

# Introduction to Tourism

Tourism has turned out to be an economic booster contributing to the economic development of many countries over the last few decades. People see holidays as a necessity, and not as luxury in the present scenario. Tourism calls for coordination and cooperation between travel agents, tour operators, and tourists. Tourism has a few major elements — destinations, attractions, sites, accommodation, and all ancillary services.

## What is Tourism?

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Tourism involves the activities of people travelling and staying in a place away from their home environment for leisure, business or other purposes.

Mathieson and Wall (1982) define tourism as follows:

*"The temporary movement of people to destinations outside their usual places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs."*

Tourism was mainly being traditional in its early form. With the evolution of cultures, economies, and knowledge, tourism took a different form called sustainable tourism with the aspect of well-planned tour, well-studied destination, and conservation of destination.

## Factors that Motivate People to Travel

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The most common reasons for the people to travel away from home are:

- To spend holidays leisurely
- To visit friends and relatives
- To attend business and professional engagements
- To get health treatment
- To undertake religious pilgrimages
- Any other personal motives

## Traditional and Niche Tourism

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The following table lists down a few points that differentiate traditional tourism from niche tourism:

Traditional Tourism	Niche Tourism
The tour is decided and planned a number of days or weeks ahead of the actual travelling day.	The tour is decided and planned spontaneously as well as ahead of the date of travelling.
The tour operators generally suggest famous places and there is comparatively less study done on the destination place.	In this tourism, local language preparation and the study of local culture and norms is recommended.
It generally takes the form of social activity being large number of people involved.	It is a personal, family, or friends' activity being small number of people involved.
The tourists mainly desire for souvenirs and site-seeing.	The tourists desire for experience and knowledge.
The tourists may or may not care for local economics, culture, and environment.	The tourists are keen to cooperate in keeping local economy, culture, and environment thereby generating a positive experience for the locals, the tourism business, and the tourists themselves.

## What is Tourism Management?

It involves the management of multitude of activities such as studying tour destination, planning the tour, making travel arrangements and providing accommodation. It also involves marketing efforts to attract tourists to travel to particular destinations.

There is a subtle difference between just travelling and tourism.

- **Travelling** is going from the place of residence or work to another distant or a neighboring place by any means of transport. Routine commutation can be termed as travelling.
- **Tourism** is travelling with an objective. All tourism necessarily include travel but all travel does not necessarily include tourism. We can say, travelling is a subset of tourism.

One similarity between travel and tourism is, they both are temporary movements.

# Types of Tourism

In this chapter, we will be discussing the various types of tourism and their characteristics.

## **Mass Tourism**

It involves tourism of organized large groups of people to special tourist locations. It is a traditional way where the daily program is fixed by the tour organizer. It is a social activity. The tourists generally desire for souvenirs and site-seeing.

For example, religious places, theme parks, boat cruises, resort towns.

## **Alternative Tourism**

It includes individually organized tours to find first-hand information about a place, local culture, and environment.

For example, biking tour planned by an individual while accommodation is catered for on the go.

**Business:** It is touring for conducting business transactions, attending business meetings, workshops, or conferences. The objective of business tourism is mainly professional.

**Pleasure:** It includes tourism for improving one's physical or spiritual well-being. For example, vacation at a Yoga or rehabilitation center.

**Nature:** It is tourism at places famous for pristine nature and serene beauty. The main objective is to experience and enjoy nature such as farms and wildlife. Ecotourism is a part of nature tourism.

**Cultural:** This type of tourism has an objective of understanding the local history of the place, foods, local productions, and local culture.

**Social:** It includes tours conducted among relatives, friends, and others.

**Recreational Tourism:** It includes travelling to escape from routine life. This is often done for enjoyment, amusement, or pleasure. For example, Camping or beach visit.

**Active Tourism:** It is conducted with a clear objective such as climbing a mountain, touring around the world, or learning local culinary arts or languages.

**Sports Tourism:** It is tourism for attending some sports event such as World Cup Cricket Match, FIFA, or Olympics.

**Religious Tourism:** It involves travelling to places of religious significance such as Vaishno Devi in Jammu-Kashmir and Golden Temple at Amritsar (India), Mecca in Saudi Arabia, Bethlehem, and other such places.

**Health or Medical Tourism:** It involves travelling to improve one's health. It is with the objective of visiting weight-loss camps, naturopathy centers, and health resorts.

**Adventure Tourism:** It involves tourism for adventurous activities such as rock climbing, bungee jumping, sky-diving, hiking, horse-riding, surfing, rafting, or skiing.



# Tourism Terminology

Let us now discuss a few terms that are frequently used in the tourism industry.

- **Attraction:** It is a physical or cultural feature of a place that can satisfy tourists' leisure based need.
- **Cultural Heritage:** It is an expression of the manner of living developed by a community and passed on from one generation to the next. It includes customs, practices, places, objects, artistic expressions and values.
- **Dark Tourism:** (Black or Grief tourism) It is the tourism involving travel to places historically associated with death and tragedy.
- **Destination:** It is a place the tourist visits and stays there for at least 24 hours. The destination supports staying facilities, attractions, and tourist resources.
- **Ecotourism:** It involves maintenance and enhancement of natural systems such as water, air, woods and forests, and flora and fauna through tourism.
- **Excursionist:** Persons traveling for pleasure in a period less than 24 hours
- **Foreign Tourist:** Any person visiting a country, other than that in which he/she usually resides, for a period of at least 24 hours.
- **Hiking:** A long and vigorous walk on the trail.
- **Intermediaries:** They are the intermediate links between the form of goods and services tourists do not require and the form of goods and services the tourists demand.
- **Itinerary:** A documented plan of the tour.
- **Leisure:** The free time when obligations are at a minimum and one can relax.
- **Recreation:** The activities carried out during leisure time.
- **Site:** It is a particular place bound by physical or cultural characteristics
- **Skiing:** It is a recreational activity and competitive winter sport in which the participant uses skis to glide on snow.
- **Snorkeling:** It is the practice of swimming on or through a water body while being equipped with a diving mask composed of a shaped tube called a snorkel.
- **Terrain:** It is a stretch of land, especially with regard to its physical features.

- **Tourism Carrying Capacity:** The maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment, and an unacceptable decrease in the quality of visitors' satisfaction.
- **Travel:** The act of moving outside one's home community for business or pleasure but not for commuting or traveling to or from usual places.
- **United Nations World Tourism Organization (UNWTO):** It is the United Nations (UN) agency responsible for the promotion of responsible, sustainable, and universally accessible tourism.
- **Visitor:** A non-residential person visiting the place.
- **WTO:** World Tourism Organization.

# Factors Affecting Tourism

There are many factors that influence the running of the tourism industry. Some show immediate effect while, there are also factors which affect in the long run.

## **Environment at Destination**

Tourism is in its best form when the destination boasts of conducive climate. In contrast, any undesired changes in the environment such as high winds, flash floods, drought, and extreme climate can affect tourism adversely.

For example, during harsh summer months in India, people prefer to travel to colder climate regions like hill stations.

## **Economy of the Country**

When a country is undergoing economic turbulence and when people are facing unemployment issues, tourism is affected adversely. On the contrary, when a country's economy is doing well and people can afford to spend money on leisure, tourism progresses.

## **Historical or Cultural Importance of Destination**

The place or destination of travel affects the tourism business to a great extent. If the destination is of great historical or cultural significance then tourists will certainly like to visit the place for seeing monuments, castles, forts, ancient architecture, sculptures, caves, ancient paintings and utensils, clothes, weapons, ornaments, and other allied heritage.

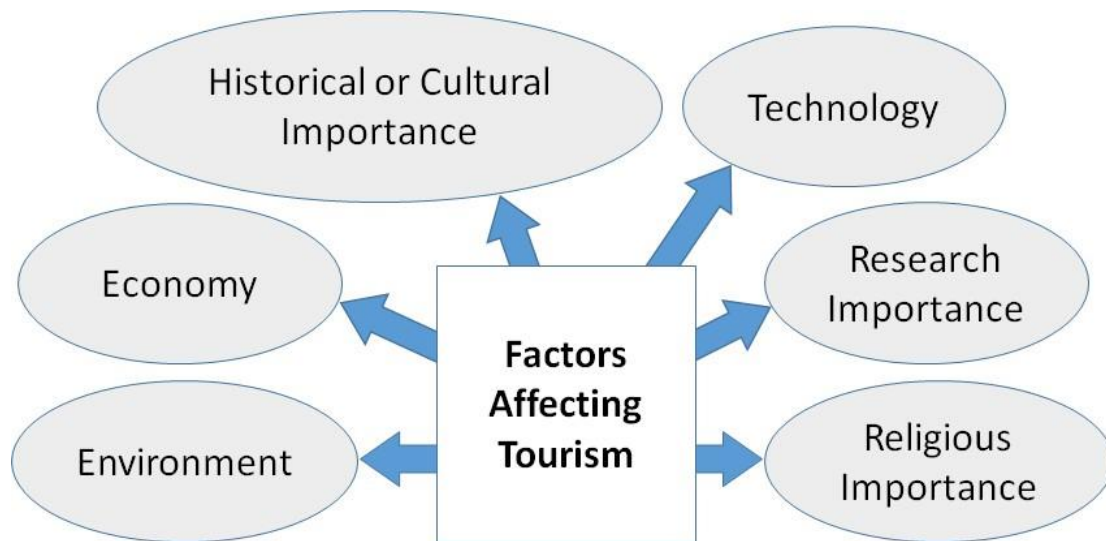
For example, the world famous places of historical and cultural importance are Taj Mahal (India), Pyramids of Giza (Egypt), Bagan City (Burma), Acropolis (Athens, Greece).

## **Research Importance of Destination**

There are tourists who visit places with the objective of studies and exploration. Need for research promotes tourism. Archeologists, Geologists, Oceanographers, Biologists and Zoologists, Architects, and People researching Arts and Cultures seek places that have great significance in the field of research.

## **Religious Importance of Destination**

The places of religious importance or worship are always flooded with tourists. At these places, tourism is at its peak at particular time periods in a year. The tourists often go on pilgrimage to find inner peace and invoke blessings of the deities they worship and to cleanse their sins before death. For example, Mecca, Bethlehem, Kashi.



## Technology

Internet has penetrated to almost every corner of the world. Tourists are enjoying the benefits of Internet. While planning a tour, the tourists try to get the idea about the places they are going to visit, the quality of amenities and services, and the attractions at the destination. After visiting a destination, the experienced tourists share their opinions on various platforms of the Internet.

Thus, the reviews of experienced tourists shared on the internet work as guidelines for the following tourists. Hence, just like a double-edged sword, the Internet can boost as well as bring down the tourism business.

# Demand of Tourism

Tourism demand is the total number of persons who travel or wish to travel to use the tourist facilities away from their places of work and residence. (Mathieson and Wall, 1982)

Tourism is a dynamic field. It varies on the number of factors related to the tourists; the country of destination, the market from which the tourists emerge, and market of the destination. The tourism managers and researchers study a lot about tourists' motivations and cultures, their changing behavior, and the driving and affecting factors of tourism. They also study the destinations investigating the amenities and attractions they provide or any prospective ways to attract the tourists.

The tourism businesses can figure out the demand of tourism in a particular area, by identifying the types of various tourists, their behaviors, and create right offerings for the right market.

Let us see, the types of tourists and how tourist behavior varies with respect to various factors.

## Types of Tourists

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There are different types of tourists:

- **Intrinsic Tourists:** They are into holidaying for the sake of enjoyment.
- **Extrinsic Tourists:** They have reward oriented motivation. These tourists are susceptible to the activities where performance is evaluated.
- **Adventurers:** They give very little importance to relaxation. They are always up to exploring places and taking challenges. Mainly youths and singles from both genders carrying zest of life largely contribute to this type of tourism.
- **Budget Travelers:** They are economy-oriented tourists. Their touring decisions about places, travelling mode, and other related factors are largely dependent on their financial status.
- **Homebodies:** They are mainly relaxed tourists. They do not get into adventure. The tourists aged above 45 to 50 years belong to this type. The busy professionals under 45 years also belong to this type.
- **Moderates:** They plan their tour ahead, have a high inclination towards tourism but they do not get into sports or adventure activities.
- **Vacationers:** They plan touring during vacations such as summer break or Christmas break. They are not always sure of where and why they wish to visit.

# Motivation Factors of the Tourists

Motivation of the tourists stems from the domain of human psychology. It is the satisfaction-forming factor. The factors of motivation can be categorized into two types:

## Internal Factors of Motivation

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Internal factors arouse, direct, and integrate a person's behavior and influence his decisions for travelling.

- **Intrinsic Motivation:** For many people, tourism is a way of satisfying their psychological needs such as travelling, performing leisure activities, exploring novelty and capabilities, self-expression and self-assurance, creativity, competition, need for relaxation, and belongingness. The intrinsic motivations pertain to assuring one's capabilities on different emotional fronts. Intrinsic motivation drives the tourists to opt for tourism for intangible rewards such as fun, assurance, and other emotional needs. The other intrinsic factors of motivation are:
  - **Attitudes of Tourist:** Knowledge of a person, place, or object + Positive or negative feelings about the same.
  - **Tourist's Perception:** By observing, listening, or getting knowledge, a tourist forms the perception about a place, person, or an object.
  - **Values or Beliefs:** A tourist believes or values a specific mode of conduct which is acceptable personally or socially.
  - **Personality of the Tourist:** The nature and physique of a tourist plays an important role towards motivation in tourism.

## External Factors of Motivation

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There are external motives in tourism that can influence tourists and pull them towards a certain motivation and subsequent decision.

- **Extrinsic Motivation:** Here, a tourist gets motivated by external factors such as money and the need to feel competent on the scale of expenditure and performance.
- **Place of Origin:** The grooming of the tourist depends upon the place of its origin. For example, for the Indian married women, the tourism might come last in the list of preferential things they wish to do whereas for American ladies, tourism would acquire much higher rank.

- **Family and Age:** The family matters when it comes to the structure and the income. Today, the families with nuclear structure and double income tend to opt for long distance, extravagant tourism more than joint families or families with single earning member who are interested in visiting domestic places. The tourists also have different preferences of places according to their age. For example, tourists in the age group of 5 to 45 years might enjoy visiting destination in the USA such as Disneyland more than the senior citizens.
- **Culture or Social Class:** Tourists of different cultures prefer different places, events, and different types of tourism. In addition, if friends and families who have visited a place earlier spread the first hand information that motivates the others to visit the place too.
- **Market:** Ever-changing market variables alter tourism. Changes in value of currency, political situations, and economic well-being of the country influence the decisions of a tourist.

# Maslow's Pyramid of Motivation

An American psychologist and a professor of the 20<sup>th</sup> century, Abraham Maslow proposed a theory on the hierarchy of human needs. It can be depicted as a model of five basic motivational needs any human being has. These needs are:



- **Physiological (or Biological):** Need for air, food, water, shelter, warmth, and sleep, which are required for the survival.
- **Safety:** Need for safety from harmful elements, freedom from fear, physical safety, economical safety, safety against accidents or their negative impacts. Safety may also manifest into security such as job security and financial security.
- **Social:** Need for having a family, need for intimacy, friends and social groups. Need for belonging and being accepted and loved by others.
- **Self Esteem:** Need of feeling accepted and respected by others, need for recognition and attention from others.
- **Self-Actualization:** Need to realize one's full potential. A human being requires to attain this need after all the above needs are satisfied.

This pyramid helps to understand the priorities of the human needs in the order depicted. As we can see, the tourism covers the bottom four levels of the triangle.

# Consumer Behavior in Tourism

Consumer behavior is one of the most researched areas in tourism. This studies why a tourist chooses a particular destination and what are the driving factors that influence his decision for travelling.

## Factors Affecting Tourist Behavior

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The following factors immensely alter tourist behavior:

- **Geographical Factors:** Some physical factors like geographical and climatic conditions, facilities and amenities available at the destination, advertising and marketing conducted by tourism business alter the decision making of the tourists.
- **Social Factors:** A few social factors such as a person's social network, which provide first hand information that can alter a person's decision of visiting or not visiting a particular place.
- **Place of Origin:** There can be a broad spectrum of tourist behavior depending upon the place they belong to. North Americans like to follow their own cultural framework. Japanese and Korean tourists like to visit places in groups.
- **Tourism Destination:** It is a major contributing factor altering tourist behavior. If a destination has all basic provisions such as electricity, water, clean surroundings, proper accessibility, amenities, and has its own significance, it largely attracts tourists.
- **Education of Tourist:** The more educated the tourist is, the wider range of choices, curiosity, and the knowledge of places he would have. This drives the decision making when it comes to choosing a destination.

## Intrinsic and Extrinsic Tourist Behavior

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The difference is as follows:

Intrinsic Behavior	Extrinsic Behavior
They record higher level of satisfaction and enjoyment as they see an activity as a mean of enjoyment itself.	They record comparatively lower level of enjoyment as they go through the stress of competition.
Time passes faster for them.	They are focused on passage of time.
They record a higher level of enjoyment.	They tend to be tensed for performance and could be apprehensive, which hinders their enjoyment and relaxation.
They look forward to the next similar experience in the moderate to long span of time.	They look forward to the same experience in the short span of time.

## **Part II – About Tourism Destinations**

# Destination Awareness

Destination is the basic component of tourism. Identifying and capturing the essence of the place is vital for the tourism business to do well. If an attractive place is turned into a destination, the place generates high revenue from tourism.

Today, Destination Management is an important subject in tourism studies. It focusses on the development and management of destinations to provide highly satisfying experience to the visitors without hampering the local culture and environment.

## What is a Tourist Destination?

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A tourist destination can be a city, town, or other area. It is dependent on the revenues accruing from tourism. It is marketed or markets itself as a place for tourists to visit. It may contain more than one tourist attractions. For example, Roros, Norway is a destination with the label of mining town since last 85 years.

## How Can a Destination Attract Tourists?

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A tourist destination has certain characteristics that attract tourists to spend time there. It can attract tourists for its inherent or exhibited natural or cultural value, historical significance, flora and fauna, natural or built beauty, offering leisure, adventure and amusement.

### Accessibility

It is the ability to reach to a place of destination by opting one or multiple means of transportation. The transportation should be timely, convenient, inexpensive, and safe. Today there are various means of transportation like airlines, railways, surface transportation, and water transportation.

### Accommodation

It is a place where the tourists can avail food and shelter on payment. Today, a wide range of accommodations are available ranging from a basic budget accommodation to elite class seven-star hotel suites.

### Attraction

It is a place of interest where tourists visit, typically for its inherent or exhibited, natural or cultural value, historical significance, or natural or artificial beauty. The attraction creates a desire to travel to a specific tourist destination. They also offer leisure, comfort, adventure, or amusement.

For example, Paris draws tourists by offering Fashion as attraction.

## **Activities**

Activities are what the tourists perform for fun and amusement. For example, boating, scuba diving, canoeing, camel riding, and visiting a place.

## **Amenities**

Amenities refer to the beneficial services offered to the tourists like visitor information centers, telecommunications, roads, drinking water, toilet blocks, garbage bins, etc.

## **Types of Tourist Destinations**

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There are various types of destinations as given below:

### **Centered Destination**

It is the most common type of tourist destination, where tourists spend most of their time on occasional excursions to nearby places of attraction. For example, Andaman Island is a centered destination.

### **Base Destination**

It refers to that type of destination where tourists need to travel and explore surrounding region.

For example, Sossusvlei Desert Camp of Sesriem is a base destination from where tourists can explore the nearby desert mountain dunes and Sesriem river canyon.

### **Multi-Centre Destination**

Here the destination comprises two or more destinations of equal importance. For example, India is a multi-center destination where each Indian state or region offers different culture, nature, and culinary experience.

### **Touring Destination**

A touring destination refers to a place to visit as part of linear itinerary.

### **Transit Destination**

It is a place of a brief halt en-route while the tourists are heading towards the final destination.

For example, Abu Dhabi is a transit destination where tourists take a short break for going to Cape Town, South Africa.

## **Building Online Destination Awareness**

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Exploiting the widespread reachability of the internet, the tourism businesses need to build their online presence not only for offering various tours but for creating destination awareness as well.

# Milieus of Tourism

Milieu is nothing but the physical, cultural, or social environment in which the people live or which influences people. The milieu includes one's family, friends, the place of residence, and the surrounding culture.

In the domain of tourism, the milieus are broadly divided into two different categories. Let us see them in detail:

## Geographical Milieus

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These are the milieus divided according to their terrains.

### Rural Area

It is the countryside area or area outside the boundaries of a city. There are less number of settlements, low density of population, and less pollution in the rural area. The pace of life is slower. Nature is more accessible with the beauty of farms and fields, woods, plantations, and wild life. Less infrastructure developments are found in the rural area.

Rural areas offer attractions such as beautiful landscape, vegetation and plantation of specific crops, vineyards, gardens, water bodies and allied sports, farmhouse visits and stays, and roadside flea markets.



### Urban Area

It covers cities and developed towns. The urban areas have high density of population and large number of houses and apartments. The cities are more affected by air and noise pollutions. The pace of life is too fast in urban areas. The life and living here boasts of contemporary infrastructure and technology.

Urban areas are usually home to man-made attractions such as Disneyland, theme parks, museums, or vintage sculptures and architecture. They also attract tourists for gourmet food and local culinary experiences.



## Coasts and Beaches

This area offers extra ordinary beauty of Terra Firma, vegetation, and water together. Apart from the above stated features, the coastal areas are high on the list of tourism destinations as they also offer exotic sea food, view of different forms of sea and artistic sand sculptures, and water sports. The coastal areas also provide an opportunity to see the marine life either in their natural habitat or in the marine museum.



Beaches are tempting destinations for relaxation and recreational holidays. According to the World Tourism Organization estimates, coastal areas represent one-third of global tourism income.

## Islands

Islands have developed thriving tourism over the last few years. They draw tourist attraction for their breathtaking beauty of land surrounded by water, refreshing breezes, and tranquility. They offer a wide range of water sports like speed-boating, canoeing, snorkeling, and diving. They offer market for authentic pearls, mother-of-pearl ornaments, and wooden handicrafts.



For example, Andaman & Nicobar Islands (India), Madagascar (Africa), Islands of Hawaii, Bora Bora, Tahiti, and Morea (South Pacific Islands) are few examples of highly frequented islands for tourism.

## Mountainous Region

Mountains have indisputable tourist potential and they attract tourists of all categories. The adventure tourists visit mountains for their remoteness, difficult access, unbeaten mountain trails, and wilderness. The adventure sport liking tourists visit mountains for climbing, hiking, skiing, mountain biking, and bungee jumping. Some tourists visit mountains to see the beauty of rare flora and fauna, take fresh unpolluted air, and get to know the unique local cultures. The pace of life in mountain regions is low.



For example, Andean Inca trails of Ethiopia, sacred Buddhist sites and in Himalayas.

## Desert Region

This region is popular with tourists for its sand dunes, serenity, clean air, flora and fauna, and awesome view of night sky. It also offers desert sports such as quad biking, air balloon rides, and activities such as camel trekking and camping. The deserts also offer introduction or engagement with unique local cultures. The pace and style of life is very different in the desert.

For example, Thar (India), Sahara (Morocco), and Namib Desert (Coastal South Africa) are famous tourist milieus.

## **Cultural Milieus**

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Cultural milieus are visited for their heritage, historical, archeological, educational, or adventure importance attached to them. Some of them are also widely known for sports or other entertainment activities.

### **Historical**

This milieu contains the places of historical importance such as sites of ancient wars, civilizations, ruins of sculptures revealing periodic cultures, monuments, castles, forts, and ancient religious sites. The people studying or interested in history, human evolution, manuscripts, cultures, and art around the world find these places attractive. Historical milieus are protected by a country's law.

### **Archeological**

It is a place where one can find the evidence of historic or prehistoric activity that is recorded by the discipline of archeology. This milieu offers ruins and remains of houses and pottery, inscriptions, weapons, idols, biological remains such as bones and scales which link to the past human activity or presence of a prehistoric animal at the place. The archeological tourist places are bound by law and limitations on the tourist activities laid by the government.

### **Educational**

The sites and places of educational importance contribute a large portion of tourism. A school trip is the simplest form of educational tourism. Most of the top universities around the world impart the study abroad program for their students to provide the students with short study sessions of a few weeks to a full year of cultural and linguistic experience. Tourists attend educational cruises which make the people of common interests come together to acquire knowledge.

### **Adventure**

A place popular for adventure tourism calls for the interest in adventurers. Some tourists have inclination towards trying their capabilities on extreme sports such as bungee jumping, sky diving, mountaineering, hiking, parachuting, surfing, skiing, sailing, and other similar action sports.

### **Sports**

A wide range of sports are sincerely pursued by people, which make a noticeable reason for tourism. National or international sports events such as Olympics, Commonwealth games, FIFA or World Cup Cricket tournaments attract tourists greatly.

# Destination Management

After having seen what is meant by destination and what are its different types, it's time to look into what destination management is, what do they do to manage a destination, and why it is important to manage a destination.

## **What is Destination Management?**

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Destination Management puts in place programs and strategies that will spread the unique story of a particular destination. Thus, inviting more tourists and enhancing tourism in that particular region. It proves to be a key to success for tourism management, at large.

## **Why Manage Destinations?**

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Since tourism directly depends on the customer's experience, collecting and auditing tourists' experience is vital. A deep understanding of the destination, the market, and the tourists' experience can help to target the needs, desires, and expectations of a particular market segment.

The destinations are managed so that they provide excellent memorable experience to the tourists in terms of accommodations, facilities, amenities, activities, and food with a continuous upgraded progress thereby increasing the tourists' influx and generating revenue.

## **The Destination Management Organization (DMO)**

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Since the tourists are at the destination since they arrive till they leave, the destinations contribute major portion of enhancing tourism experience. Right from hospitality to a wide range of services, the provision of excellent experience to the visitors is worked out by united effort of many organizations.

DMO is a collaboration of multiple private and public sector organizations working together towards a common goal, to promote and market the destination, and to retain its tourism value all the time.

## Objectives of DMO

The objectives of DMO are as follows:

- To steer destination development.
- To increase tourism influx.
- To spread the benefits of tourism.
- To reduce tourism impacts on environment and local culture.
- To promote and market the country ultimately for tourism.

## DMO Partnerships

The DMO partners with various other organizations as:

- Accommodation providers who provide serviced and non-serviced accommodations such as hotels, bed and breakfast, self-catering establishments, holiday caravans, and camping sites.
- Attraction managers who provide maintenance of attractions, museums, galleries, countryside sites, boat trips, and walking tours.
- Food and beverage providers such as restaurants, pubs, and cafes.
- Retail outlets such as specialty and independent shops, and shopping centers.
- Transport operators such as surface and air transport providers.
- Public sector organizations such as state services for availing licenses and permissions.

## Characteristics of DMO

Some common characteristics of a DMO are:

- It is an independent, non-profit organization.
- It is a membership-based organization comprising public, private, non-profit, and academic tourism stakeholders from the region.
- It is governed by a board of directors.
- It has diverse set of revenue generation from membership fees, hotel taxes, retail opportunities, online booking commissions, advertising in publications and websites. It provides services mostly at zero cost to the end users.

## How DMO Works?

The DMO is completely aware that the experience of the tourists directly drives the economy. It works with all its capabilities to manage the destination by

- Establishing a regular communication with the industry through newsletters, business opinion surveys, marketing opportunities, and annual reports.
- Conducting annual forums to discuss the progress and plans of destination management.
- Conducting topic-specific workshops to discuss key issues.
- Getting feedback on the progress.
- Conducting regular periodic meetings with participating businesses.
- Organizing festivals, lectures, talks, theme holidays, and events.

# Tools for Destination Management

A number of management tools can be used in Destination Management:

## **System of Measuring Excellence for Destinations (SMED)**

The destination development starts with hiring any UNWTO affiliate organization to research and come out with the findings about the situation at the destination and its surroundings. The hired agency conducts observations, surveys, readings, and interviews of the area and generates reports of the findings. SMED also recommends the necessary developments and prospective income opportunities at the destination.

## **Using Scientific Research**

Experts conduct scientific research at the destinations and contribute their findings which can be a great aid to develop destination by protecting the ecosystem of various places. For example, banning fishing in some marine area, banning the entry in some reserves to protect and conserve flora and fauna.

## **Monitoring the Destination**

The UNWTO conducts annual surveys of businesses, residents, foreign tourists, and domestic tourists, about their experience and expectations at the destination. It also takes inputs from local residents and generates reports. The reports then help the local leaders identify and resolve the problems.

## **Public Use Plans (PUP)**

The information recorded in the reports is then used to create a Public Use Plan (PUP) for the destination. A PUP proposes how to manage the torrent of tourists effectively by considering the volume of traffic, entry fees, protection of sensitive areas, housekeeping efforts and cost of maintaining the sites, and so on.

## **Steps of Destination Development**

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The following steps are observed while developing a destination:

### **Develop a Vision for the Destination**

A vision is an exciting picture of a destination's desired futures. The vision is intended to motivate stakeholders to work together to achieve these futures. Vision brings all the stakeholders together and creates an integrated vision of all the individual visions of the stakeholders.

The vision works to find a common ground in which each stakeholder plans a part of their future. Tourism visions describe the style of tourism the destination would like to be recognized for such as ecotourism, culinary, cruise port, or any other, and the target market for the destination.

Here are some questions to ask during the visioning:

- How do you see your destination after tourism development?
- What do you want to see happen at the destination?
- How much of what type of tourism development fits with your image of your destination's future?

It is then followed by destination-wide meeting, gathering the local responses, and drafting the vision as a mean to start the work of destination development.

## Set the Goals for Tourism Development

Set economic, socio-cultural, and environmental goals. Goals are realistic, measurable targets for the destination's tourism vision. Each goal goes hand in hand with the vision. While setting the practical goals, the following answers are found out:

- How many inbound tourists does the destination want to attract?
- How many jobs, for whom, at what pay scales, and for what seasons?
- What is the anticipated percentage increase of income for local residents?
- How many tourists are too many?

The stakeholders identify the practical aspects of goals, timelines, and the actions needed to perform to achieve each goal.

## Collect Visitors' Experience

The tourists' experience can be divided into four phases:

- **Dreaming of travel:** Anticipating holidays or breaks and finding out information of dreamed destination, Fix the range of destinations.
- **Choosing the destination:** It takes place under the influence of cost, climate, first-hand information, internet, and amenities at the destination.
- **Visiting the destination:** Experiencing the place and Forming of opinions, perception about the destination. Generating the feelings of satisfaction/dissatisfaction.
- **Post-tour phase:** The visitors share pictures and experiences with relatives and friends, recommend to visit or not to visit the destination.

## Compile a Visitor Survey

A survey of visitors is then compiled by collecting their profile data through questionnaires. The particular visitors make market segment. The visitor profiles are created by recording the following information about visitors:

- Type of visitor
- Demographics (age, mode of travel, group size, nationality)

- Psychographics (values, benefits, desired experience, beliefs, perception about the destination)
- Spending patterns (daily expenditures, types of purchases made, form of payment, duration of stay)

## **Establish a Destination Management System**

The responsibility of creating a Destination Management System (DMS) is that of the destination managers. A DMS is a database for collecting, manipulating, and distributing the recorded information. It includes the following information:

- Supply inventory and performance of hotels, tour operators, attractions, restaurants, etc.
- Events, festivals, activities, shopping, cycle routes, beautiful spots.
- Visitor profiles.
- Resident survey results.
- Social, economic, and environmental impacts.

The DMS organizes the information to facilitate all the stakeholders of tourism to make their presence felt on the Internet. It also enables the destination and tourism businesses offer dynamic tour packages. DMS help DMOs by using Content Management System (CMS) to support the presence of DMO on web and social media.

## **Market the Destination on the Internet**

In present times, people have indisputable accessibility to information on various websites. It is very important to for a tourist destination to mark its presence on the internet. Easy to navigate, clear website with high quality photographs of the destination and simple yet exceptional content can market any tourist destination effectively.

By visiting these E-destinations, the tourists get a fair idea about what to expect and what they are going to experience.

## **Brand the Destination**

Destination branding is nothing but describing the visitors' experience in terms of facilities, amenities, attractions, activities, and other resources to the people to turn them into the tourists.

A strong destination brand creates an image about the destination, modifies peoples' perception about a place, influences decision-making, and delivers a memorable experience.

## **Part III – Managing Tourism**

# The Tourism Supply

Tourism Management is a complex sector involving a wide range of economic operations. Tourism supply is one of the operations. It is highly reliable on the natural, artificial or man-made, operating, as well as the regulatory components involved in creating the tourism product. The supply elements are geographically confined to a fixed place hence, the stake holding businesses need to provide products and services by putting costs and anticipating promotion of their individual products and revenue.

It influences an entire tour right from starting the tour up to ending it gracefully and satisfactorily. Let us see what it is and what makes it a bundle of tourists' satisfaction.

## What is Tourism Supply?

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The tourism supply of an industry is derived by summing the value of tourism products sold by the tourism industry to the tourists. It takes into account accommodation services, food, transport, and other retail sales.

## Properties of Tourism Supply

- Tourism supply is perishable (cannot be stored like the products).
- It cannot be examined before one purchases it.
- It is necessary to move from one place to other for its consumption.
- It is geographically fixed at different places.

## Components of Tourism Supply

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Here are typical components of the tourism supply:

### Attractions

They are the places the tourists perceive as the satisfaction of their leisure-oriented needs.

- **Natural Attractions:** Caves, canyons, rocks, waterbodies, landscapes.
- **Man-Made Attractions:** Theme parks, towers, bridges, architecture, temples, mosques, churches, and monuments.
- **Cultural Attractions:** Historical sites, monuments, local arts and crafts, local folk core, music and dance.

## Transportation

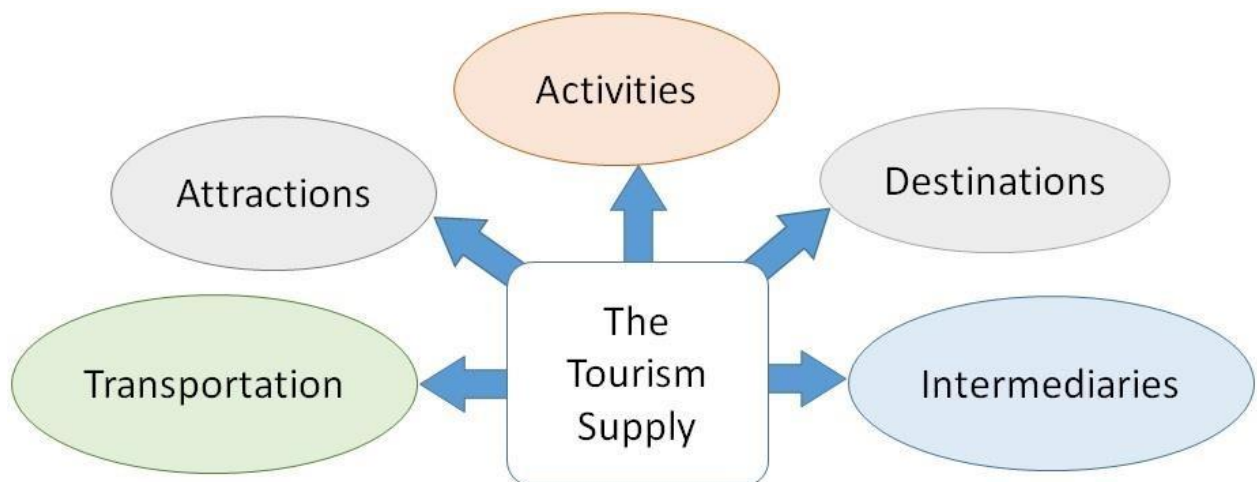
They are the modes of commuting.

- **Road:** Car, bus, cycle.
- **Rail:** Long distance, high speed, commuter, or intercity trains.
- **Water:** Boats, ferries, cruises.
- **Air:** Carriers that operate on fixed schedule, Charters that operate as and when required.

## Intermediaries

They are the mediators.

- **Travel Agents:** The business of selling hospitality and tourism products.
- **Tour Operators:** They deal with the operating components for rates.



## Destination

It is the place the tourists visit. It is composed of:

- **Accommodation:** Hotel, motel, lodge, guest house, B&B.
- **Restaurant:** Specialty restaurants, themed restaurants, branded restaurants such as CCD, KFC, Bistros, and takeaway food joints.
- **Tourist Facilities:** Pubs, entertainment parks, shopping centers, and casinos.

## Activities

They include activities the tourists are interested to engage in:

- **Adventure Sports:** Mountain biking, bungee jumping, rafting, and other similar activities.
- **Leisure:** Basking on beaches, swimming, dining near waterbody.
- **Business Activities:** Attending seminars, business meetings, promotions.

- **Health Activities:** Attending Yoga sessions, exercising, undergoing naturopathy, and similar such activities.

## **Categories of Tourism Supply Components**

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Tourism supply incorporates the following components:

### **Natural Components**

They are mainly the **Environmental** components. They are the natural elements for visitors' experience and enjoyment.

- Climate
- Milieus of the destination
- Flora and fauna
- Natural beauty of destination

### **Constructed Components**

They are the **infrastructure** and **superstructures**. They include all surface, underground, and above the ground constructions and facilities.

- Water supply system
- Cooking gas supply system
- Electric supply system
- Drainage and sewage system
- Rest rooms for sanitation
- Airports
- Transport hubs
- Parking hubs
- Accommodations/hotels/Restaurants
- Museums
- Gardens
- Shopping centers
- Attractions

### **Operating Components**

They are mainly related to the services. They include the work force that is instrumental in imparting excellent experience to the tourists.

- Transport service
- Food service
- Accommodation service

- Service at the places of attraction

## **Regulatory Components**

They are the permitting authorities.

- The public sector: Government policies
- Licensing
- Civil rights authorities
- NGOs

The tourist supply inspires, conducts, and affects the entire tour. If any one of the above given components does not work well, it impedes the experience of the tourists and the tour does not turn out to the tourists' satisfaction.

# Tourism Functional Management

In this chapter, let us see the functional structure of any tourism business as an organization. Tourism is a large business in the service industry encompassing a wide range of activities and direct interaction with its customers.

## Who is a Tour Operator?

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A tour operator is business set-up or an enterprise which selects various components of tourism, prepares a tour product for a targeted market segment, plans itineraries, and conducts tours and promotions for the tours.

The tour operator is responsible for booking the travel to the destinations, reserving accommodations, planning the entire tour in terms of what to see and do, and provide ancillary support to the tour.

For example,

- Cox and Kings, the longest established tourism business with headquarters in India provides services for outbound tourism and travel.
- Thomas Cook, a UK based travel company, established in 2007, provides a large array of travel and tourism packages.
- Kesari Tours and Travels, India offers group tours, specialty tours, and economy tours.
- Get America Tours, New York conducts year-round tours to majestic locations on both the east and west coasts of North America.
- British Tours Ltd, London offers personal tours in cars or mini buses in and around London with various themes.

## Types of Tour Operators

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Depending upon their target market, there are two types of tour operators:

### Mass Market Tour operators

They buy services in volume from the suppliers and afford to sell them to the customers inexpensively.

## **Specialist Tour Operators**

They provide service to the niche market that has interest in a particular geographical area or a special kind of activity.

Depending upon the geographical area and tourists they handle, there are the following typical types of tour operators:

## **Outbound Tour Operators**

They provide multinational tourism. They take residents of their own country to visit another country or continent. They sell tour products or packages to the customers in their own country who wish to travel to another country.

## **Inbound Tour Operators**

They provide trips within a country to the tourists visiting from other countries. They provide local assistance for the tourists arriving in their country. They are also known as receptive tour operators. These tour operators make the local arrangements for airport pickup and drop service, arrange for local attraction visits and activities, provide local guides, and are responsible for the tourists' stay.

## **Domestic Tour Operators**

They provide trips to the residents of a country within the boundaries of a country. They are also called **resident** operators. They have an upper hand to know the domestic seasons, culture, and food. They can repeat trips, sense the demand of local market, and suggest destination requirements to nearest DMOs.

Depending upon their way of working, there are the following typical types of tour operators:

## **Direct Sell Tour Operators**

These tour operators sell the tourism packages directly to their customers bypassing the travel agent. They don't pay the amount of commission to their travel agent hence, the customer can avail for a package at a lower price. In addition, the direct sell tour operators also can offer a large variety of destinations and packages. It is better to go for these operators if one wants to be very sure about the expectations to be drawn from a package.

## **Retail Tour Operators**

These travel agents are the face of main distribution channel for package holidays. They sell the tour operator's tourism product in return for commission. Their commission generally ranges from 10% to 15% of the booking price. They are motivated to sell a product to earn commission and they are keen to attract repeat business. They setup a retail outlet, both shopfront and online; as an accessible place for their customers.

## **Wholesale Tour Operators**

Wholesale Tour Operators sell a product through established retail distribution channels, both shopfront and online. For example, Qantas Holidays, which negotiates product rates directly with suppliers and creates packages that are either distributed to retail tour

operators (travel agents) or sold directly to customers via website. Similar to the retail travel agents, the wholesalers charge a commission of around 20%.

## Characteristics of Tour Operator

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A tour operator is responsible for the safety of the tourists and overall success of a tour. A successful tour operator must have the following basic characteristics:

- **Well Organized:** To pass on the best possible experience to the customer, the tour operators need to have appropriate systems and processes in place.
- **Best Networker:** They make tourism better by building relationships with peer tour operators, contacting them in challenging situations as well as making liaisons when dealing with a tour.
- **Friends with Technology:** Learning and having strong hold on new technology creates an opportunity for a tour operator to reach customers, expose a wide range of tour products, and increase sales in less cost and time.
- **Enthusiastic and Friendly:** A tour operator must have enthusiastic and friendly attitude to create welcoming and interesting environment among the customers.
- **Knowledgeable:** The tour operator must be well-acquainted with the tourism products, destinations, attractions, and cultures.

## Tour Operator's Reference Material

Let us now look into a list of reference material a tour operator uses at different stages of organizing a tour.

- **Maps:** They include world maps, state maps, city maps, cycle or walk maps, and road and rail maps.
- **Event Calendars:** They are both printed and soft calendars to schedule and keep track of tour dates, times, and other details.
- **Brochures:** They are used by tour operators to describe features of tour packages to their customers.
- **Souvenirs:** They gift the souvenirs to the customers as a token of remembrance of a place or an event.
- **Promotion Material:** Banners or PVC boards for messages, billboards brochures, cards, display stands of cloth or plastic to be used at an exhibition, escalator panels, flyers, Internet, interpretive panel containing orientation maps, picture maps, photographs, or diagrams as well as titles, introductory text, and contact information, leaflets, media advertising material such as images, audios, and videos.

# Tourism – Marketing Mix

Tourism marketing is different because the customer purchases a series of services. While marketing a tourism product, the sales or marketing person insists on the positive facets of the following four components:

## Product

The tourism being a service sold to the customers, tourist experience is the product, which is intangible, and non-storable. The quality of the tourist experience as a product is directly proportional to the quality of the service a tourism business provides. The product must be designed to highlight its features and to satisfy the tourist's needs. If the product is branded, the customers find it more reliable.

## Price

Determining the price of the product requires consideration of three key factors:

- **Operating costs:** Operating costs include both fixed and variable costs. **Fixed costs** remain same regardless of the sales which involve building, insurance, and equipment costs. **Variable costs** include costs for wages, gas, electricity, cleaning, maintenance, repairing, materials used in production, office stationery, linen, food, petrol, machinery, uniforms, bank fees, marketing research expenses, and expenses for advertisements, promotions, brochures, and conducting consumer or trade events.
- **Profit Margins:** This is determined by comparing the competitors' offers and the own product offers. Profit margins are set without compromising the competitive advantage.
- **Commissions of Intermediaries:** Working with intermediaries incurs commissions. Commissions are the fees paid to the intermediaries to distribute and sell your product.

## Tourism Product Pricing Policies

Commonly followed pricing policies include:

- **Discount Pricing:** This strategy calls for reductions to a basic [price](#) of product or services. It is a form of sales promotion which at times proves to be rewarding for the customers.
- **Variable Pricing:** This pricing varies with respect to the variation in features

of a product.

- **Loss Leader Pricing:** It is selling few products at prices lower than the actual prices. It helps to settle the loss by attracting customers to buy more number of products.
- **Promotional Pricing:** It is selling a product for free with another product with the objective of promoting the free product. Customer interest is generated to use the free product thereby increasing the sale.

## Place

The place is where the tourists visit and stay. The potential of a tourist destination lies in its attractiveness or aesthetic value, accessibility, and the facilities it provides to the tourists. The tourists also seek a place highly for the activities it offers, the amenities and skilled workforce it provides, and its location.

## Promotion

Promotion is intended to inform the customers about the products, create an image about the product, and position the products in the market. There are various effective ways of promoting the tourism products:

- Advertising the products on television commercials, newspapers, radio stations, and websites.
- Distributing promotional material such as diaries, brochures, keychains, wallets, purses, water bottles, pens, or any small gift item designed for promoting the product.
- Setting Point of Sale (POS) displays at various places such as retail stores, shops, malls, or petrol pumps.
- Promoting tourism products in local fairs.
- Promoting the products with their attractive features on the website of the tourism enterprise.
- Conducting programs of sponsorships, or promoting products by offering them as incentives.

The tourism industry as a whole survives because of various tourism products and services. Tourism industry is flexible. The products of tourism cannot be easily standardized as they are created for the customers of varied interests and demands. As the tourism products are mainly the tourists' experience, they can be stored only in the tourists' memories.

Let us understand more about tourism products and services:

## **Types of Tourism Products**

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The tourism products are grouped into the following types:

### **Tourism Oriented Products (TOP)**

These are the products and services created primarily for the tourists and also for the locals. These products need a great share of investments in private sector. A few of them are:

- Accommodations; For example, Taj, ITC Hotels.
- Transportation; For example, Owning taxis, luxury buses, and boats.
- Retail Travel Agents
- Tour Operators
- Shopping Centers such as malls
- Cinema Theatres such as PVR
- Restaurants for Food and Beverages
- Tourism Information Centers
- Souvenirs Outlets
- Museums, Temples, Gardens, and Theme parks

### **Residents Oriented Products (ROP)**

Here, the products and services are created mainly for the local residents staying at a particular tourist destination. This category requires investment in public sectors more. Some of them are:

- Hospitals
- Public Parks
- Banks and ATMs
- Petrol Pumps
- Postal Service

### **Intangible Products of Tourism**

They include:

- **Bookings** of accommodations, theatres, and at various sites.
- **Tourists' experience** by visiting a destination, eating at a restaurant, or performing an activity.
- **Tourists' memory** which is created by storing the details of events and experience on the tour. The high degree of satisfaction or dissatisfaction is often stored as a long term memory.
- **Transportation** of tourists and their luggage from one place to another.

## Tour Operator's Products and Services

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To realize the facilities and experience a tourism product offers, service is required by skilled and qualified staff. The tour operator provides the following typical products and services:

### Accommodations

The tourist destinations are equipped with different types of accommodations. They cater for tourists' stay at the destination.

- **Serviced:** This type of accommodation is supported by skilled staff such as housekeepers, drivers, guides, and cooks.
- **Self-catering:** This accommodation offers staying facilities but dining is required to be self-catered. It is equipped with cooking, fuel and facility, some basic supplies such as tea/coffee/sugar sachets, and a drinking water source.
- **Hotels:** Budget rooms to 7\* hotels with classy amenities. The hotels contribute a major share of imparting the experience to the tourists by providing best services and amenities.
- **Guest Houses:** Owned by business or government organizations, which can be used by its staff and staff relatives.
- **Camping Sites:** They are open sites often located in areas of lush greenery. They are equipped with clean place to pitch the personal tent, a water supply, and electric supply. Camp sites have common rest rooms.

### Reservations

The tour operator is responsible for making reservations for special events or activities the tourists are interested in. At some places, the reservations are required to be done well in advance to avoid last minute hassles. The events or activities such as a music concert or a theatre show, visiting a theme park or a zoo, require people to secure seats or avail entry with prior reservations.

### Guided Tours

The tour operators can arrange guided tours. Some qualified staff who can get access to the place, explain the importance of the place, support, and guide the participants through

the entire visit. The guide is arranged to accompany the tour participants as a part of tour.

## **Transport Facilities**

These facilities are for travelling from one place to another.

**Surface Transport:** It includes support of transport by road or water.

**Air Transport:** This is the support of transport by air, generally given for long distance travel. Many times the tours include a halt of a couple of hours at transit destinations. Today the airports are built and maintained as engaging tourist terminals by providing amenities such as spas, lounges, food joints, bars, and book shops, retail shops for selling authentic local food, clothes, and souvenirs.

Today the Airlines are no more backstage when it comes to caring for their customers. They offer loyalty programs to their customers under Frequent Flyer Program to encourage the customers to travel more and accumulate points and redeem them against travel or rewards.

## **Dining Facilities**

The tour operators can book accommodation that provides dining facilities or it can tie up with the local restaurants which are ready to entertain groups. If the tour package is all inclusive, the tour operator pays for breakfast, lunch, and dinner. If not, the tourists need to pay from their own pocket.

# Developing a Tourism Product

The tourists have ever changing demands which the tourism product is required to satisfy for the survival of the tourism industry. Kotler defines a product as it is "anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organization, and ideas".

Medlik and Middleton (1973) term tourism products as "a bundle of activities, services, and benefits that constitute the entire tourism experience." This bundle consists of five components: destination attractions, destination facilities, accessibility, images, and price.

Having been known what the tourism product is, let us see the elements of the tourism product and how the tourism product is developed.

## Elements of a Tourism Product

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Here is an onion shell diagram that depicts elements of a tourism product. The diagram shows progression of elements from core to outer shell depicting the declining direct management control. It shows that the consumer's involvement is maximum at the outermost shell. The tourism product is not just presence of all five elements but it is also the interaction of these elements among themselves.

**The Physical Plant:** It is tangible and is composed of various resources on which the tourism is based. Plainly, the physical plant is nothing but the destination with sound and catchy architecture that enhances tourists' experience. It can be:

- A natural attraction such as a landscape, wild life, natural structure.
- A man-made attraction such as a resort.
- A fixed property such as an accommodation.
- A mobile property such as a ship or an airbus.
- A natural or manmade condition such as weather, crowd, infrastructure at the destination.

**Service:** The features or facilities of the physical plant are put to use for the tourists with service. Providing services calls for a major contribution from human resources. It pertains to performing tasks for the benefit and satisfaction of the tourists. For example, serving food in a hotel is a service by the staff there.

**Hospitality:** It is the attitude with which the service is provided. Hospitality includes performing the service with smile, enthusiasm, untiringly, and with dedication. For example, arranging guest room supplies or serving food or beverage in a presentable manner is a part of hospitality.

**Freedom of Choice:** It is offering the tourist some acceptable range of options in order to elevate their experience. The degree of freedom varies greatly depending on the

type of tourism (pleasure, business, family, or other), the tourist's budget, previous experience, knowledge, and reliance on a travel agent.

A good tourism product must include some choice for its consumers. By offering some freedom to the tourists, the product gives some sense of control to the tourists. The freedom to choose an airline, a route, a seat, an accommodation, or a restaurant can enhance a tourist's satisfaction. Freedom also implies good surprises. When the tourists come across unanticipated events, they get the feeling of being very fortunate to be in the right place at the right time, thereby gaining extra value from the visit.

**Involvement:** It depends upon the quality of inner four elements. These elements prepare the tourists for physical, intellectual, and/or emotional involvement in tourism services. Involvement is not only the physical participation, but also a sense of engagement in an activity- may it be for pleasure or business.

More the involvement of the tourists, more they are interested in striking conversation happily with others, more they are enthusiastic and curious to try out new things, and time passes fast for them.

Thus, a combination of tourists' involvement, freedom of choice, service with hospitality and perfect destination (with all A's present) can make the best tourist product.

## **Key Principles of Tourism Product Development**

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A tourism product can be of any type from cultural, educational, recreational, heritage site, or a business hub. Tourism Product Development should:

- Be authentic and should reflect the unique attributes of the destination.
- Have the support of the host community.
- Respect the natural and cultural environments.
- Be different from the competitors, avoiding copying developments blindly.
- Be of sufficient scale to make a significant economic contribution, but not very large to create high economic leakage.

# Phases of Tourism Product Development

The creation of a tourism product is a complex process. The following table shows the steps of creating tourism product:

Primary Inputs (Resources)	Intermediate Inputs (Tourism Facilities)	Intermediate Output (Tourism Services)	Final Output (Tourist Experiences)
Human resource	Accommodations	Vehicle parking service	Social contacts
Material	Transport terminals	Tour guide service	Business contacts
Equipment	Vehicles/Ships/ Boats/Airbuses/ Ferries.	Hospitality at serviced accommodations/ hotels/ restaurants.	Satisfaction/Memories
Fuel/Energy	Restaurants/Food Joints	Cultural performances	Recreation
Agricultural product	Convention/ Shopping Centers.	Festivals/Events	Education
Capital	Museums		Relaxation

The product creation process starts with **primary inputs** such as resources, raw materials, other materials for construction, energy, and fuel. This could also include the agricultural products required to prepare food for the tourists.

The primary inputs are then processed further through manufacturing or construction into **intermediate (or processed) inputs**. The intermediate inputs are nothing but the tourism facilities such as gardens, parks, museums, art galleries, shopping centers, convention centers, accommodations, restaurants, and gift or souvenir shops. They facilitate and support the tourism.

The intermediate inputs are further refined through expert management, workforce, and technical services, and packaging into **intermediate outputs**. The intermediate outputs are nothing but the services associated with tourism industry.

For example, the intermediate input such as a hotel room remains just as a commodity unless it is occupied by the tourist and turns into a part of a tourism product by incorporating the occupant's experience. Similarly, the food at restaurants needs to be cooked and presented by the staff at any restaurant and needs to be ordered and consumed by the tourists.

The **final outputs** are nothing but the personal experience the tourist takes from availing services and by carrying out various tourism-related activities. The tourists utilize the intermediate outputs (or services) to generate intangible but a high value experience such

as satisfaction, recreation, and completion of a business related task or maintaining a contact of friends or relatives.

## Steps of Tourism Product Development

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The following general steps are taken for tourism product development:

**Research the Market:** At this step, the tourism marketing force conducts research on the current market to identify the opportunities. It includes economy, study of various market segments and their varied requirements, past market data, and current market and tourism trends.

**Match the Product with Market:** By assessing the market segments and conditions for tourism, different packages are created for various market segments such that they can satisfy the requirement of each segment of individuals.

**Assess the Destination:** Since destinations form the basis of product development, the product development force visits the prospective tourism destination to assess its tourism potential and its ability to accommodate and serve the tourists, features of the destination, and its shortcomings. It is assessed to judge if the destination is fulfilling the requirement of Accommodation, Attractions, Activities, or Amenities. It is also checked for the ease of Accessibility.

**Understand the Stakeholder Role:** Tourism product development is the result of collaborative efforts of various stakeholders. It involves identifying all the stakeholders in private and public sectors, DMOs, Tourism and allied businesses, and their respective roles in creating or developing a part of a tourism product. The stakeholder meetings are conducted for creating a project plan. The project goals are set to realize long-term vision, medium-term action plans, and short-term progress assessments.

**Product Building:** At this step, the product is actually built using required resources and consultations of the expertise to create intermediate inputs (facilities and amenities) and intermediate outputs (services). It encompasses not only development of destination infrastructure but also support for special activities and experiences.

**Marketing & Promotion:** The functional and emotional benefits of the tourism at the tourist destination are communicated to the market. The marketing people create brochures, place advertisements on the business portals, and contact media to promote the destination and the product on the television and radio. They also use various other marketing techniques to increase the product visibility.

**Providing Human and Technical Resource:** It includes providing skilled staff and contemporary technology to cater the needs of tourists efficiently, to handle all tourism related operations at the destination effectively, and to communicate with the staff easily.

## **Part IV – Tourism Impacts, Trends, and Future**

# Impacts of Tourism

Tourism is a sector that can contribute to the economic, environmental, and also social growth of a region or country at large. At the same time, it can also adversely affect the growth. If the negative outcomes of tourism are not allowed to outweigh the economic benefits, then it can keep good balance between its beneficial outcomes and investments made towards tourism. Not all impacts of tourism are overt. They are often indirect and assessed by the judgement of the observer.

Let us see how tourism impacts economy, environment, and society.

## **Economic Impacts of Tourism**

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Let us see the positive and negative impacts of tourism on economy:

### **Positive Economic Impacts of Tourism**

- Inbound tourism helps to generate revenue from foreign shores.
- Inbound and domestic tourism create job opportunities.
- Inbound and domestic tourism stimulate the development of infrastructure.
- It generates opportunities for small scale local businesses.

### **Negative Economic Impacts of Tourism**

- Outbound tourism creates economic leakage.
- All types of tourism create a sense of dependency on the customer or economic recession.
- It can also promote parallel economies.
- The revenue earned from the tourism business seldom is beneficial to the local population if the destination has accommodation provided by international hotels.

## **Environmental Impacts of Tourism**

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Let us see the impacts of tourism on environment:

### **Positive Impacts of Tourism on Environment**

- It promotes investment in conservation of natural habitats.
- It thus in turn, contributes to the stability of the ecosystem.
- In developing countries, it discourages deforestation and over-fishing in large water bodies.
- It contributes to creating awareness of the value of environment for humans.

### **Positive Impacts of Tourism on Environment**

- It promotes vandalism and littering.
- It makes way for destruction of wild life and vegetation.
- It invites air, and water pollution.
- It creates a large carbon footprint.
- It creates a sense of dependency on the natural resources.

## **Social Impacts of Tourism**

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Let us see the impacts of tourism on society:

### **Positive Impacts of Tourism on Society**

- The infrastructure development also benefits the local population.
- It tends to make people aware of the superfluous customs prevailing in the region.
- It helps eradicate poverty by promoting the arts and crafts made by people who search for a source of income.
- It fosters a sense of pride among locals.
- The bonds among communities are strengthened.

### **Negative Impacts of Tourism on Society**

- It impedes the life of local population because of congestion, noise, and pollution.
- It can bring problems of alcoholism, drug addiction, and prostitution in the local society.
- To make place for new accommodations or recreational facilities, the locals may be displaced by acquiring their lands and violating human rights.

# Tourism – Trends and Future

Tourism is the bundle of tangible products and intangible services that can help to bring most profound experience one can get. With respect to time, tourism has been changing from the ancient form of religious tourism to a few new forms. Tourism industry contributes to 9% of the global GDP and offers one from every 11 jobs. In addition, the number of tourists have doubled over the past 20 years and a propelling growth is expected in coming few years among all market segments.

Tourism industry has an intense potential to grow and generate revenues. Let us see, the new shaping trends in tourism today.

## Digital Technology in Tourism

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Today, tour operators and tourists, both are equipped with latest technology. It has empowered the tourism business managers and tourists to explore, discover and reach new places by facilitating online travel and accommodation bookings, and more.

The tourists use various mobile apps as simple as a compass app, online booking apps, currency converter apps, world time apps, language translation apps, weather apps, google maps, and restaurant or accommodation locating services on their mobile device. The tourists can also add their own data to create overlay on the Google Map and explore all possibilities in visiting a location by using Google Maps API. Some apps help to plan the tour, find out cheap flights, local transport hubs, eating joints, and destination attractions.

The apps enhance the tourist experience before, during, and after the tour.

Today, the large tour operators invest finances to create their own mobile apps. They are inclined to use as less papers as they can and prefer to send pdf documents of itinerary to their customers and insurance documents to insurance service providing clients. They also use most of the apps the tourists use; plus, they highly rely on some apps such as **Trafalgar** app, **Passport to Tour** app, **mTrip** app, which can connect them with the tourists on the trip, track the itinerary, and get on-the-fly information of the tour.

Since technology is making tour operators reach their customers and clients at the speed of light, the tour operators use it for promoting their business and various products, increasing their brand awareness, knowing tourists' preferences, and providing easy access to their products and services.

## New Trends in Tourism

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Tourism is an ever changing industry. A few previously unknown or unnoted forms of tourism are establishing today. Some of them are:

## Polar Tourism

Arctic and Antarctic polar regions have always attracted tourists. Polar tourism is a dynamically growing industry due to the efforts tour operators take to provide various attractions, destinations, and activities for their customers. Adventure tourists and common tourists who long for unique weather experience, solitude, and view of wild life in its natural habitat opt for polar tourism.



## Space Tourism

It includes orbital and suborbital rocket flights into the space. Riding into the space for recreation and unique experience was the idea behind this tourism. Till date, only very rich tourists paying very large sum of money could possibly realize the dream to see beyond the blue planet. In coming years, this extravagant tourism can be made available for common people too.

## Dark Tourism

Dark tourism is the oldest form of tourism developed recently. Due to the fear and natural attraction to uncover mystery of death human beings always have, some tourists prefer to visit the destinations such as battlefields, places of violent homicides, or any places where large number of people lost their lives naturally or forcefully in the span of last 100 to 125 years.

For example, tourists visit *Pompeii* to see the corpses of the victims of the volcanic disaster literally turned into plaster casts. The volcano on Mt. Vesuvius had destroyed the ancient town of Pompeii. Though the disaster occurred and claimed thousands of lives long ago, the threat of more such volcanic eruptions still exist today. Hence, Pompeii is an archeological and also a dark tourism site.

Some more places the tourists visit for dark tourism are:

**Chernobyl and Prypiat, Ukraine:** Tourists visit this place to see the ruins of the nuclear disaster that took place on 26 Apr 1986.

**Ground Zero, USA:** It is The World Trade Centre site attracting tourists since the 9/11 attacks that took place in 2001.

**Auschwitz, Germany:** This dark site is famous for Nazi concentration camps with various rooms piled with thousands of pairs of glasses, shoes, and human hair. It displays the walls of the corridor exerting the lists of their victims' names and the dates of their death, and the house of the camp commandant.

**Costa Concordia:** On the coasts of Tuscany, Italy; the site of this wrecked ship attracted tourists for around two years.

## Voluntourism

It is taking volunteered vacation and touring for charity. People do not just go touring for recreation and fun but also to serve the community dealing with natural calamities. In case of flash floods or cyclones, the people in the affected areas need support. Some tourists voluntarily visit such places and extend their hands for help in whichever possible way they can.

Also, tourists are travelling to care for orphans, for plantation, protecting wildlife, and similar other tasks.



## Luxury Tourism

It mainly pertains to the rich business tourists, who strongly believe that time is of prime importance and they must pay to save time at any cost. Wealthy tourists are inclined to undergo unique experience such as staying at a private island, personal attention from the service providers and access to elite class attractions and amenities.



## Culinary Tourism

The tourists who like to receive local culinary experience, like to tour for this purpose. They attend food festivals, food competitions, visit local farms, vineries, and cheese manufacturing companies, interact with local community or cooks for special culinary experience.



## BRIC Tourism

The four major developing countries namely Brazil, Russia, India, and China have a great potential for driving global economy through hospitality and tourism industry. These countries are important for both inbound and outbound tourism. Global tour operators are adapting their tourism businesses to exploit the huge market these countries provide.

## **Future of Tourism**

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It is quite obvious that tomorrow's tourists and tour operators will tend to rely more on technology. With the introduction of the next generation apps and online services, tourism is going to get further accessible and enjoyable.

According to Ari Steinbuerg, the founder of a travel startup Vamo, the tourists will tend to spend less time planning in advance. Efficient booking services and apps will enable the tourists to create versatile itineraries with reasonable price. Future tourists would not prefer to be confined to packaged tours. With the availability of large number of options, the tourists would prefer to realize every possible wish regarding tourism.

With more flight connectivity, travelling modes and accommodations introducing more comfort, technology helping mankind progressively, the tourism will continue to bring momentum in its sector.