## Chp 1 Gateway 2 – Why has tourism become a global phenomenon?

#### Trends in global tourism industry

# International tourism Regions

Main tourist-receiving region	Fastest growing region (increasing popularity)
North and South America, Europe	Asia Pacific

Tourists: origins and destinations unevenly distributed

Developed countries	Developing countries
more than half	increasing from Asia Pacific, South America (China, India, Brazil)

Maps

Flow line map	Desire line map	
Show origins and destinations of movement		
Width of line → propor	tional to volume of flow	
Show one-way / tw	o-way movements	
Do not shows chang	es in flows over time	
Lines follow actual route of flow	Lines drawn straight one point to point, do not actual route of flow	
Large-scale and small-scale maps	Small-scale maps	
Acros Const  North S Associated Const  Associate	U.S. Exports (\$Million) 250000 125000 63500 We \$5000 million, Source: U.S. Census	

#### **Domestic tourism**

Most popular form of tourism

Country	Examples	
Philippines	Large amounts of domestic tourism receipts <ul><li>holiday</li><li>visit family / relatives</li></ul>	
China	Lunar New Year  • visit family / relatives  • sightseeing	

#### Calculate **percentage change** (tourist arrivals):

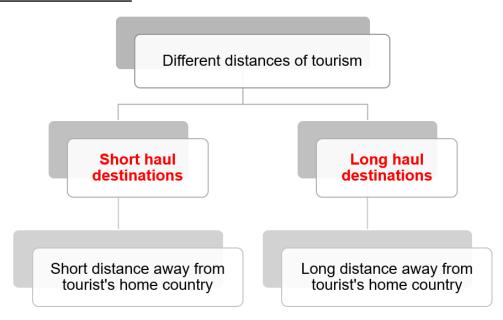
#### Identify trends / patterns:

- identify overall trend + provide evidence from data
- pick out specific / unique characteristics
  - o sudden dip
  - o gradual increase
- use appropriate verbs + adjectives to describe trend:

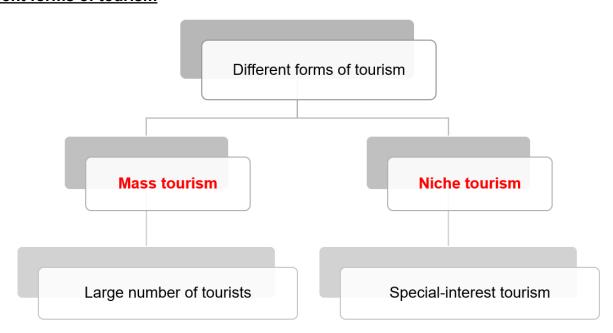
' ' '		
Verbs	Adjectives	
<ul><li>rise</li><li>decline</li><li>fall</li></ul>	<ul><li>slight</li><li>sharp</li><li>steady</li></ul>	
o peak	o gradual	

#### **Evolution of mass tourism to niche tourism**

#### **Different distances of tourism**



#### **Different forms of tourism**



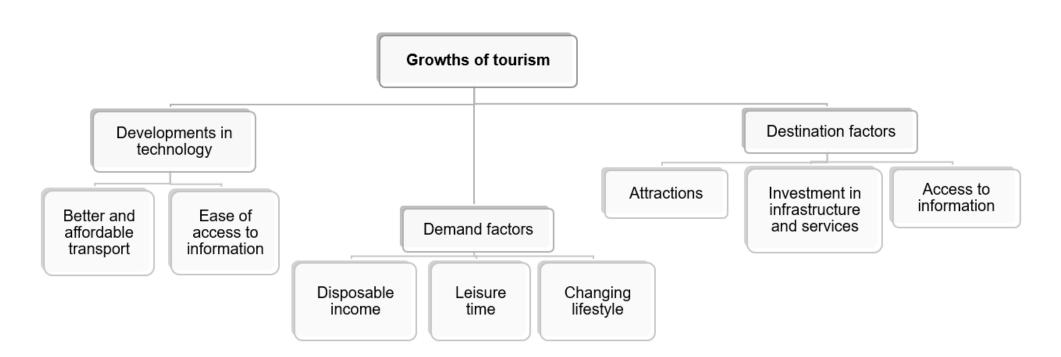
Forms	Explanation	Examples
1. Mass tourism	<ul> <li>large numbers of tourists visiting a place together</li> <li>increased affluence and leisure time</li> <li>package holidays         <ul> <li>arranged by travel agent</li> <li>services</li> <li>transportation</li> <li>accommodation</li> <li>meals</li> <li>sightseeing (entrance fees)</li> <li>guides</li> <li>speak local language</li> <li>knowledgeable about sites, habits, culture and history</li> </ul> </li> </ul>	Great Pyramids of Giza, Egypt
2. Niche tourism	<ul> <li>special-interest tourism → particular area of interest / activity</li> <li>seek new destinations, activities and experiences</li> </ul>	<ul> <li>Special interest:         <ul> <li>whale-watching in Hawaii</li> <li>Northern Light tours at Reykjavik, Iceland</li> </ul> </li> <li>Adventure holidays:         <ul> <li>whitewater rafting in NZ</li> </ul> </li> </ul>
<ul> <li>3. Ecotourism         <ul> <li>(a form of niche tourism)</li> <li>The International Ecotourism Society (TIES) principles:</li></ul></li></ul>		<ul> <li>national parks</li> <li>nature reserves</li> <li>marine parks</li> <li>Waitomo Caves (NZ)</li> <li>tours managed by government + local Maori</li> <li>monitor conditions within cave → minimal human impact on internal environment</li> </ul>

0	help travellers better appreciate natural beauty and
	biodiversity

- o provide <u>funds</u> for ecological conservation
- o directly benefit local communities involved in tourism
- o foster respect for different cultures and lifestyles
- <u>regulations</u>: limit disturbance to vegetation and wildlife → conserve natural environments for future generation
  - o camping
  - walking
  - waste disposal

- tours monitored and halted if CO<sub>2</sub> levels too high
- o control number of tourists entering caves
- local Maori
  - o receive portion of entrance fees
  - o employed as cave staff

#### **Growths in tourism**



<u>Developments in technology</u>
Technology: application of scientific knowledge to develop machines, equipment and ways of doing things

- 1. Transport
- 2. Computer-related technology

Factor Explanation		Examples
Better and affordable transport	<ul> <li>Great improvements → safety, shorter travelling time, lower travelling costs</li> <li>Commercial air travel         <ul> <li>technological developments in jet aircraft</li> </ul> </li> <li>Budget airlines         <ul> <li>Cheaper airfares than major commercial airlines → affordable</li> <li>Smaller &amp; more fuel-efficient aircraft</li> <li>Short-haul destinations</li> <li>Reduced cost by selling tickets online (rather than through travel agents)</li> </ul> </li> <li>More international tourists:         <ul> <li>More people travel internationally more frequently</li> <li>Go on holidays farther away from home</li> <li>Go to destinations not covered by major commercial airlines (Bhutan, Pacific Islands)</li> </ul> </li> </ul>	Budget airlines:  • Jetstar Asia • AirAsia
2. Ease of access to information  Online booking & research  Buy own tickets (without going through travel agents)  More options and control  Better access to info at destination  View feedback & recommendations  Do research about destination  Surveillance, electronic checks and safety control research  Feel safer + confident		<ul> <li>Airbnb (book apartments / people's homes)</li> <li>Trip advisor</li> <li>Train, bus schedules</li> <li>Grab</li> <li>Google translate</li> <li>Google map</li> </ul>

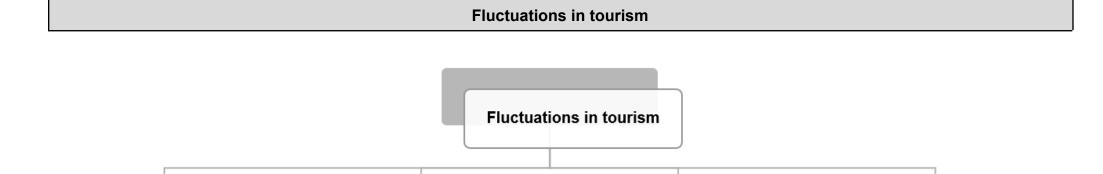
### **Demand factors**

Factor	Explanation	Examples
1. Disposable income	<ul> <li>amount of income left after paying taxes → income available for saving and spending</li> <li>growth in income → spend more on goods, services, activities that improve quality of life (travel for leisure)</li> <li>rapid economic growth (China, India)</li> <li>more people in middle &amp; high income groups</li> <li>more disposable income</li> </ul>	
2. Leisure time	<ul> <li>time when people are free from work responsibilities and commitments</li> <li>increase availability of leisure time         <ul> <li>more income</li> <li>shorter working weeks, more public holidays</li> <li>more paid annual leave</li> </ul> </li> </ul>	<ul> <li>Australia         <ul> <li>employees exchange paid overtime work for leave</li> <li>increase chances of taking longer weekend breaks</li> </ul> </li> <li>Canada         <ul> <li>increase in additional breaks + extended weekends</li> </ul> </li> </ul>
3. Changing lifestyle	<ul> <li>change in the way people live throughout their lifetime</li> <li>fast pace of life (stressful lifestyle)         <ul> <li>long hours at workplace</li> <li>travel to relax and take a break</li> </ul> </li> <li>retirees spend remaining healthy years productively → live longer and more physically fit to travel frequently         <ul> <li>advances in medical technology and knowledge</li> <li>more health-conscious, lead healthier lifestyles</li> </ul> </li> </ul>	Retirees

#### **Destination factors**

<u>Destination factors</u>			
Factor	Explanation		Examples
1. Attractions	<ul> <li>types         <ul> <li>natural attractions</li> <li>man-made attractions</li> </ul> </li> <li>governments, tourist authorities → invest in attractions         <ul> <li>offer something spectacular, unique, interesting for domestic + international tourists</li> <li>hope that tourists will return repeatedly to spend money</li> </ul> </li> </ul>		Dubai, UAE  • shopping, business, entertainment  · retail and luxury outlets  · world-class MICE facilities  · luxury hotels  · large-scale architectural & engineering projects  • Burj Al Arab  • Palm Islands
	Infrastructure and services Infrastructure	Services	
Investment in infrastructure and services	<ul> <li>transport + communication networks</li> <li>electrical frameworks</li> <li>systems for water and waste disposal</li> </ul> work provided by business to customers		
and services	<ul> <li>transportation → airport expansion &amp; development</li> <li>manage growth in air passenger traffic</li> <li>road + railway links → move around easily, accessible, well-connected</li> <li>accommodation</li> <li>sufficient hotels</li> <li>serve range of tourist budgets:         <ul> <li>five-star hotels</li> </ul> </li> </ul>	<ul> <li>food outlets, entertainment, telecommunication links</li> <li>free Wi-Fi in hotel rooms and lobbies</li> <li>train tourist personnel         <ul> <li>hotel managers, restaurateurs, guides, travel agents, drivers, porters, cleaners</li> <li>offer tertiary &amp; diploma courses on tourism, hotel management,</li> </ul> </li> </ul>	<ul> <li>Singapore: Changi Airport Terminal 4 → increase total capacity</li> <li>Thailand: Suvarnabhumi Airport</li> <li>Hong Kong: construct another 49 hotels → accommodate potential rise in visitors</li> </ul>

	■ backpacker hostels catering (formal training)	
3. Access to information	<ul> <li>ease of obtaining information</li> <li>access to information in language they can understand (otherwise need interpretation)</li> <li>signs displayed in different languages         <ul> <li>provide security and comfort</li> <li>assures tourists that there are people they can communicate with for help</li> </ul> </li> <li>local tour guides &amp; travel agents         <ul> <li>trained to answer question &amp; meet needs of tourists</li> <li>knowledge of local geography history, culture → enhance tourists' experiences</li> <li>visitors' centres → provide information</li> </ul> </li> </ul>	<ul> <li>transport routes and schedules</li> <li>weather conditions</li> <li>available accomodation</li> </ul>



Political situations

Diseases

Recessions

Disasters

Factors	Description	Explanation	Example
1. Disasters	<ul> <li>Great damage to properties</li> <li>Injuries + great loss of lives</li> </ul>	<ul> <li>Discourage tourists from visiting         <ul> <li>Pose greater risks to tourists' safety</li> </ul> </li> <li>Disrupt essential tourist infrastructure</li> </ul> <li>Discourage citizens of affected country from travelling overseas         <ul> <li>Affect tourism industry of nearby countries</li> <li>Lost income from tourists from affected country</li> </ul> </li>	<ul> <li>Tohoku Earthquake 2011</li> <li>earthquake + tsunami + nuclear meltdown</li> <li>majority of decline in tourist arrivals came from South Korea + China</li> <li>Japanese tourist arrivals to South Korea decreased (largest source)</li> <li>international promotion efforts (show safe + beautiful) → recovery</li> </ul>

2. Recessions	<ul> <li>Period of general slowdown in economic activities</li> <li>Caused by         <ul> <li>Sharp increases in price of goods and services</li> <li>Problems in financial markets</li> <li>Decline in exports</li> </ul> </li> </ul>	<ul> <li>Increased nemployment → loss of income &amp; jobs</li> <li>Decrease in international tourists         <ul> <li>decline in income → cut down on spending</li> <li>decline in demand for goods &amp; services</li> <li>less likely to travel overseas</li> </ul> </li> <li>Loss of tourism receipts         <ul> <li>rising unemployment + increasing part-time workers</li> <li>international visitors staying for shorter lengths of time</li> <li>spend less per day, seek cheaper accommodation</li> </ul> </li> <li>Domestic tourism → affordable         <ul> <li>shorter distances</li> <li>spend less on transportation</li> <li>encourage people → contribute to own country's economy</li> </ul> </li> </ul>	<ul> <li>European Sovereign Debt Crisis (regional)</li> <li>some European countries were unable to repay government debts</li> <li>affected countries that use Euro as national currency</li> <li>collapse of businesses and financial institutions</li> <li>massive unemployment</li> <li>Global Financial Crisis (global)</li> <li>crash of housing market in USA</li> <li>some of world's largest financial firms → bankrupt (lost large amounts of investments)</li> <li>panic in financial institutions worldwide</li> <li>economy slow down / shrink</li> </ul>
3. Political situations	<ul> <li>Disagreement between different groups of people → wars</li> </ul>	<ul> <li>Danger → tourists &amp; residents         <ul> <li>Disrupt services, damage infrastructure</li> <li>Tourists postpone / cancel travel plans</li> </ul> </li> <li>Government authorities issue travel advisories → discourage citizens from travelling to region / country</li> <li>Rebuild reputation         <ul> <li>promotions</li> <li>new infrastructure</li> <li>improved tourist conditions</li> </ul> </li> </ul>	<ul> <li>Libya civil war</li> <li>armed groups pose threat to civilian lives</li> <li>commercial airlines reduced / stopped their flights → no tourist arrivals by air</li> <li>Egypt – Arab Spring uprising</li> <li>international tourist arrivals decline</li> <li>spend less money</li> <li>spend less time in the country</li> <li>overall revenue from international tourism decline</li> <li>Bali – terrorist attacks</li> <li>rebuild reputation</li> </ul>

4. Diseases



• Sudden widespread occurrence of disease

- Tourists do not want to risk getting infected with contagious disease
- Government agencies advise tourists to avoid areas with disease outbreaks
   → discourage tourist travel
- Decline in tourist arrivals
- Businesses postpone, cancel large-scale MICE activities

SARS outbreak (2003)

H1N1 influenza outbreak (2007)

- effects
  - infected + killed a lot of people in many countries
  - tourist arrivals declined
  - hotel occupancy dropped
  - widespread cancellations of holiday bookings
- "Step Out! Singapore" campaign (STB)
  - stimulate domestic tourism
  - o line-up of events + activities → generate income

#### **Typical questions**

#### Structured questions

**1** Explain one factor that may cause fluctuations in tourist numbers.

[4] (N2015.P2.Q4a)

A factor that may cause fluctuations in tourist numbers is economic recessions – both globally and regionally. Recessions refer to periods during which the economy slows down. Possible reasons for recessions include issues in the financial market or a general decline in exports. Global recessions affect many countries across the world, whereas regional recessions are limited to a specific region of countries. Recessions tend to cause widespread unemployment as companies rush to reduce costs. This leads to a drop in individual income. As disposable incomes dip, travelling becomes more and more of a luxury. Consequently, people travel less during recessions.

**2** Explain how recessions can cause a decline in global tourism.

[4]

(N2018/P2/Q4a)

Recessions refer to periods of general economic slowdown. This means that companies and firms may have to reduce salaries or even dismiss employees during times of recession to cut costs. People affected by recessions would have to reduce their expenditure because of the loss in income (either partially or completely) and are thus more unlikely to splurge on luxuries such as travelling. With fewer people willing to travel, global tourism therefore declines.

#### Open-ended questions

1 'The introduction of budget airlines is the main reason for the growth of international tourism.'

How far do you agree with this statement? Use examples to support your answer. [8]

(N2017/P2/Q4b)

Generally, I do not agree with the statement. However, the introduction of budget airlines is certainly one of the reasons for the growth of international tourism. In recent years, the number of budget airlines operating in different countries across the world has increased. Some examples of budget airlines include JetStar, Scoot and EasyJet. They offer much cheaper tickets compared to major commercial and national carriers as the planes are usually smaller and thus more fuel-efficient. In addition, they often do not serve meals on board, which further cuts down the cost. Moreover, these budget airlines also offer online sales of tickets and online check-ins which improve not just the efficiency of transactions but also reduce queuing time. These factors make air travel more affordable and accessible to people, thereby encouraging more people to travel internationally more frequently.

Having said that, the ability to travel would still very much depend on other factors such as the affluence of the people, improvements made to infrastructure and services, as well as ease of access to information. To begin, air tickets of budget airlines, while relatively cheap compared to other commercial carriers, are still beyond the means of the poorer masses. This is especially so in less developed countries (LDCs), where the general population has relatively low disposable income. Similarly, the growth of international tourism also depends on the availability and accessibility of tourist infrastructure, such as airports. In many countries, especially LDCs, airports are usually few and far between. It takes a long time to get to an airport from the rural areas; this definitely also applies to the destination countries. Moreover, many LDCs often do not have efficient airports, due to either the lack of funds or the necessary technology. Last but not least, the accessibility to information also influences the growth (or the lack thereof) of international tourism. For instance, people who are not familiar with the Internet (such as people in LDCs) would not be able to benefit from the online ticket purchase and check-in services. Also, people would be more inclined to want to travel to other countries if they have access to information about these destinations such as the sights, food, activities, etc.

In conclusion, the introduction and increasing number of budget airlines around the world do play a role in contributing to the growth of international tourism, but it is certainly not the main reason for it. Other factors, such as the affluence of the people, availability to information also determine the growth curve of international tourism.

2 'Online booking of tours and tickets is the main reason for the growth of global tourism.'

To what extent is the statement true? Give examples to support your answer. [8]

(N2018/P2/Q3b)

While it is indeed true that online booking of tours and tickets contributes to the growth of global tourism, it is certainly not the main reason for its growth. The rapid advancement in technology has made the booking of tours and tickets via online systems much easier since there is no need to purchase them from travel agents. Travellers can also obtain relevant information about their destinations (e.g. transport timetables, suggested attractions, etc.) With the click of the mouse. An example of such an online booking website is TripAdvisor. People can read reviews and recommendations by fellow travellers and plan their trips accordingly. They can also book some of their tickets using the website. This gives travellers greater flexibility, control and more options when booking their tours and tickets. In other words, preparing for trips is now easier and more convenient than ever before, which in turn leads to a growth in tourism.

Besides online booking of tours and tickets, there are other factors that contribute to the growth of global tourism. A contributing factor is people's changing lifestyles. In urban areas, people are generally more stressed due to longer Working hours, fast-paced lifestyles, etc. Hence, urbanites tend to travel more as a means to relax and escape from their daily routines. In Germany for example, many young people spend some weeks or even a year abroad after finishing high school. There are also more retirees (e.g. from Japan, Australia, etc.) travelling and exploring the world in their golden years. Such social trends certainly lead to the growth in tourism in general.

Another reason for the growth of global tourism is the improved and generally more affordable transport system. The emergence of budget airlines since the 1980s, for example, has made air travel much more affordable. Budget flights have become very popular among travellers, particularly in Europe, the Americas and Southeast Asia. Some examples of budget airlines include Ryanair and Jetstar. With cheaper flight tickets, more people are willing to travel, thus contributing to the rise in global tourism.

To conclude, I do not agree with the claim that online booking of tours and tickets is the main reason for growth in global tourism. Even though it may be more convenient for people to book their trips, it is important to those who have access to such technology, i.e. computers and Internet. This would effectively exclude, among others, those who are not familiar with the Internet, particularly those from older generations. Also, other factors such as changing lifestyles, social trends and more affordable transport contribute to growth as well. Among these reasons, the rise of budget airlines is arguably the most important in contributing to the growth of global tourism. This is because it has made air travel much more affordable and therefore accessible to a larger proportion of the population.

3 'Developments in technology are the main reason for the growth of global tourism.'
 To what extent is this statement true? Give examples to support your answer. [8]
 (N2019/P2/Q4b)

Developments in technology refer to advancements in transport and computer related technology that have changed the scale and ease of global tourism. Besides these improvements, the growth of tourism in many countries in the last few decades is also due to other reasons including demand factors such as the rise in disposable income and increased leisure time as well as destination-specific factors Such as attractions. As such, the statement that developments in technology are the main reason by which global tourism has grown is true to a lesser extent.

Developments in technology have led to significant improvements in safety, shorter travelling time and lower travelling costs, making travelling more affordable for the average person and contributing greatly to the growth of tourism. On-going technological developments in jet aircraft since the 1950s enabled commercial air travel to revolutionise global tourism. For example, many commercial aeroplanes could only fly short distances as they had to stop to refuel. A commercial flight from Singapore to London would take two to four days, with many stopovers at different cities. Now, aeroplanes can fly nonstop for 15,000 km and a commercial flight from Singapore to London would only take about 14 hours without any stopovers. Moreover, the rise of budget airlines has made air transport affordable. Since the 1980s, these low-cost carriers have rapidly expanded within Europe, North and South America, and Southeast Asia. They are cheaper than major commercial airlines because their aircraft are smaller, more fuel-efficient and typically fly only to short-haul destinations. Costs are further reduced by selling tickets online rather than through travel agents. Development in aviation

technology and the rise in the number of budget airlines have helped to increase the number of international travellers, therefore contributing to the growth of tourism.

Next, demand factors (those that affect people's demand for goods and services as well as their ability to travel), such as the rise in disposable income and increased leisure time, have also contributed to the growth of tourism. Disposable income has been increasing globally due to rapid economic growth, especially in countries such as China and India. As a result, the number of people in the middle and high income groups have been rising. They now have more disposable income to spend on leisure travel. At the same time, for the middle-income groups, leisure time usually comes in the form of paid leave. In many developed and less developed countries, people in all income groups are enjoying shorter working weeks, more public holidays and more paid annual leave. This increased availability of leisure time has, in turn, allowed more people to travel. For example, in Australia and Canada, many employees can exchange paid overtime work for leave, which increases their chances of taking longer weekend breaks. With more disposable income and leisure time, people are able to travel with greater frequency, thereby contributing to the growth of tourism.

Lastly, destination factors such as attractions also contribute to the growth of tourism. These constitute the infrastructure and services in tourist destinations that allow for more convenient and comfortable stays for visitors. An attraction is a feature or quality that makes a place particularly memorable, interesting or enjoyable. The attraction is often promoted and enhanced by the tourism industry to attract even more tourists. There can be natural (e.g. places of scenic beauty) or built attractions (e.g. medical services and educational facilities) that attract tourists to a country. Without built attractions, however, tourists are less likely to visit a place. Dubai, a city in the United Arab Emirates in the Middle East, has become a major destination and stopover location between Europe and Asia, receiving more than 9 million travellers in 2011 according to the city's Department of Tourism and Commerce Marketing.

Tourists visit Dubai mainly for shopping, business and entertainment, drawing millions of visitors each year for its wide range of retail and luxury outlets, world class MICE facilities, luxury hotels and je-scale architectural and engineering projects. Two of Dubai's most well-known built attractions are: The Burj Al Arab, 'seven-star' luxury hotel built on an artificial island; and the Palm Islands, the world's largest artificial islands for high-end residential, leisure and entertainment facilities. Such attractions can offer something spectacular, unique

and interesting for both domestic and international tourists. They also entice visitors to return repeatedly to spend their tourist dollars, hence contributing to the growth of tourism.

As much as developments in technology have changed the scale and ease of global tourism. enabling more people to travel both domestically and internationally, tourists must also have the disposable income to give them the financial means to afford travelling and sufficient leisure time to do so. Furthermore, people must both perceive the value and be driven by the desire to travel to other destinations. If the destination factors such as attractions are uninteresting and inconvenient, tourists will not be sufficiently motivated to go there. As all the factors are equally important reasons for the growth of global tourism and one without the other will potentially discourage tourists from travelling, the statement that technological developments are the main reason for the growth of the global tourism industry is true to a lesser extent.