whose international travel is confined to countries within the same continent. In the case of the United States, the distinction is between (1) trips to or from the neighboring countries of Canada and Mexico or elsewhere in the Americas and (2) trips made to or from countries in Europe or on other continents.

The purposes of travel identified in Figure 1.1 go beyond those traditionally accepted because of the growing evidence that "visits to friends and relatives" (VFR) is a basic travel motivation and a distinctive factor in marketing, accounting for a major proportion of travel. In any event, "primary purpose" is an arbitrary concept because many journeys are undertaken for a combination of reasons, such as "business and vacation."



- (1) *Tourists* in international technical definitions.
- (2) *Excursionists* in international technical definitions.
- (3) Travelers whose trips are shorter than those that qualify for travel and tourism: e.g., under 50 miles (80 km) from home.
- (4) Students traveling between home and school only—other travel of students is within scope of travel and tourism.
- (5) All persons moving to a new place of residence, including all one-way travelers, such as emigrants, immigrants, refugees, domestic migrants, and nomads.





Tourism is engaging in unique experiences like riding elephants in interesting destinations such as Thailand. Photographs Copyright © 2003 IMS Communications Ltd. www.picture-gallery.com.

COMPONENTS OF TOURISM AND TOURISM MANAGEMENT

Tourism is a complex phenomenon, one that is extremely difficult to describe succinctly. Any "model" of tourism must "capture" the composition—or components of the tourism system, as well as the key processes and outcomes that occur within



The ability of Las Vegas to amaze and entertain seems unlimited. Its re-creation of many of the world's best-known destinations and icons offers visitors an exciting experience. *Photo courtesy of Digital Vision.*

tourism. These processes and outcomes include the very essence of tourism, the travel experience, and the supporting means by which tourism is made possible. Figure 1.2 attempts to describe the complexity of the relationships among the many components of the tourism phenomenon.

The Tourist

The very heart of the tourism phenomenon model is unequivocally the **tourist** and the travel experiences that he or she seeks when visiting a tourism destination. In order for a destination to provide stimulating, high-quality experiences, it is critical that both policy makers and managers are able to understand tourists' motivation for pleasure





travel, as well as the multiple factors that influence their selection of a destination, their mode of travel, and their ultimate choice among the myriad activities that may fulfill their travel needs. It is only when we understand the tourist as fully as possible that we can proceed to develop the facilities, events, activities, and programs that will distinguish a given destination, thus making it uniquely attractive to the tourist.

Natural Resources and Environment

A fundamental dimension of the model—indeed, the very basis of much tourism—is the natural resources and environment component. Any given destination is primarily and unchangeably characterized by its **physiography** (the nature and appearance of its landscape) and its **climate** (the kind of weather it has over a period of years; i.e., the conditions of heat and cold, moisture and dryness, and wind). Finally, the third component of the natural environment is people. In the case of people, we must distinguish between two very important categories of individuals: (1) those who "belong" to the destination (its residents), and (2) those who are current or potential visitors to the destination (the tourism market).

The Built Environment

Another dimension of the tourism phenomenon is the built environment that has been created by humans. This built environment first includes the culture of the residents

Tourism is visiting the Indian Peaks Wilderness Area near Denver, Colorado, and marveling at all that nature has to offer. Outdoor recreationists recognize their responsibility to maintain the environmental integrity of the areas they explore. Photo by Richard Grant, courtesy of Denver Metro Convention and Visitors Bureau.



of the host region. As discussed in Chapter 10, the **culture** of a people reflects many dimensions of its past development and its current way of life. Culture is relatively a very permanent characteristic of a destination, and one that cannot (and should not) be changed simply to enhance tourism development.

The infrastructure of a tourism destination is yet another dimension that has not been put in place mainly to serve tourism. Such basic things as roads, sewage systems, communication networks, and many commercial facilities (supermarkets and retail stores) have been put in place to meet the needs of local residents. While these components of the infrastructure can also be important to visitors, their primary functions are related to the ongoing daily needs of residents. In contrast, a destination's **tourism superstructure** includes those facilities that have been developed especially to respond to the demands of visitors. The most obvious examples include hotels, restaurants, conference centers, car rentals, and major attractions. Because of their special tourism orientation, the characteristics of components of the superstructure are essentially determined by visitor wishes rather than resident desires, even though residents often desire many benefits from certain elements of the tourism superstructure.

Technology is one of the most recent, and still increasingly influential, dimensions of the built environment that is shaping the nature of both tourism products/services and travel experiences. In many ways, technology can be viewed as one of the most distinctive and most powerful characteristics of the built environment since the dawn of modern tourism following World War II. The advent of jet aircraft and the massive invasion of telecommunications technology, linked closely with computer technology, has had a dramatic impact on the very essence of the tourism phenomenon. Indeed, each of these aspects of technology has become so pervasive and so important that they, in fact, represent very specialized elements of both the tourism infrastructure and superstructure. However, because of their unique identification with the modern era of the built environment, each merits specific identification.

A recent addition to the built environment of a destination is that of **information**. Increasingly, the success of a destination is determined by its ability to assemble, interpret, and utilize information in an effective manner. Information is of several types: information concerning the potential tourism market, which is essential for destination design and development; information on the level of satisfaction of current visitors regarding the quality, or enjoyment, of their visitation experience; information regarding competitors and their activities; information concerning the functioning or performance of the destination in its efforts to profitably provide attractive experiences to visitors; and information concerning the extent to which residents of the host region understand and support tourism as a long-term component of the socioeconomic system.

Finally, a dimension of tourism that often receives inadequate attention is the overall system of **governance** within which the tourism system functions. This topic is discussed in greater detail in Chapter 15. For present purposes, it should be noted that the system of governance surrounding tourism (the legal, political, and fiscal systems regulating its functioning) has a profound impact on the ability of a destination

to compete in the international marketplace and subsequently plays a major role in determining the profitability of individual firms. While the system of governance of a country or region may be viewed as an evolutionary dimension of overall culture, it is subject to influence and change within an observable time frame. Sometimes these changes can be quite dramatic and can occur in a relatively short period of time in cultural terms. Recent high-profile examples include the worldwide phenomenon of deregulation and privatization and the more focused process of economic (and eventually social) integration brought about by the formation of regional trade blocs such as the European Union (EU) and the North American Free Trade Agreement (NAFTA). Parallel initiatives in Asia are Asia Pacific Economic Cooperation (APEC) and the Association of Southeast Asia Nations (ASEAN). Even more recently, the events of September 11, 2001, have incited many governments to introduce new regulations concerning airline travel and entry to countries that impact on both domestic and international travel.

Operating Sectors of the Tourism Industry

The operating sectors of the tourism industry represent what many of the general public perceive as "tourism." First and foremost, the **transportation** sector (see Figure 1.2), comprising of airlines, bus companies, and so on, tends to typify the movement of people and travel (see Chapter 5). The **accommodation** sector, which includes many well-known "brands" such as Hilton, Marriott, Howard Johnson, Best Western, and so on, is highly visible to the public. Similarly, the **food services** sector also contains a broad spectrum of brands and logos that have become part of every-day life in many communities. Examples include the world-famous fast food chains (McDonald's, Pizza Hut, Burger King, KFC) and internationally known gourmet restaurants such as Maxim's in Paris and Alfredo's in Rome. The accommodations and food service sectors are covered in Chapter 6.

The **attractions** sector also contains many well-known icons in the tourism industry. The undisputed leader of the attraction world is Disneyland/Walt Disney World. Other world-famous attractions include the upscale Louvre museum in Paris, France; the Hermitage in St. Petersburg, Russia; Marineland and Knott's Berry Farm in the United States; the pyramids in Egypt; Stonehenge in the United Kingdom; the Acropolis in Athens, Greece; and Niagara Falls, Canada. Attractions are the primary focus of Chapter 8.

Closely related to attractions is the **events** sector. Its icons include the Oktoberfest in Munich, Germany; the Calgary Stampede in Canada; the Mardi Gras of New Orleans and Rio de Janeiro, Brazil; the Boston Marathon; and the Super Bowl in the United States; as well as such transient events as World Cup Soccer and the International Summer and Winter Olympic Games.

The **adventure and outdoor recreation** sector is one of the most rapidly growing components of modern tourism. Changes in demographics, values, and lifestyles are creating increasing demand for activities such as golfing, skiing, snowboarding, white-water rafting, parasailing, hang gliding, mountain biking, and mountaineering. Most of these activities are characterized by both an element of thrill seeking and an element of being outdoors. An allied related desire for closeness to nature has given rise to the phenomenon of ecotourism, an ill-defined and often abused term for any type of travel activity in a natural setting (see Chapters 8 and 17).

At the other end of the "natural-manufactured" spectrum is the equally fast growing component of **entertainment**. Certain destinations, most notably Las Vegas, Nashville, and Branson, Missouri, have grown up on a heavy diet of world-famous entertainers. More traditionally, New York/Broadway and Los Angeles/Hollywood have used various aspects of the entertainment industry to consolidate their worldwide reputations as "must see" destinations.

Less glamorous, but still essential to the success and well-being of the tourism industry, are the travel **trade sector** and **tourism services** (see Chapter 7). The travel trade is composed of the retail travel agent and the wholesale tour operator. Both of these entities are critical to linking "experience suppliers" and the tourist. The multifaceted travel industry services sector provides yet another type of critical support for successful tourism. Computer support services, retail services, financial services, specialized consulting services, and tourism educators all make an important and usually unique contribution to the effective and efficient functioning of the complex tourism system. While the public (and even many firms themselves) do not identify themselves as part of the tourism juggernaut, the fact remains that, as soon as any one of these services becomes deficient, tourism suffers.

Spirit of Hospitality

As discussed above, the operating sectors of tourism are responsible for delivering high-quality, memorable experiences. Care must be taken, however, to wrap these experiences in a warm spirit of hospitality. Quite simply, it is not enough to deliver all the attributes of an experience in a cold or detached manner. Each individual visitor must feel that he or she is more than a source of cold cash revenue for the business or destination. Rather, visitors have a natural human desire for warm acceptance as they seek to enjoy the range of experiences the destination has to offer. As such, the challenge facing destinations is to deliver their experiences in a way that enables the visitors to believe they are welcome, that they truly are guests.

While tourists naturally recognize that they are transient visitors, destinations must first train industry personnel to treat the tourist with fairness, respect, and a level of politeness. Second, the destination must encourage its permanent residents to behave as friendly hosts to visitors who are in unfamiliar surroundings. They should convey a friendly attitude and, when required, offer basic information and a helpful hand. These small but important gestures will do much to foster a destination spirit of hospitality that will, in turn, greatly enhance the perceived value of all the other aspects of the visitation experience.



The Hobart, Tasmania, Australia Welcome sign is a visual handshake, one means that communities use to depict the warm hospitality that local residents wish to offer to all tourists when they visit their destination. Welcome centers and information centers are other means used. *Photo by author.*

Planning, Development, Promotion, and Catalyst Organizations

It is widely acknowledged that the success of tourism ultimately depends on the competence and ability of all of the operating sectors discussed above (i.e., the front line of tourism) to deliver a quality experience to each tourist—one person at a time. There is another hidden component of tourism that is equally important in determining the success of a tourism destination. It is known by the unwieldy name of **planning**, **development**, **promotion**, **and catalyst organizations** (PDPCO). It is the visionaries, policy makers, strategic planners, and individuals and groups who "make the right things happen" that are increasingly a determinant of successful tourism. In effect, in tourism it is as critical that we "do the right things" as that we "do things right." This means simply that policy makers need to ensure that their destination offers the kinds of travel experiences that are most appropriate to the visitor, always keeping in mind any limitations imposed by the resources of the destination.

Once the appropriate experiences have been identified through effective planning, it is essential to ensure that plans are translated into the facilities, events, and programs that are necessary to provide the visitor with the given experience "on the ground."

The organization responsible for providing the insight and leadership necessary to envisage and bring policies and plans into reality is increasingly referred to as the destination management organization (DMO). The specific identity of this organization depends on the "level" of the destination. In most countries, policy and planning involve two very important categories of stakeholders, namely, the public sector (governments) and the private sector (see Figure 1.2). At the **national** level, governments are usually represented by a national government tourism office (such as a department of tourism or a national tourism corporation). A national travel/tourism industry association typically represents the private sector.

At the **state/provincial** level, the public/private sector organizations are usually known respectively as the state/provincial government tourism office and the state/provincial travel industry association. The parallel equivalent at the **city/municipal** or **regional** level are local and city government tourism departments and local and city tourism associations or, more commonly, a convention and visitor bureau (CVB) (see Chapter 4).

The Importance of Integrated/Collaborative Planning and Development

One dimension of Figure 1.2 that is essential to note is the "wavy line" that forms the interface between the public and private sectors at all levels. This line is intended to convey the importance of integrated or collaborative planning and development efforts. Because both the public and private sectors each control (and often operate) an important percentage of tourism facilities, events, and programs, it is critical that policy, planning, and development efforts be continuously carried out within a joint, cooperative, collaborative organizational framework. Failure to acknowledge the importance of this reality leads only to antagonism, strife, and disjointed strategic planning and development. As such, each destination must strive to create DMOs where collaboration is built into the design. The actual name of the organization (be it a tourism authority, a tourism council, or a tourism partnership) matters little. What is important is the quality of the collaboration that occurs.

The Processes, Activities, and Outcomes of Tourism

Another dimension of Figure 1.2 that needs to be understood is the nature of the processes and activities that both surround and occur within the tourism system and that in the end create the outcomes that are the essence of the phenomenon we call tourism.

We have previously addressed the issue of organizing the components of tourism so that they work together effectively. As indicated, a common result of these organizational efforts is the creation of a DMO. For successful tourism, the DMO, in collaboration with all stakeholders, must define the tourism **philosophy** of the destination and formulate a supportive **policy**, **vision**, and **strategy** (see Chapter 15). These, in turn, provide direction and guidance for the detailed **planning** and **development** initiatives that will ultimately determine the nature and quality of the **experiences** the destination is capable of offering (see Chapter 16).

The availability of these "experience offerings" must be made known to potential visitors through effective **marketing**, defined in the broadest sense (see Chapter 19). Such marketing includes highly visible promotional efforts as well as the less glamorous dimensions of pricing and distribution of the travel products/experiences.

Successful marketing will attract a broad range of **visitors** whose **behaviors** provide them with enjoyment and the memorable experiences associated with these behaviors. These behaviors can give rise to both positive and negative **impacts**. The positive impacts pertain largely to the economic benefits (income and employment) that tourism provides. The negative impacts largely concern the ecological, social, cultural, and commemorative integrity of the destination.

The success of marketing efforts requires two subsequent activities. The first is a systematic **monitoring** of the levels and quality of visitation as well as visitor satisfaction regarding experiences and the destination (see Chapter 18). The second is a comprehensive program of **stewardship** to ensure that the success of tourism does not destroy the natural resources on which tourism depends so heavily (see Chapter 17).

The final activity that is essential to long-term success of tourism is an ongoing process of **evaluation**. Evaluation is simply an attempt to carefully assess the appropriateness, the effectiveness, the efficiency, and the overall performance of all components and processes in the tourism system. The results of the evaluation provide a critical source of information for the next ongoing stages of policy formulation, visioning, and strategic planning and development.

Careers in Tourism

All of the foregoing segments, sectors, and organizations require people to make the various processes work and to make the broad range of activities and experiences available to travelers. It is these "experiences" that are the tourism product, the intended outcome of the tourism phenomenon. The people in the tourism industry who provide these experiences, as in any industry, must perform a vast number of organizational functions. These functions range from relatively simple jobs to highly sophisticated and demanding tasks (see Chapter 3). All are important in providing a truly memorable vacation experience or efficient business travel.

The tourism industry is often characterized by the large number of front-line service jobs that must be performed for tourism to function effectively. For example, the accommodation sector requires bell staff, front desk staff, and room maintenance staff. The food services sector requires cooks, waitstaff, bartenders, and kitchen maintenance staff. The attractions sector requires facilitation and equipment operators, as do the entertainment, event, and transportation sectors. The adventure and outdoor

recreation sector needs guides and group leaders. The travel trade and tourism services sectors must have the personnel to assist travelers as they plan their trips and then to meet their many needs for information and assistance throughout their travel experiences. As can be surmised, the performance of the many tasks identified above requires many thousands of individuals who are trained to perform each specialized task in an effective and friendly manner.

But this is only the "face of tourism" that encompasses the many service jobs for which tourism is sometimes criticized, and even ridiculed. Behind this face (which incidentally provides many essential part-time and first-time jobs for students and less-skilled members of our society) are an extremely large number of highly attractive career positions that require sophisticated technical skills and/or managerial training. These career positions are attractive in two very different ways. First, they provide challenges equal to those in virtually any other industry. Second, the nature of tourism means that many of these careers are pursued in very attractive physical settings and among people who generally like to see others enjoy life. The career path of the manager of a large vacation resort, while just as challenging as the path of those in many other sectors, offers both an attractive income and a lifestyle that is simply not available in many other sectors or professions.

BASIC APPROACHES TO THE STUDY OF TOURISM

Tourism commonly is approached through a variety of methods. However, there is little or no agreement on how the study of tourism should be undertaken. The following are several methods that have been used.

Institutional Approach

The institutional **approach to the study of tourism** considers the various intermediaries and institutions that perform tourism activities. It emphasizes institutions such as the travel agency. This approach requires an investigation of the organization, operating methods, problems, costs, and economic place of travel agents who act on behalf of the customer, purchasing services from airlines, rental car companies, hotels, and so on. An advantage of this approach is that the U.S. Census Bureau conducts a survey every five years on selected services that includes travel agents and lodging places, thus providing a database for further study.

Product Approach

The product approach involves the study of various tourism products and how they are produced, marketed, and consumed. For example, one might study an airline seat—how it is created, the people who are engaged in buying and selling it, how it is financed, how it is advertised, and so on. Repeating this procedure for rental cars,

hotel rooms, meals, and other tourist services gives a full picture of the field. Unfortunately, the product approach tends to be too time-consuming; it does not allow the student to grasp the fundamentals of tourism quickly.

Historical Approach

The historical approach is not widely used. It involves an analysis of tourism activities and institutions from an evolutionary angle. It searches for the cause of innovations, their growth or decline, and shifts in interest. Because mass tourism is a fairly recent phenomenon, this approach has limited usefulness.

Managerial Approach

The managerial approach is firm-oriented (microeconomic), focusing on the management activities necessary to operate a tourist enterprise, such as planning, research, pricing, advertising, control, and the like. It is a popular approach, using insights gleaned from other approaches and disciplines. Although a major focus of this book is managerial, readers will recognize that other perspectives are also being used. Regardless of which approach is used to study tourism, it is important to know the managerial approach. Products change, institutions change, and society changes; this means that managerial objectives and procedures must be geared to change to meet shifts in the tourism environment. The *Journal of Travel Research* and *Tourism Management*, leading journals in the field, both feature this approach.

Economic Approach

Because of its importance to both domestic and world economies, tourism has been examined closely by economists, who focus on supply, demand, balance of payments, foreign exchange, employment, expenditures, development, multipliers, and other economic factors. This approach is useful in providing a framework for analyzing tourism and its contributions to a country's economy and economic development. The disadvantage of the economic approach is that whereas tourism is an important economic phenomenon, it has noneconomic impacts as well. The economic approach does not usually pay adequate attention to the environmental, cultural, psychological, sociological, and anthropological approaches. *Tourism Economics* is a journal utilizing the economic approach.

Sociological Approach

Tourism tends to be a social activity. Consequently, it has attracted the attention of sociologists, who have studied the tourism behavior of individuals and groups of

people and the impact of tourism on society. This approach examines social classes, habits, and customs of both hosts and guests. The sociology of leisure is a relatively undeveloped field, but it shows promise of progressing rapidly and becoming more widely used. As tourism continues to make a massive impact on society, it will be studied more and more from a social point of view.

A prime reference in this area is *The Tourist: A New Theory of the Leisure Class*, by Dean MacCannell (New York: Schocken Books, 1976). Erik Cohen, of the Hebrew University of Jerusalem, has made many contributions in this area. Graham M. S. Dann, of the University of Luton, United Kingdom, has been a major contributor to the tourism sociology literature as well.

Geographical Approach

Geography is a wide-ranging discipline, so it is natural that geographers should be interested in tourism and its spatial aspects. The geographer specializes in the study of location, environment, climate, landscape, and their economic aspects. The geographer's approach to tourism sheds light on the location of tourist areas, the movements of people created by tourism locales, the changes that tourism brings to the landscape in the form of tourism facilities, dispersion of tourism development, physical planning, and economic, social, and cultural problems. Because tourism touches geography at so many points, geographers have investigated the area more thoroughly than have scholars in many other disciplines. Because the geographers' approach is so encompassing—dealing with land use, economic aspects, demographic impacts, and cultural problems—a study of their contributions is highly recommended. Recreational geography is a common course title used by geographers studying this specialty. Because tourism, leisure, and recreation are so closely related, it is necessary to search for literature under all these titles to discover the contributions of various fields. Geographers were instrumental in starting both the *Journal of Leisure Research* and *Leisure Sciences*. Another journal, Tourism Geographies, was launched in February 1999 with the aim of providing a forum for the presentation and discussion of geographic perspectives on tourism and tourism-related areas of recreation and leisure studies.

Interdisciplinary Approaches

Tourism embraces virtually all aspects of our society. We have cultural and heritage tourism, which calls for an anthropological approach. Because people behave in different ways and travel for different reasons, it is necessary to use a psychological approach to determine the best way to promote and market tourism products. Because tourists cross borders and require passports and visas from government offices, and because most countries have government-operated tourism development departments, we find that political institutions are involved and are calling for a political science approach. Any industry that becomes an economic giant affecting the lives of many people attracts the attention of legislative bodies (along with that of the sociologists, geographers, economists, and anthropologists), which create the laws, regulations, and legal environment in which the tourist industry must operate; so we also have a legal approach. The great importance of transportation suggests passenger transportation as another approach. The fact simply is that tourism is so vast, so complex, and so multifaceted that it is necessary to have a number of approaches to studying the field, each geared to a somewhat different task or objective. Figure 1.3 illustrates the interdisciplinary nature of tourism studies and their reciprocity and mutuality. The *Annals of Tourism Research*, an interdisciplinary social sciences journal, is another publication that should be on the serious tourism student's reading list.



Figure 1.3 Disciplinary inputs to the tourism field. Adapted from Jafar Jafari, University of Wisconsin-Stout, Study of Tourism: Choices of Discipline and Approach.

The Systems Approach

What is really needed to study tourism is a systems approach. A system is a set of interrelated groups coordinated to form a unified whole and organized to accomplish a set of goals. It integrates the other approaches into a comprehensive method dealing with both micro and macro issues. It can examine the tourist firm's competitive environment, its market, its results, its linkages with other institutions, the consumer, and the interaction of the firm with the consumer. In addition, a system can take a macro-viewpoint and examine the entire tourism system of a country, state, or area and how it operates within and relates to other systems, such as legal, political, economic, and social systems.

ECONOMIC IMPORTANCE

The World Travel and Tourism Council (WTTC) has been measuring the economic impact of travel and tourism for the world, regions, and Organization for Economic Cooperation and Development (OECD) countries since 1991. In 1992 they released their first estimates indicating that travel and tourism is one of the world's largest industries and a generator of quality jobs. They continue their measurement efforts, and Table 1.1 shows their most recent world estimates for 2008 and forecasts for 2018. In 2008 the global travel and tourism industry was expected to generate

TABLE 1.1 World Economic Impact: Estimates and Forecasts

		2008			2018	
World	US\$ billion	% of Total	Growth	US\$ billion	% of Total	Growth
Personal Travel & Tourism	3,212	9.2	3.0	5,460	9.4	3.5
Business Travel	843	1.4	3.0	1,443	1.4	3.5
Government Expenditures	381	3.8	2.2	616	4.0	3.0
Capital Investment	1,354	9.4	3.7	3,146	9.8	5.6
Visitor Exports	1,118	5.8	3.1	2,189	5.4	5.3
Other Exports	985	5.1	5.1	1,984	4.9	6.0
Travel & Tourism Demand	7,892	10.1	3.3	14,838	10.3	4.4
T&T Industry GDP	2,008	3.4	2.7	3,362	3.2	3.3
T&T Economy GDP	5,890	9.9	3.0	10,855	10.5	4.0
T&T Industry Employment (000)	80,749	2.8	2.0	97,983	3.1	2.0
T&T Economy Employment (000)	238,277	8.4	2.4	296,252	9.2	2.2

Source: World Travel and Tourism Council.

\$5.89 trillion of economic activity and over 238.3 million jobs (direct and indirect). Travel and tourism is projected to grow to \$10.85 trillion of economic activity and over 296.3 million jobs by 2018.

Globally in 2008, the travel and tourism economy (direct and indirect) employment is estimated at 238,277,000 jobs, 8.4 percent of total employment, or 1 in every 11.9 jobs. By 2018, this should total 296,252,000 jobs, 9.2 percent of total employment, or 1 in every 10.8 jobs. The world travel and tourism economy's contribution to gross domestic product is expected to rise from 9.9 percent (\$5.89 trillion) in 2008 to 10.5 percent (10.85 trillion) in 2018.

The economic figures cited show that tourism has grown to be an activity of worldwide **importance** and **significance**. For a number of countries, tourism is the largest commodity in international trade. In many others, it ranks among the top three industries. Tourism has grown rapidly to become a major social and economic force in the world.

The 2008 WTTC estimates for the world is the eighth set of Tourism Satellite Accounting (TSA) that Oxford Economic Forecasting has prepared for WTTC. The first, commissioned in 2001, reengineered the models previously developed during the 1990s. The second, prepared in 2002, served an important role in helping to quantify the effects of the tragic events of September 11, 2001, on tourism. The third, in 2003, significantly upgraded and enhanced the quality, sophistication, and precision of the TSA research and presented a second (worst-case) scenario for the Iraq war. The 2004 research increased the world coverage by adding thirteen countries not previously included in the TSA research, bringing the total number of countries included to 174. The 2007 research is now firmly anchored in the international standard for tourism satellite accounting that was developed by UNWTO, OECD, and Eurostat, and approved by the United Nations Statistical Commission in 2000 (see Chapter 14 for further discussion of tourism satellite accounting). Visit the WTTC Web site (http://www.wttc.org) for the latest estimates and forecasts for 176 countries.

As tourism has grown, it has moved from being the province of the rich to being accessible to the masses, involving millions of people. The UNWTO attempts to document

STATISTICAL DATA AVAILABILITY

One of the problems in collecting and reporting statistical data for a book is the data lag. As this book was being revised, 2006 data were just becoming available. Unfortunately, data lags are increasing rather than decreasing. This disturbing reality is especially upsetting when one considers that travel is a dynamic and changing industry. The data in this book provide a perspective on the size and importance of the industry and its sectors. Users are encouraged to access the sources provided to update the information and determine if trends are continuing or changing. One of the best ways to do that is to get on the Internet. Web site addresses are provided in many cases to enable you to locate the latest information available.

tourism's growth in their annual publications entitled *Tourism Highlights* and *Compendium of Tourism Statistics*. Table 1.2 shows UNWTO international tourist arrival data up to 2006 and the strong rates of growth for the last several decades marred only by no growth in 2001 and a downturn in 2003. UNWTO states that tourism is the world's largest growth industry with long-term signs being very positive. Their study, *Tourism 2020 Vision*, forecasts that international arrivals will exceed 1 billion by 2010 and 1.6 billion by 2020. Whether the projections are made by UNWTO or WTTC, dramatic growth appears to be in the future forecasts.

UNWTO's 2003 estimate of 691 million tourist arrivals was a result of an exceptionally difficult year in which negative factors came together (the Iraq war, terrorism fears, the severe acute respiratory syndrome [SARS], and a persistently weak world economy), causing a 1.6 percent decline in arrivals compared to 2002.

Preliminary arrival data from UNWTO for 2007 shows international arrivals continued to show strong growth for the fourth year in a row, increasing to 898 million for a 6.1 percent gain over 2006.

Year	Arrivals (millions)	Percent of Growth
1950	25	—
1960	69	176
1970	166	141
1980	288	73
1990	456	58
1995	534	17
1996	570	7
1997	594	4
1998	611	3
1999	634	4
2000	682	8
2001	682	0
2002	702	3
2003	691	-2
2004	761	10
2005	803	5
2006	846	5
2007	898	6

TABLE 1.2 International Tourist Arrivals: 1950, 1960, 1970, 1980, 1990, 1995–2007

Source: United Nations World Tourism Organization (UNWTO).

Top Ten

The world's top ten tourism destinations are shown in Table 1.3. France ranks number one in tourism arrivals, with 79.1 million, followed by Spain, the United States, China, and Italy. These five leading destinations account for 33.2 percent of the world volume of tourism flows. The top ten countries account for about 46.9 percent of the flows. While this is a heavy geographical concentration, the trend is toward a gradual diversification with the emergence of new destinations in the Asia–Pacific regions. China has moved to fourth place and Thailand, Hong Kong, and Malaysia rank in the top twenty.

A similar concentration pattern emerges if countries are classified according to their tourism receipts. Table 1.4 shows the rank of countries by international tourism receipts, with the United States leading, followed by Spain, France, Italy, China, United Kingdom, Germany, Australia, Turkey, and Austria. In terms of receipts, the United States benefits from attracting a greater share of higher-spending, longer-staying, long-haul tourists than its European competitors, which rely more on shorthaul tourism. For world tourism statistics, a visit to the United Nations World Tourism Organization's Web site is a must: http://www.unwto.org.

Be alert to the fact that most tourism data go through a series of changes; first preliminary data are released allowing an early look at trends, then additional data become available improving the database, and revisions are made. Revision is a typical process for improving and reporting data. Make it a rule to always go to the source to get the latest data for tourism planning purposes.

		International Tourist Arrivals (million)		% Change	
Rank	Country	2005	2006 ^a	05/04	06/05
1	France	75.9	79.1	1.0	4.2
2	Spain	55.9	58.5	6.6	4.5
3	United States	49.2	51.1	6.8	3.8
4	China	46.8	49.6	12.1	6.0
5	Italy	36.5	41.1	-1.5	12.4
6	United Kingdom	28.0	30.1	9.2	7.3
7	Germany	21.5	23.3	6.8	9.6
8	Mexico	21.9	21.4	6.3	-2.6
9	Austria	20.0	20.3	3.0	1.5
10	Russian Federation	19.9	20.2	0.2	1.3

TABLE 1.3 World's Top Ten Tourism Destinations by Arrivals, 2006

^a Data as collected in UNWTO database June 2007.

Source: United Nations World Tourism Organization (UNWTO).

	International Tourist Receipts (US\$ billion)			% Change
Rank	Country	2005	2006 ^a	06/05
1	United States	81.8	85.7	4.8
2	Spain	48.0	51.1	6.5
3	France	44.0	46.3	5.6
4	Italy	35.4	38.1	7.6
5	China	29.3	33.9	15.7
6	United Kingdom	30.7	33.5	9.1
7	Germany	29.2	32.8	12.3
8	Australia	16.9	17.8	5.3
9	Turkey	18.2	16.9	-7.1
10	Austria	16.0	16.7	4.4

TABLE 1.4	World's Top T	en Tourism	Earners, 2006
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^a Data as collected in UNWTO database June 2007.

Source: United Nations World Tourism Organization (UNWTO).

Canada

Canada was the world's twelfth most popular tourism destination in 2006, with 18.2 million international visitors according to the UNWTO. In receipts, Canada ranked eleventh with \$14.5 billion.

Results from Canada National Tourism Indicators (NTI) show that tourism spending in Canada for 2005 reached \$62.7 billion, a 1.8 percent increase from 2004. Foreign visitors spent an estimated \$17.5 billion in Canada, while domestic travelers spent the remainder, \$45.2 billion. The NTI numbers also show that employment generated by tourism totaled 625,800 full- and part-time jobs in 2005, up 1.6 percent from 2004.

Canadians love to travel; consequently, Canada's international travel account deficit was at \$5.8 billion in 2005. The deficit increased for a fourth consecutive year, the highest since 1993.

United States

In the United States, tourism is ranked as the third largest retail industry behind automobile and food sales. In employment, it is second to health services. Although tourism is often thought of as leisure travel, it also encompasses business and convention travel, meetings, seminars, recreation, student travel (if less than a year), transportation services, and accommodations. According to the Travel Industry Association of America (TIA) research department, travel and tourism generated \$721.9 billion in spending in 2006, a new record. This total includes expenditures by foreign travelers, domestic travelers, and international passenger fares.

These travel expenditures, in turn, generated 7.5 million jobs for Americans, with \$177 billion in payroll income as well as \$109 billion tax revenue for federal, state, and local governments. International visitors spent \$107.8 billion traveling in the United States in 2006, including international passenger fares, while U.S. resident travelers spent \$100.6 billion traveling in foreign countries. As a result, a travel trade surplus of \$7.2 million was generated.

Traveler spending in the United States is projected to total \$762.9 billion in 2008, \$791.2 billion in 2009, and \$821.0 billion in 2010, according to TIA's forecasts. Readers are encouraged to examine the TIA Travel Forecast, which is based on TIA's Travel Forecast Model. It also includes inbound travel data from the U.S. Commerce Department's International Trade Administration. It is the opinion of the authors that TIA is the most authoritative source of information on the U.S. travel industry, and you should visit their extensive Web site (http://www.tia.org).

Directly or indirectly, tourism is part of the fabric of most of the world's industries, including transportation, retailing, advertising, sports, sporting goods and equipment, clothing, the food industry, and health care. Tourism also plays a part in most communication media, particularly in the travel sections of newspapers. There are many print and visual media of direct interest to tourism. Media is also important to those engaged in marketing tourism, such as airlines, cruise lines, motorcoach and rail lines, tour companies, travel agencies, auto rental companies, accommodations, attractions, and tourism educational organizations.

Politicians at all levels are typically very concerned with tourism. They look increasingly at tourism as a tool for economic development. In development, they have enacted laws requiring land-use plans with subsequent zoning and building codes to control location, number, and manner of construction of tourist facilities. Parks and recreation programs are enjoyed by tourists as well as local residents. Many governments impose taxes, all or part of which are paid directly or indirectly by tourists and their suppliers. The power of tourism politically is sometimes manifested in unusual ways. An example was the threat of a travel boycott of Alaska by environmental groups protesting the state's planned aerial shooting of three hundred wolves. The plan was canceled.

Many industry analysts project a doubling of tourism by the year 2020, with constructive government policies. We believe that such policies will indeed be forthcoming if tourism leaders convey their message effectively. It is in all our interests to achieve this growth, provided that it is accomplished in an intelligent, planned, and thoughtful manner by developers and the public alike. There is an unequivocal responsibility to review the social and environmental factors vigilantly in order to preserve and enhance those qualities that give any destination its special appeal and character. These comprise its culture, natural resources, host population, and the spirit of the place. We hope that you will strive to assist in the achievement of these ultimate worthy goals.

BENEFITS AND COSTS OF TOURISM

Tourism brings both economic and noneconomic **benefits** and **costs** to host communities. Some of the considerable economic impacts and benefits were described in the preceding section. There are additional areas of benefit that have not received much research attention. These relate to the benefits occurring to the traveler, such as the contribution of pleasure travel to rest and relaxation, the educational benefit, the understanding of other people and cultures, and the physical and mental well-being of the traveler.

There is no question that tourism delivers benefits, but tourism is not perfect. Even advocates for tourism such as your authors (we have been accused of being cheer-leaders for tourism) acknowledge that tourism is not an unqualified blessing. There are costs and benefits, and they do not accrue equally. Many of the social costs incurred are difficult or impossible to measure. Books such as *The Golden Hordes, Tourism: Blessing or Blight*, and *The Holiday Makers* (see the Selected References) point out some of the unpleasant aspects of tourism. Improperly planned and developed tourism can create problems. The demands of tourism may come into conflict with the needs and wishes of local residents. Thoughtless development, inappropriate development, overdevelopment, or unfinished development can easily damage the environment.

Tourism has been blamed for polluting beaches; raising the price of labor, land, goods, and so on; spoiling the countryside; contaminating the values of native people; crowding; congestion; noise; litter; crime; loss of privacy; creating social tensions; environmental deterioration; lack of control over a destination's future; and low-paid seasonal employment. These problems are common to many forms of development and in many cases represent dissatisfaction with the status quo or overdevelopment. They emphasize the need for a coordinated overall economic development plan, of which tourism will be one part.

We must accept that tourism is neither a blessing nor a blight, neither poison nor panacea. Tourism can bring great benefits, but it can also bring social problems. The world has experience in how to increase the benefits of tourism and at least some experience in how to lessen social problems. What has to be done is to balance the benefits and costs to come up with the best cost/benefit result.

Tourism students and executives must have a clear understanding of both the positive and the negative impacts of tourism on the quality of life of a nation, a province or state, or a community. What are the positive aspects? The negative aspects? We need a balance sheet. First we look at the plus side of the ledger; tourism:

- Provides employment opportunities, both skilled and unskilled, because it is a labor-intensive industry
- Generates a supply of needed foreign exchange
- Increases incomes
- Creates increased gross national product

- Can be built on existing infrastructure
- Develops an infrastructure that will also help stimulate local commerce and industry
- Can be developed with local products and resources
- Helps to diversify the economy
- Tends to be one of the most compatible economic development activities available to an area, complementing other economic activities
- Spreads development
- Has a high multiplier impact
- Increases governmental revenues
- Broadens educational and cultural horizons and improves feelings of self-worth
- Improves the quality of life related to a higher level of income and improved standards of living
- Reinforces preservation of heritage and tradition
- Justifies environmental protection and improvement
- Provides employment for artists, musicians, and other performing artists because of visitor interest in local culture, thereby enhancing the cultural heritage
- Provides tourist and recreational facilities that may be used by a local population
- Breaks down language barriers, sociocultural barriers, class barriers, racial barriers, political barriers, and religious barriers
- Creates a favorable worldwide image for a destination
- Promotes a global community
- Promotes international understanding and peace

On the minus side of the ledger we find a number of problems that can be created by tourism, especially by its overdevelopment:

- Develops excess demand for resources
- Creates the difficulties of seasonality
- Causes inflation
- Can result in unbalanced economic development
- Creates social problems
- Degrades the natural physical environment and creates pollution
- Degrades the cultural environment
- Increases the incidence of crime, prostitution, and gambling
- Increases vulnerability to economic and political changes
- Threatens family structure
- Commercializes culture, religion, and the arts

- Creates misunderstanding
- Creates conflicts in the host society
- Contributes to disease, economic fluctuation, and transportation problems

Like all change, tourism exacts a price. However, it is here, it is huge, and it needs to be planned and managed. The challenge is to get the right balance, which is to have the benefits outweigh the costs and take steps to lessen the unfavorable impacts that are a part of change. Tourism development must be a part of overall economic development and must be done in a manner that is sustainable.

SUMMARY

In this chapter we have examined the subject of tourism. The rapid growth in the movement of people, both domestically and internationally, has brought about an industry of vast proportions and diversity. Also, the industry is universal—found in all countries of the world, but in greatly varied qualities and proportions.

The economic importance and future prospects are also worthy of careful study. These considerations lead to the ways in which the study of tourism can be undertaken. There are a number of basic approaches to the study of tourism, and in this book we include all of them in the various chapters. By the time you complete the book you will know a great deal about the social and economic implications of tourism, and you will have developed a keen interest in our world and the fascinating panorama of places, peoples, cultures, beauty, and learning that travel provides in such abundance.

	KEY CONCEPTS	@ <u>~</u>
accommodation	expenditures	study approaches to tourism
adventure and outdoor	food services	tourism
recreation	host community	tourist
attractions	host community government	tourist industry
benefits of tourism	importance of tourism	transportation
built environment	inbound tourism	travel
catalyst organizations	internal tourism	travel trade
costs of tourism	international tourism	traveler
culture	marketing	trip
domestic tourism	national resources	usual environment
economic impact	national tourism	visit
entertainment	operating sectors	visitor
events	outbound tourism	
excursionist	same-day visitors	

SINTERNET EXERCISES

The Internet sites mentioned in this chapter plus some selected additional sites are listed for your convenience on the companion Web site for this book, www.wiley.com/college/goeldner.

ACTIVITY 1

Site Name: World Travel and Tourism Council

URL: http://www.wttc.org

Background Information: The World Travel and Tourism Council (WTTC) is the global business leaders' forum for travel and tourism. Its members are chief executives from all sectors of the travel and tourism industry, including accommodations, catering, cruises, entertainment, recreation, transportation, and travel-related services. Its central goal is to work with governments to realize the full economic impact of the world's largest generator of wealth and jobs, namely, travel and tourism.

Exercise

 Visit the WTTC site and identify the organization's strategic priorities.

ACTIVITY 2

Site Name: Travel Industry Association

URL: http://www.tia.org

Background Information: TIA, the Travel Industry Association, is a nonprofit trade organization based in Washington, D.C., that represents and speaks for the common interests of the U.S. travel industry.

Exercises

- 1. Visit the TIA site and find their mission and objectives.
- Explore their economic research section and determine the economic impact of travel and tourism in the United States.

QUESTIONS FOR REVIEW AND DISCUSSION

- Identify and describe the four perspectives contained in the definition of tourism, in terms of your home community.
- 2. Why do bodies such as the United States need specific tourism definitions? Why does a state or country need them? A county? A city?
- 3. What approach to tourism study does this course take? Which approach interests you most?
- 4. What are the components of tourism?

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5. How important are tourist attractions?

- 6. Why are geographers, sociologists, anthropologists, and economists interested in tourism?
- 7. What will the tourism industry be like in the year 2020?
- How can an industry that contributes 9.9 percent of global gross domestic product and creates over 238 million jobs still be in search of recognition?
- 9. What are the benefits of tourism?
- 10. What are some negative aspects of tourism?
- 11. Why is tourism so popular?

CASE PROBLEMS

 Suppose that you are a high school economics teacher. You plan to visit your principal's office and convince her that tourism should be included as part of one of your courses. What arguments would you use?

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 You are the minister of tourism of Jamaica, an island country. Identify the instructions you would issue to your statistics department concerning collecting data on tourist arrivals and expenditures.