

An introduction to the Global Travel and Tourism Industry

Slide Instructions

Facilitator Notes



The travel and tourism industry is huge, made up of businesses and organizations that provide goods and services to meet the needs of travelers and tourists.

This lesson has been put together to give you all an introduction to the travel and tourism industry to help you to gain a broad understanding of its size, role in the global economy and the key sectors and companies that help make up the industry.

For some of you, you may have already worked in the industry, for others it might be entirely new. Some of you may have had exposure as a traveler or tourist, others may never have travelled away from home.

Whatever your level of understanding, hopefully all of you will walk away with something from the training, that will set the scene for your employment working for Travelport.





We are going to cover the following areas in today's training:

- 1) The origins of the travel and tourism industry
- 2) How the modern travel industry evolved
- 3) The impact of technology on the industry
- 4) The future of the industry

You have workbooks in front of you to make notes in throughout the day. There will be a lot of interactivity as well as games to test your knowledge on what you've learnt so to be sure to make lots of notes.



Let's start with an icebreaker game....

"Describe the country"

Activity 1: Write the names of several different countries on small pieces of paper. Select countries that students in your region will have heard of or be familiar with. Put these pieces of paper in a bag. Go around the classroom and ask each student to pick a piece of paper out of the bag. Students need to then describe that country to the rest of the class without saying the name of the country.

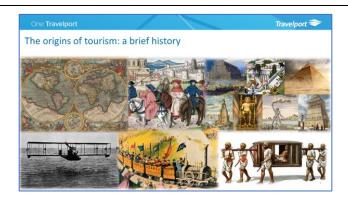
For example, they can describe towns/cities, or any famous people they know that live there. They could describe the food the country is well known for or any famous landmarks.

You are looking for an "off the cuff" reaction to the country they are trying to describe, even if they have never visited the country.

The rest of the group need to try and guess what country is being described.

If you have a small group, each student can have a few turns. The activity should last approx. 15-20 minutes.





We are going to begin by looking at the origins of tourism. But first let's look at what is meant by tourism.



This quote from Mathieson and Wall is a great description:

"Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations and the facilities created to cater to their needs"

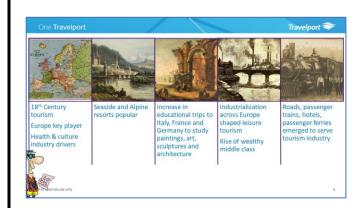
When we use the word tourist it's good to keep in mind that it doesn't only apply to people going on a leisure break. Tourist is also applicable to people travelling to another place on business as well.

It is a good idea to make notes as at the end of this training session we are going to play a knowledge based game.

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The word tourist emerged at the end of the 18th Century but the act of tourism can be dated back over 200 years to ancient Greece and Rome. Wealthy Greeks and Romans made trips to historical sites such as The Seven Wonders of the World known as heritage tourism and they also took trips to beach resorts wishing to get away from the cities in the summer. Their trips differed to those of explorers as they went with the purpose of wanting to relax and enjoy. A tourist industry existed to cater for accommodation needs for the Romans, however this collapsed at the end of the Roman empire and future wars and economic uncertainty meant that for hundreds of years frequent and safe travel was out of the question.







The industry revived in the medieval times with the emergence of interest in pilgrimages which combined religious goals with commercial hospitality, adventure and enjoyment amongst the participants. In fact the word holiday itself derives from the ancient English word *haligdaeg* which is translated as holy day.

Modern tourism began to take shape in the 18th century and Europe was a key player in defining the tourism industry. Health and culture were big drivers in the industry boom with those that could afford it beginning to take vacations in seaside resorts and Alpine resorts in order to benefit from the fresh air. Educational trips also became popular with people visiting Italy, France and Germany to study paintings, sculptures and architecture and visiting historical sites.

In 1772 the word Tourist emerged. Its definition at the time was "One who makes a journey for pleasure, stopping here or there"

Straightforward leisure tourism took shape with industrialization across Europe which gave rise to a wealthy middle class who had an increasing amount of free time. Tourist hotels, an infrastructure of roads, carriages and ferries, the first passenger trains all played a part in shaping the tourism industry as we now know it.

A defining moment in the modern tourism industry was in June 1841 when Thomas Cook opened the first leisure travel agency, designed to help Britons improve their lives by seeing the world. In 1845, he ran his first commercial packaged tour, complete with cost-effective railway tickets and a printed guide.

Then came the emergence of airlines. The world's first scheduled passenger airline service took off on Jan 1st 1914, operating between St. Petersburg and Tampa in the USA. Between both World Wars in the 20th Century, affluent Americans were able to journey by air to destinations in the Caribbean and Latin America.

The first half of the twentieth century saw the industry really starting to take shape, but for the most part it was expensive and restricted to limited to a small number of locations. The two World Wars also impacted people's ability to travel for pleasure.



However, In the second half of the 20th century, air travel became commercial and deregulated which meant it was accessible to more people. By the 1960's reasonably priced commercial aircraft were able to carry passengers to and from any airport in the world.

This was known as the arrival of mass tourism, people travelling to seaside resorts in southern Europe seeking a few weeks of warmer weather, an increase in Northern Americans travelling to destinations such as Mexico and long haul destinations becoming accessible in Asia and the Pacific.

The choices available to tourists were growing and were becoming more and more affordable.

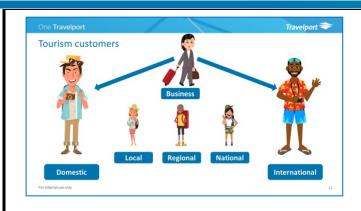
Business people took advantage in this and built resorts, hotels, theme parks and leisure attractions to lure in tourists.

In the 1990's budget airlines such as EasyJet and Ryan Air made an appearance which again opened up travel to an even wider market. Tourists were beginning to move away from the traditional package tour and were beginning the trend of booking their flights and accommodation separately and creating their own itineraries.

In recent decades the travel industry and its growth has been influenced by emerging technology and trends. We will look at this in more detail later in this lesson.







So now you have had a brief history lesson in the origins and emergence of the travel and tourism industry.

We are now going to move on to look at the key players and the trends that make up todays modern tourism industry.

For leisure tourism, tourist boards understand they need to attract different types of customer. Customers come under the headings of Domestic and International. Domestic customers stay within their own countries and can be local, regional and national.

International customers leave their home country and travel to another.

Business tourists link into both headings. People can travel for business within their own country and travel internationally.

The industry is broken down into sectors and subsectors that need to serve all tourism customers.



Activity p 7 workbook: take a look at the sector headings on the slide.....in pairs or small groups spend 15 minutes having a think and writing down all the subsectors you can think of that could come under each heading.

For example, under the transportation heading you will most likely come up with airlines as a subsector.

After the time is up, go around the class and see what each group has come up with. Before running through the more detailed answers in the PowerPoint.





Discussion for after the activity: talk through the sectors and their subsectors on the PowerPoint. See if the class came up with any additional ones.

Transportation

As a sector, it services tourists getting to their destination. Also a means for them to get around after they arrive.

Airlines: one of the main way's tourists reach their destination and includes scheduled and chartered flights to domestic and international destinations.

Car Rental: provides temporary access to a car. Enables travelers to get to their destination but many travelers will hire a car when they have arrived as they provide greater freedom than public transport

Water Transport: Ocean Liners, river/canal boats, ferries – all of which tend to go from point A to B as well as Cruise Ships where transportation is not the only purpose of the trip, and the traveling is also part of the experience.

Coach/Bus Services: Very cost-effective form of transport. Popular for day trips but also cater for international travel. Public transport is popular for smaller domestic journeys.

Railway: Another popular method of transport. Passengers can easily get from one destination to another. Domestic travelers will use this for convenience/affordability and regularity. Includes subways and underground services too.

Pleasure transport: for example, hiring bicycles or scooters – suits travelers when they have arrived at their destination

Space Craft: Yes Seriously!! This may become seriously influential in the years ahead. Virgin Galactic are already working on a space craft hoping to provide commercial tourism via passenger trips into space.

Accommodation

As a sector it serves tourists requiring overnight places to stay for varying lengths of time. It caters to different tastes, budgets and requirements.



Hotels: Most popular for tourists offering overnight stays on a short-term basis. Typically provide private rooms with en suite bathrooms, as well as other services like housekeeping, room service and laundry.

Shared Accommodation: Since the rise of platforms like Airbnb there has been an increase in the popularity for shared accommodation which typically consists of a space in a house. It might be a private room or a shared room with other guests.

House rentals: again, platforms like Airbnb has made this a popular choice amongst tourists, renting out entire house with all the home comforts needed.

Hostels: Provide shared room lodging – guests typically pay for a bed in a dormitory and share kitchen and bathroom facilities. This is a great low budget option for travelers.

Camping: Outdoor accommodation where tourists can stay at a campsite with additional facilities or make their own campsite, for example in a national park.

Bed and Breakfast: Situated in private houses or pubs, guests have a private room and breakfast provided in the morning.

Cruises: Transportation and accommodation combined. Cruises are gaining an increasing popularity. Passengers benefit from having their own cabin and classic accommodation services whilst visiting several places.

Food and Beverage

Food and drink are basic human needs and this sector of the industry serves tourists needing to meet those needs whilst also providing opportunities to socialize with friends or meet new people.

Eat in Restaurants: food and drink are provided on the premises. Wide range of type from high end luxury to budget.



Fast Food Restaurants: Although many cater for customers to eat on the premises they also provide the option for the customer to take the food away to eat elsewhere.

Catering Services: Food and drink sold on public transport, in parks and other tourist sites.

Bars and Cafes: Relaxed environments for tourists to eat and drink. Bars tend to focus on selling alcohol and soft drinks. Cafes serve predominantly hot drinks and light snacks.

Nightclubs: Some locations in the world attract tourists due to the night life offered, they stay open late and combine music and alcohol sales.

Entertainment

This sector of the industry caters to keeping tourists happy and occupied when visiting their destinations. Some forms of entertainment are the primary pull for tourists to visit a specific destination (think Florida and Disneyland or Las Vegas and the casinos and nightlife)

Examples of entertainments are:

Casinos

Theme Parks

Shopping

Museums

Music Venues

Sporting venues





Connecting Industries:

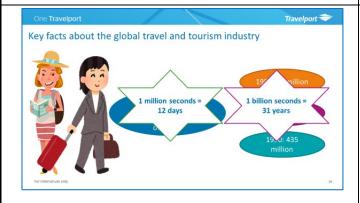
Businesses that connect customers with travel and tourism products include:

Online Travel Agencies Leisure Travel Agencies Tour Operators

These are businesses that you will be looking at in more detail when you begin your process training but fundamentally, they connect customers with travel and tourism products.

There are other industries that provide support or logistical assistance for tourists and travelers and include:

Financial services (e.g. banks, travel insurance companies) **Educational Services** (e.g. conferences, exhibitions, training activities)



Hopefully you are now beginning to form a picture in your mind of just how vast the industry is and how its size is affected from sectors within the actual industry and sectors of other industries too.

Let's further set the scene with some key facts about the travel and tourism industry.

2018 saw 1.4bn international tourist arrivals according to the World Tourism Organization. This number is inclusive of both leisure and business travelers.

This was an increase of 6% from 2017



This doesn't mean that 1.4 billion people traveled, as many travel customers (particularly business travelers) complete more than one trip a year.

If we go back just a few decades you can see how much this has increased:

1950 – 25 million international tourist arrivals

1970 – 166 million international tourist arrivals

1990 – 435 million international tourist arrivals.

To give you an idea of just how high a number 4.6 billion compared to anything in the millions take a look at this fact.....1 million seconds is the equivalent of 12 days. 1 billion seconds is the equivalent of 31 years!!

By the end of 2019 4.6 billion people will have travelled by air. This includes both domestic, regional and international flights.

Business and Leisure tourism plays an increasingly important role in the global economyDoes anyone know how much the industry was worth in 2018?

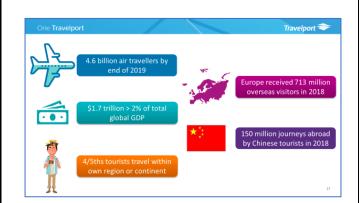
(ask the class to shout out guesses before revealing answer)

Answer: **\$1.7 TRILLION** – which makes up 2% of total global GDP. Let's go back to our seconds statistic to show you just how big a trillion is! A trillion seconds is the equivalent of 31, 688 years! It's a vast sum of money and is only on the increase!

4/5^{ths} of leisure and business tourists travel within their own region or continent.

Europe leads the way in overseas visits – receiving 713 million visitors in 2018.

The number of tourists produced by a country tends to be linked to the country's income and population.

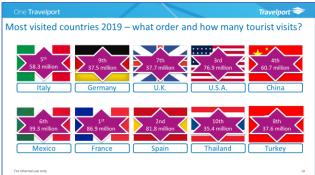




China's rising wealth has resulted in a huge growth of both leisure and business tourism abroad making Chinese tourists the most abundant in the world with 150 million journeys abroad made by Chinese tourists in 2018.









Most visited countries in 2019

These are the top ten most visited countries in 2019.

Activity: Split class into pairs. Ask them to guess the order from most visited to least visited country in 2018. Bring it back to a classroom discussion and go through the answers on the PPT slide after approx. 10 mins or when the students all say they are done (if sooner)

Answers: The correct order is

France

Spain

USA

China

Italy

Mexico

UK

Turkey

Germany

Thailand

There are other regions that tourists visit that are also on the rise, with North Africa rising by 10% and visits to the Middle East are also on the increase.





What about the worlds most visited cities? We already know the most visited countries but let's look at which cities around the world are attracting the most tourists.

Activity: Show the picture of each of the top five most visited cities on the PowerPoint and read out the clues for each one. Ask the class to guess which city you are talking about before moving on to the next one.



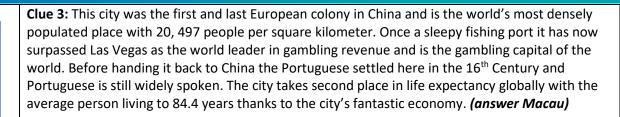
Clue 1: Famous for its towering sky scrapers this city's literal name in Chinese means "fragrant harbor". It boasts the world's longest covered escalator which runs for half a mile. Its home airline is Cathay Pacific. It is home to the worlds heaviest, longest road and rail suspension bridge, the Tsing Ma Bridge spanning 2.2km. **(answer Hong Kong)**



Clue 2: To the locals this city is known as "the city of angels". The Chao Phraya River runs through its heart and it holds the accolade of warmest city in the world with an average yearly temperature of 28 degrees C. It is the capital of Thailand *(answer Bangkok)*









Clue 4: This city shares the same name as the country due to its city-state status, meaning that there is only one city which occupies the whole country. It is one of only three in the world to have a city-state status. It is the largest port in South-East Asia and one of the busiest in the world. Owning a car in this city-state is a real luxury with the cost of a car being three times as much as in European cities. It is one of the safest places to live in the world with crime being virtually non existent. Chewing gum here has been illegal since 1992 and anyone caught with gum on them (including accidently smuggling it in) can face up to two years in prison. (answer Singapore)



Clue 5: Famous for its iconic landmarks such as Big Ben and the Houses of Parliament, and Trafalgar Square, this city boasts a wonderful mixture of historical and modern buildings. With the River Thames flowing through its heart, visitors to this city are met with world class museums, black taxis and red buses as well as the Queen of England's residence, Buckingham Palace. (answer London)





Talk through the table for the top visited cities.

The table is compiled based on the number of international leisure and business tourists arriving in the city and staying for more than 24 hours. It doesn't include domestic tourists or tourists that as just passing through the city.

Hong Kong received 26.7 million tourists Bangkok received 25.8 million tourists Macau received 20.6 million tourists Singapore received 19.7 million tourists London received 19.6 million tourists.

Linking back to previous statistics we talked through, it's worth noting that the number of Asian destinations is high due to the abundance of Chinese international tourists.

Although this table does include business travelers as well, if you were to take out leisure tourists and simply look at the most popular destinations for business travelers, then New York leads the way, closely followed by London, Paris, Shanghai and Toronto.





Finally let's look at some of the top visited destinations and landmarks in the world.

Uber compiled a list of the top 15 most visited travel destinations in one of their taxis. The pictures you see around the room made the top ten.

Activity: Put pictures of these well known destinations around the class room. Split the class into teams and ask them to write the name of each destination down in their activity books as well as where they think it ranked in most visited destination. Give them 10 minutes to do this before bringing it back to a classroom discussion. Note: the pictures are representative of the top TEN destinations. When you bring it back to the class to discuss there are a further five (which don't have pictures) included.

lead a discussion as to whether they recognized the destinations and guessed its ranking correctly.



Answers:

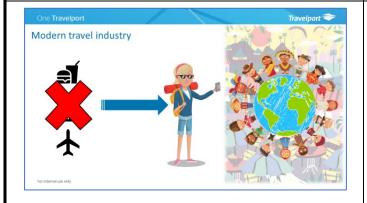
- 1. Empire State Building
- 2. Freedom Tower
- 3. CN Tower
- 4. Arc de Triomphe
- 5. Eiffel Tower
- 6. Burj Khalifa
- 7. Buckingham Palace



- 8. Disneyland
- 9. Golden Gate Bridge
- 10. Sydney Opera House

Run through the next 5 on the PPT.

- 11. The Blue Mosque
- 12. Berlin Wall
- 13. The Vatican
- 14. Christ the Redeemer
- 15. Great Pyramid of Giza



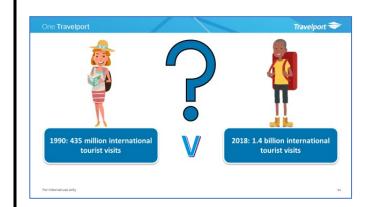
You can see that the travel and tourism industry is a big business in almost every country in the world. Millions of people travel every year spending billions of dollars.

It is no longer a service industry offering a flight, a room and some food. In today's modern world being a tourist is about the experience. A way of accessing other people's culture, way of life, food and environment.

The level of expectation of a business traveler might differ from that of a leisure traveler but they are ultimately seeking a similar experience.

The industry must cater for both types, offering luxury services as well as affordable services.





If we revisit the earlier figures of 435 million international tourist visits in 1990 compared to 1.4 billion international tourist visits in 2018 – what do you think has been key to this fast-paced change and evolution? Ask the class



In short, shifting demographics and developing technology has been instrumental leading to the creation of brand-new travel trends.

Customers' needs and desires have changed, their access to the latest technology has empowered them to make choices that were perhaps not available to them 30 years ago. This increase in technology has meant that the travel industry must remain dynamic and competitive with the ability to adapt constantly to traveler needs.

This is where a company such as Travelport fits in, as you will discover on your journey working for us.





It's hard to imagine a world without the internet and many of you were born into a world where it always existed.

When you think back to when we talked through the origins of travel dating back thousands of years, the world wide web was only made available to the public in 1991 and even then, it wasn't widely used by the public until 1995! Google only launched in 1998, Facebook only appeared in 2004, YouTube in 2005 and Instagram has only been around since 2010.



Accessing the internet on a mobile device was unheard of in the 1990's with dial up internet requiring a phone line – meaning households were unable to make landline calls when using it. Its speed was painfully slow. Although no one really knew what slow was compared to the speeds of the internet today.

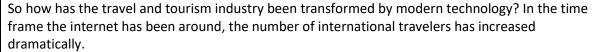
Broadband and Wi-Fi started to replace dial up in the early 2000's and by 2007 over half of the world's internet users had a broadband connection.



In 2007, Steve Jobs changed everything with the launch of the first iPhone. Mobile technology in your pocket! That could be accessed anywhere. Coupled with 3G data coverage and further down the line 4G and the newly launched 5G, in today's modern world 87 per cent of people have their mobile phones next to them 24 hours a day.







For the customer, traveling has never been easier. With our smartphones acting as our travel agency, tour guide, restaurant locator, map and platform for posting our holiday snaps plus so much more.

Gone are the days where the traveler is reliant on human interaction to book a holiday, nowadays everything can be done at the touch of a screen.



According to a Google Travel study 74% of travelers plan their trips on the internet which gives them freedom to research in their own time.

The internet allows for spontaneity with customers booking a last-minute weekend away perhaps just because of a fantastic low cost offer.

Likewise businesses want to keep their costs down for their employees traveling around the globe and want access to a variety of technical means in order to do this.

Initially it was all about online offerings in the form of websites but now Apps are emerging as the leader in how customers want to book.

Social media has played a huge role in how travelers research their holidays, with platforms such as TripAdvisor leading the way for travelers to leave reviews for others to use when deciding on whether to book somewhere.

Pictures of holidays and destinations are shared on social media platforms such as Facebook and Instagram with social media influencers having the power to share their pictures with millions of people, an amazing marketing tactic for the travel and tourism industry.



It's not only the big players in the travel and tourism industry capitalized on the internet boom with their websites and apps. Other technology has also emerged in recent years which has made the traveling experience so much easier.

The days of printing tickets is coming to an end, with check in on flights being done electronically before reaching the airport and e-tickets are readily available along with electronic boarding passes.

Technology has even infiltrated security control with biometric passports allowing for automatic face recognition. In fact, a biometric passport is really the only physical document the modern-day traveler needs.







The picture we are trying to create here is that modern technology constantly surrounds us.

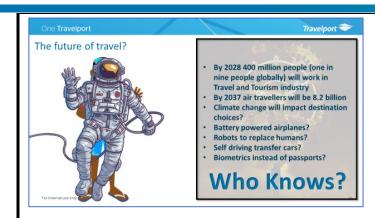
Travel customers can use this technology to tailor their needs to their specific tastes from researching, to booking, to traveling and then sharing memories, the cycle is consistent, making traveling a seamless process.

In the coming weeks, you will learn that it's not just the technology available to consumers that is constantly changing and developing.

For the consumer they see the front-line applications, the booking sites, the reviews etc.

However, behind the scenes there is also a vast amount of ever-changing technology at work. Technology being developed by companies such as Travelport to ensure that key players in the industry can keep up with travel consumers' ever changing and constant demands.





What about the future of travel? We live in a world where just about anything can happen, who knows maybe even one day we will be able to travel through time!!

New and exciting technology is always emerging.

Let's finish this session looking at what the future of travel might hold.

Research by the World Travel and Tourism Council shows that by 2028 one in nine people will work within the travel and tourism industry globally, an estimated 400 million people. By 2037 it is predicted that air travelers will have doubled to 8.2 billion.

Destination choices will alter, with climate change being a big factor. The once popular choices of Mediterranean holidays will be unbearably hot by 2040 with travelers opting for cooler climates in peak seasons. Carbon emissions will need to be stemmed and air travel as we know it will have to change. Will we see battery powered planes, airports run by robots and self-driving transfer cars? Will the passport disappear to be replaced by biometrics, using your finger print as your passport? Will all humans be replaced by robots?

The answer to some of these questions are a given. Biometrics will play a big part in the future of travel and we can't escape the issue of global warming and climate change having an impact on future trends.

Space travel genuinely looks like it will happen as the technology needed for this already exists. Although you will need to be super rich to afford the £175,000 ticket cost on Virgin Galactic flights. And who knows which other planets we might be able to visit in the future?







Virtual or Augmented Reality will also play a big part in the future. Offering a wide variety of options to both companies and travelers. Marketing can be driven by consumers sampling what there is to offer, whether it's a virtual scuba diving trip in Australia or a tour of a hotel and what it has to offer, travelers will be able to do all of this from the comfort of their own homes.

However, even with advanced technology allowing us to virtually experience these things, it won't allow you to meet new people, or to wander off the beaten track and discover a place for yourself.



The Internet of Things is another huge innovation set to take the future by storm. Referring to physical devices, appliances and other "things that have been fitted with internet connectivity, making them capable of sending and receiving data. It means every day objects can become "smart objects" with the capability of interacting or talking to one another.

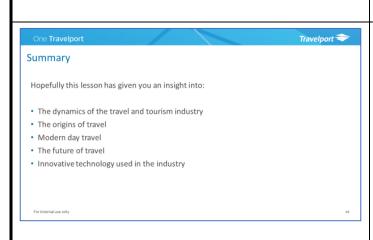
For example, a suitcase can be fitted with a sensor so that a traveler will know where it is always.



The future of travel is exciting, as this short video shows.

embed the video of Travelport the Future of Travel.





This lesson was designed to give you an insight into just how dynamic the travel and tourism industry is. Its origins, current modern day travel and what the future holds. Hopefully it has helped to set the scene to help you begin to understand just how huge the industry is.

In your first week of process training, you will be introduced to how Travelport fits in to the industry and the role we play in designing innovative technology to serve our customers ever growing demands and needs.

The next session of today involves an overview of Travelport as a company, our structure and our values, to begin the process of helping you to feel like one of the Travelport family.



Hopefully you have all been taking note throughout this training.

We are going to finish the session with a game of jeopardy. This is only for fun but a good way to test what you have learnt.

Trainer to open new PPT with jeopardy quiz.

Split class into two (or three class size depending) teams.

Explain the rules. Answers must be given in the form of a question. Keep track of the score on a flip chart.

End of Session