

# Tourism

Chapter 9  
Prof. Karen Goodlad  
Spring 2016

- Discuss scope of the hospitality and tourism industry
- Gather information from observation in regard to the hospitality industry from a local, national and global perspective
- Understand and discuss the roles and responsibilities of key executives and department heads in the hospitality industry

## **Student Learning Outcomes**

- Discussion of NY Times “36 Hours in...”
- Review of Concierge Assignment
- Tourism: A World Wide Powerhouse of Economic Stimulation
  - What is the total number of American jobs supported by travel?
    - **8.1 million (directly)**
    - **15.1 million (including indirect)**
  - How many international visitors create one American job in tourism?
    - **33**

Source: Us Travel Association (2016) US travel and tourism overview. US Travel Association. Retrieved from: [https://www.ustravel.org/system/files/.../Travel\\_Economic\\_Impact\\_Overview.pdf](https://www.ustravel.org/system/files/.../Travel_Economic_Impact_Overview.pdf)

## Overview of Lecture

- World Tourism Organization:
  - A specialized agency of the United Nations
  - The leading international organization in the field
  - What does the WTO do?
    - Development of sustainable tourism.
    - Development of universally accessible tourism.
    - Continuation of economic development.
    - Development of a global code of ethics for tourism.
- What does tourism mean to you?

**Tourism**



World Tourism Day 27 Sept 2013

# TOURISM & WATER

Protecting our Common Future 

# TOURISM & COMMUNITY DEVELOPMENT

World Tourism Day  
27 September 2014



---

**1 BILLION TOURISTS**  
**1 BILLION OPPORTUNITIES**

---



CLICK HERE  
TO LEARN  
MORE!

**27 SEPTEMBER IS WORLD TOURISM DAY**



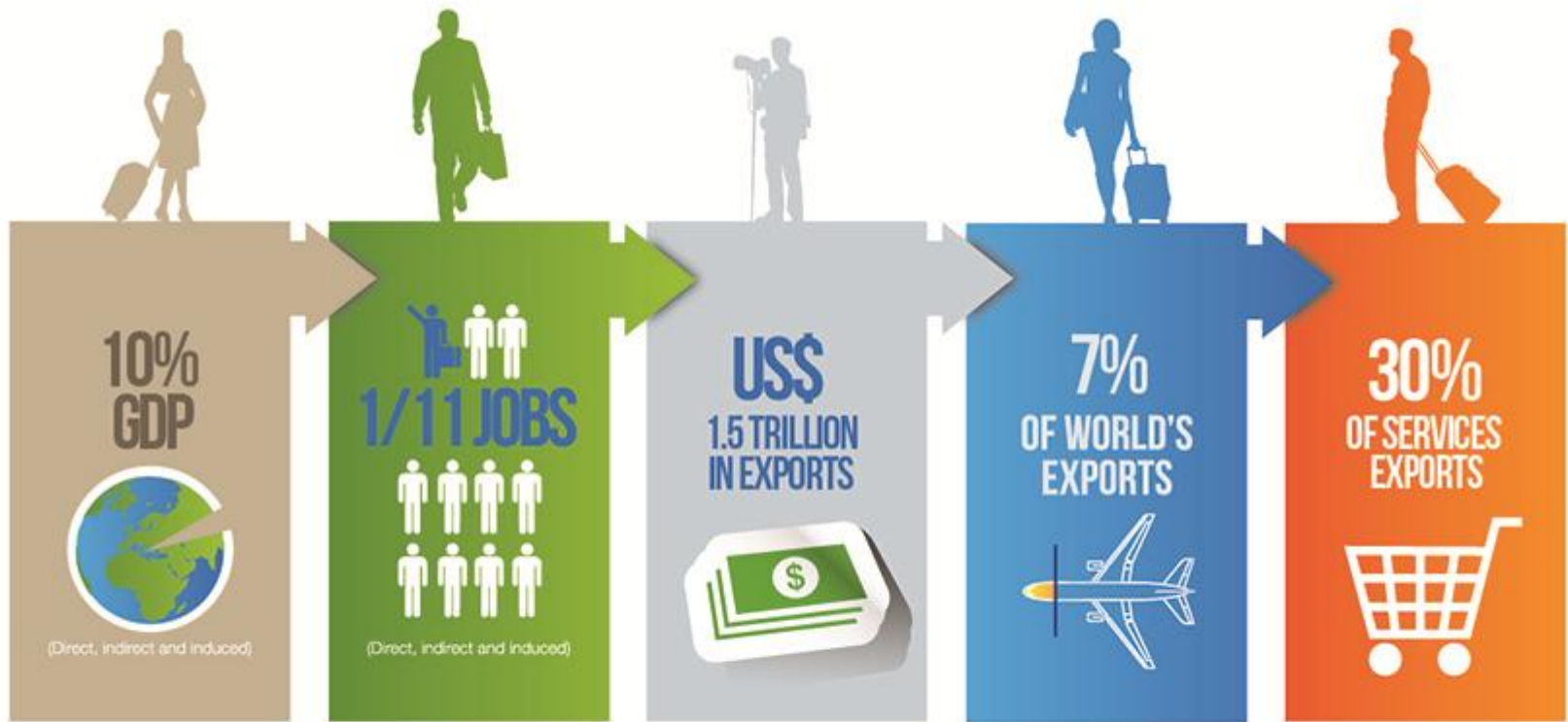
Accessible Tourism for All is about creating products and services that can be equally enjoyed by persons with disabilities, tourists and locals, families with small children, seniors and everyone else.







Why Does International Tourism Matter?



## WHY TOURISM MATTERS

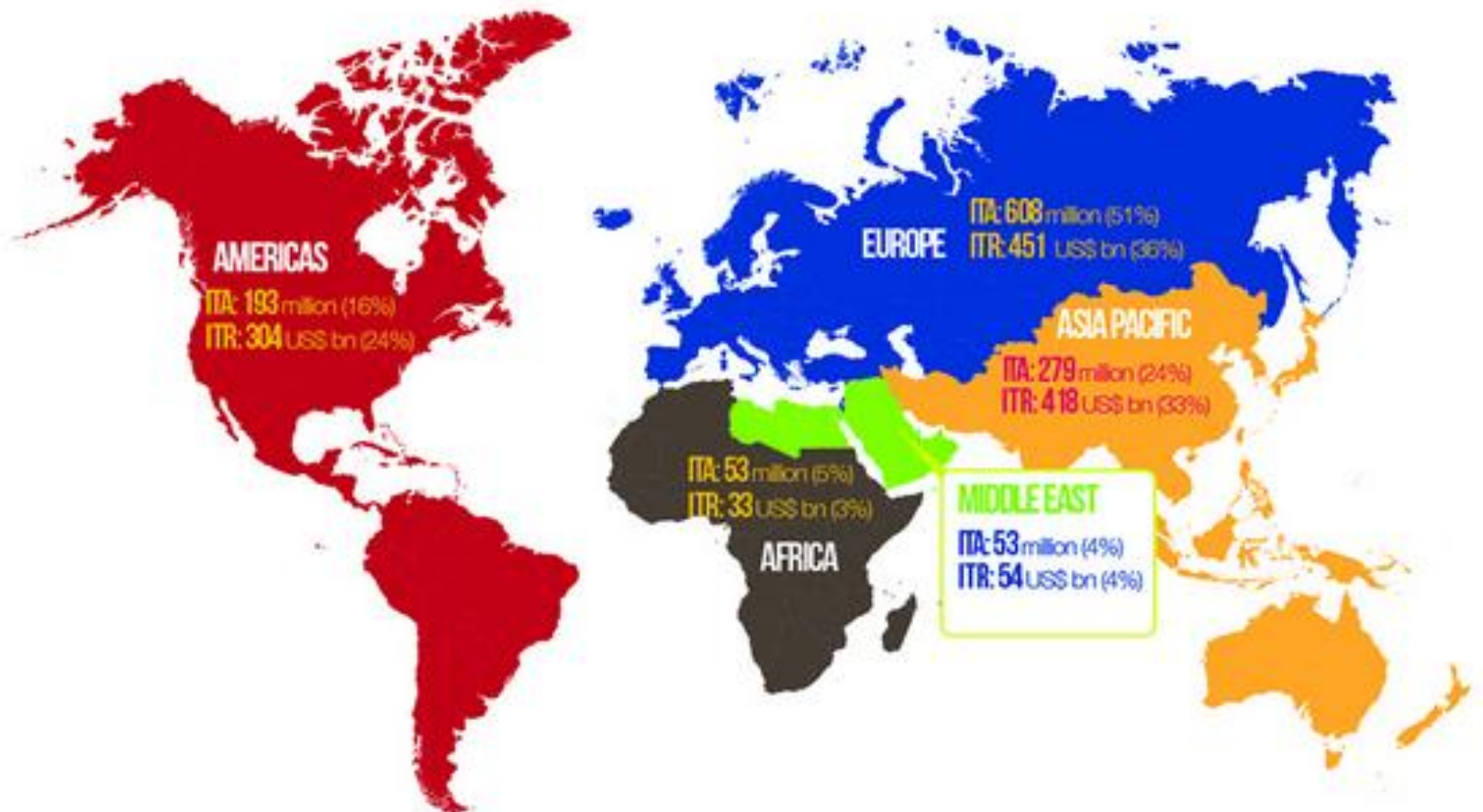
©World Tourism Organization (UNWTO) 2016

# Why Does International Tourism Matter?



# INTERNATIONAL TOURISM 2015

International tourist arrivals (ITA): 1 186 million  
International tourism receipts (ITR): US\$ 1 260 billion



Source: [http://cf.cdn.unwto.org/sites/all/files/infographic\\_2016\\_july\\_clari-01\\_0.jpg](http://cf.cdn.unwto.org/sites/all/files/infographic_2016_july_clari-01_0.jpg)

- Provides governments with substantial tax revenues
- Offers the greatest global employment prospects due to:
  - The opening of borders.
  - An increase in disposable income=vacations.
  - Reasonably-priced airfares.
  - An increase in the number of people with time and money.
  - More people with the urge to travel.

## **Benefits of Tourism**

Rail, 2% of international travel

Car, "road", 40% of international travel

Bus

Airplane, 52% of international travel

Cruise Ships, 6% of international travel

# How We Travel

Source: UNWTO

- One of the main factors that led to railroads in the U.S. was the need to move goods and people from one region of the country to another
- Cars and buses caused a decline in rail travel
- To encourage passenger service,
  - Congress passed the *Rail Passenger Service Act* in 1970 (amended in 2001) known as AMTRAK

## Traveling by Train

- Defines as trains up to 155-186MPH
- Acela Express from Boston to DC only one in the US
- Many Proposed in US, no others created
- HSRT is popular in China and other Asian Countries and in Europe

## High Speed Rail Travel

- Largest segment of ground transportation
- Creates accessibility to remote locations
- ~5,000 rental companies in the U.S.:
  - 75% of car rentals take place at airports
  - The top rental car company agencies in the United States are Hertz, Avis, and Budget
  - Rentals available from discount ticketer's
- Challenges to traveling by car
  - Gas price increases
  - Distance to destination
  - Rental Car Consolidation in 2012

## Traveling by Car



- Convenient and economic mode of travel
- Allows travelers to relax & enjoy the ride
- Types of bus service:
  - Local, charter, tour, commuter, airport, urban, and rapid transit
  - The largest and most recognized is the Gray Line

## **Traveling by Bus**

## Airline Activity : National Summary (U.S. Flights)

	2013 *	2014 *	Change
<b>Enplaned Passengers (million)</b>	643	651	1.2%
<b>Departures (000)</b>	8,766	8,591	-2.0%
<b>Freight/Mail (million lbs)</b>	19,631	20,121	2.5%
<b>Load Factor (%)</b>	83.6	84.1	0.5 points
<b>Airlines with scheduled service</b>	98	96	-2.0%

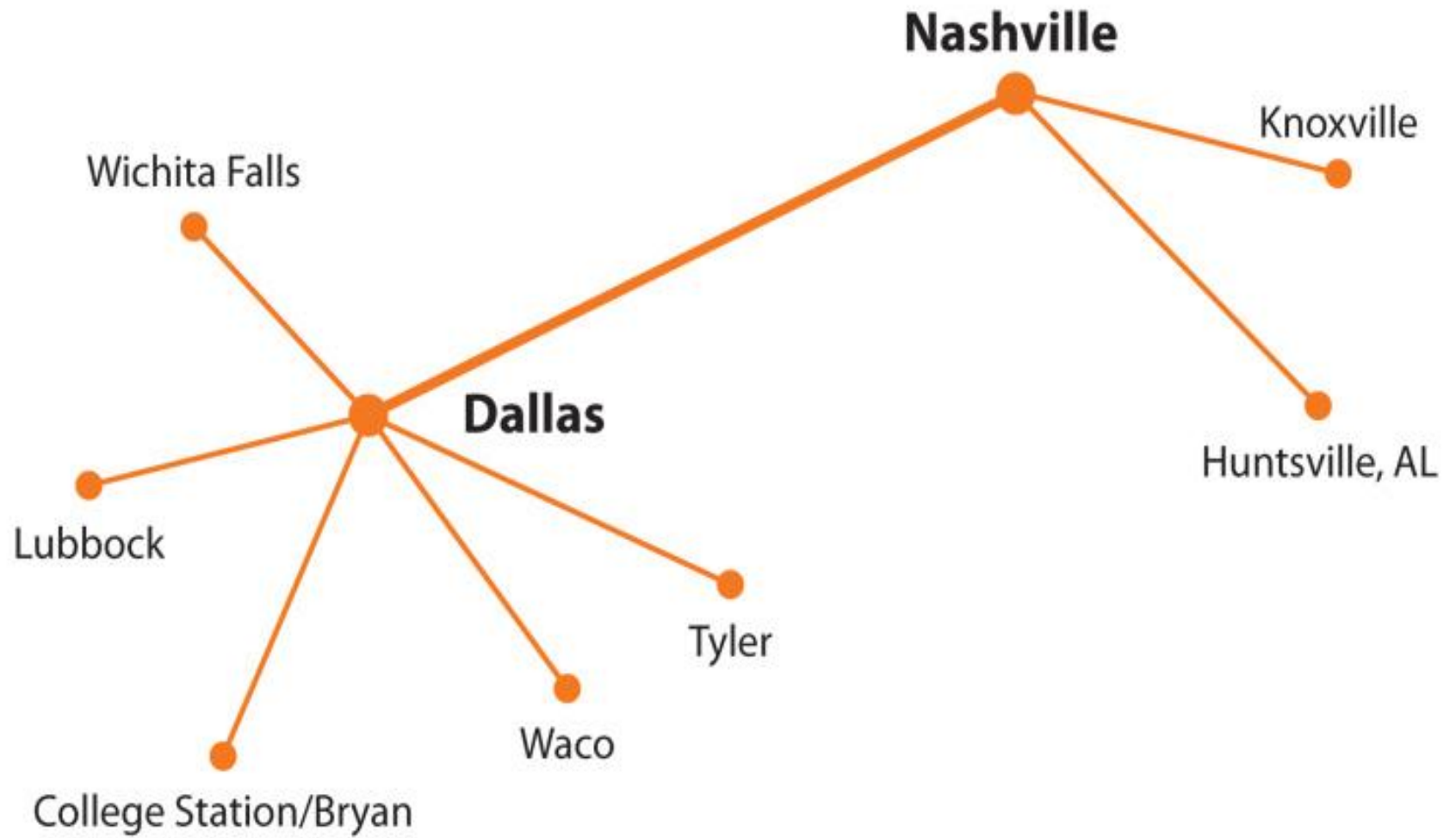
\* 12 months ending June of each year

**Air Travel**

Source: <http://www.transtats.bts.gov/>

- Airline alliances will allow airlines access to each other's "feeder markets" and to resources that will enable them to flourish in what will ultimately be a worldwide deregulation
  - A feeder market is a market that provides the source—in this case, passengers for the particular destination

**Air Travel**



**Hub-and-Spoke System; Figure 2-2**

- Enables passengers to travel from one smaller city to another smaller city via a hub or even two hubs
- The hub-and-spoke system has two main benefits:
  - service more cities at a lower cost
  - maximize passenger loads from small cities, thereby saving fuel

## **Hub-and-Spoke System**

- **Fixed costs** do not change:
  - Lease of airplanes, the maintenance of airline-owned or leased terminals, interest on borrowed money, insurance, and pensions
- **Variable costs** rise and fall:
  - Wages and salaries, advertising and promotion, fuel costs, passenger food and drink, and landing fees
  - The biggest single cost for airline operation is labor—which is typically 30–45% of total operating costs
- A key statistic in analyzing profitability is the **load factor**—percent of seats filled on all flights, including planes being flown empty to be in position for the next day's schedule

## Airline Profit and Loss

- The cruise market has increased dramatically in recent years
- About 9.0 million Americans cruise each year
- Rates vary from about \$95–\$850 per person per day

## **Cruise Ships**

- **Mass market:** Consists of people with incomes in the \$35,000–\$74,000 range; average cost per person is \$95–\$195 per day
- **Middle market:** Consists of people with incomes in the \$75,000–\$99,000 range; average cost per person is \$175–\$350 per day
- **Luxury market:** Consists of people with incomes higher than \$100,000; average cost per person is more than \$400 per day

## Cruise Market



- Most cruise ships sail under foreign flags because they were built abroad for the following reasons:
  - U.S. labor costs for ships, officers, and crew—in addition to maritime unions—are too high to compete in the world market
  - U.S. ships are not permitted to operate casino-type gambling
  - Many foreign shipyards are government subsidized to keep workers employed, thereby lowering construction costs

## Cruise Ships

- National Tourism Organization (NTO)
- Travel Industry of America (TIA)
- State tourism offices
- Convention & Visitors Bureaus (CVBs)
- Pacific Area Travel Association (PATA)
- Tour operators
- Travel agencies
- Travel corporations
- Travel and tour wholesalers
- National Office of Tourism
- Destination management companies

## **Promoters of Tourism**

- I Love NY
- New York City & Company
- Uncork NY
- The Power of Travel

**NYState Tourism**

- Tourism is a means of enhancing international understanding, peace, prosperity, and universal respect for and observance of human rights and fundamental freedom for all
- Tourism provides an opportunity for social interactions
  - Provided the number of tourists is manageable and they respect the host community's sociocultural norms and values,

## **Social & Cultural Impact of Tourism**

- Sustainable Tourism: A Broad Obligation on Society
- Implement and participation in ecotourism activities should follow the following principles:
  - Minimize impact
  - Build environmental & cultural awareness & respect
  - Provide positive experiences for both visitors & hosts
  - Provide direct financial benefits for conservation
  - Provide financial benefits & empowerment for local people
  - Raise sensitivity to host countries' political, environmental, & social climate
  - Support international human rights & labor agreements
  - Ensure viable, long-term economic operations.

**Ecotourism:**

**“Tourism with a Conscience”**

- ***Culture and heritage*** are “our legacies from the past, what we live with today, and what we pass on to future generations. Our cultures and natural heritages are irreplaceable sources of life and inspiration.”
- ***Cultural tourism***: Motivated by interest in cultural events
- ***Heritage tourism***: Motivated by historic preservation
- ***Nature tourism***: Motivated by nature
- ***Culinary tourism***: Culinary adventures are at least a contributing motivation
- ***Volunteer tourism***: Motivations include opportunity to travel safely and cheaply and to experience different cultures

## **Cultural, Heritage, Nature, and Volunteer Tourism**



Photo Credit: Julienne Schaer for Brooklyn Bridge Park.

[Link to  
Terms from  
The World  
Tourism  
Organization](#)

# Tourism Terms

# Activity

Why do certain groups of people choose certain vacation experiences?

You are Director of Tourism in \_\_\_\_\_. You want to create a program based on the United Nations World Travel Organization's World Tourism Day (Access for All).

Identify the needs of travelers in a your target market

Identify an area of tourism to target and define it

Identify partners

Include 4 terms from the list provided

Report out





- US Association of Travel
  - Fast Forward:  
[http://www.ustravel.org/sites/default/files/page/2012/08/e-Fast\\_Foward.pdf](http://www.ustravel.org/sites/default/files/page/2012/08/e-Fast_Foward.pdf)
  - Travel Means Jobs:  
[http://www.ustravel.org/sites/default/files/page/2012/08/e-Travel\\_Means\\_Jobs-2012.pdf](http://www.ustravel.org/sites/default/files/page/2012/08/e-Travel_Means_Jobs-2012.pdf)
- UN World Tourism Organization
  - <http://www2.unwto.org/en>
  - Key Trends  
[http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto\\_highlights13\\_en\\_hr\\_0.pdf](http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_highlights13_en_hr_0.pdf)

**Resources used for this Lecture**

- **1 in 8: American jobs** (private sector) supported by travel
- **1.1 million: American** jobs directly supported by travel exports
- **#6: where travel** ranks in terms of total U.S. employment
- **48: number of states where** travel is a top ten employer (2010)
- **29%: pace that travel jobs** have been created — faster than the rest of the economy (March 2010–July 2012)
- **1 in 7: ratio of projected** growth of travel jobs (3.3 million) to total U.S. job growth by 2020
- **44 of 50: number of states** where small businesses in travel employ a higher percentage of workers than the private sector (2007)

## Travel Jobs by the Numbers

- Hand in three facts you researched about the Brooklyn Water Front based on your type of tourism
- Read the NY Times “36 Hours in...” article
- Field Trip to Pier 1, Brooklyn Bridge Park
  - Next to the Brooklyn Ice Cream Factory
  - Meet at 2:40pm
  - Rain or Shine (*well almost... if* the weather report is poor check OpenLab on Thursday at 10am for *possible* changes to the meeting place/time)
  - No jeans, no sneakers, business casual
  - Bring a camera if possible

**Until We Meet Again...**