### **TOURISM**

## Principles, Practices, Philosophies TENTH EDITION

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JOHN WILEY & SONS, INC.

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Published by John Wiley & Sons, Inc., Hoboken, New Jersey

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**Part One: Tourism Overview** 



### **Learning Objectives**

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



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### **Definition of Tourism**

Tourism may be defined as the processes, activities, and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities, and surrounding environments that are involved in the attracting and hosting of visitors.



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### **WTO Definition of Tourism**

Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.







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### **Visitor**

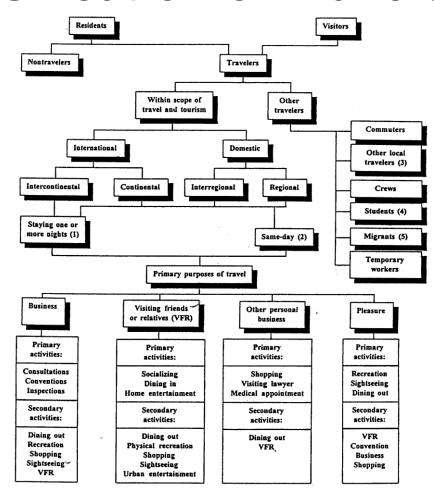
A "visitor" is defined as those persons who travel to a country other than that in which they have their usual residence but outside their usual environment for a period not exceeding twelve months and whose main purpose of visit is other than the exercise of an activity remunerated from within the place visited.



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### **Classification of Travelers**

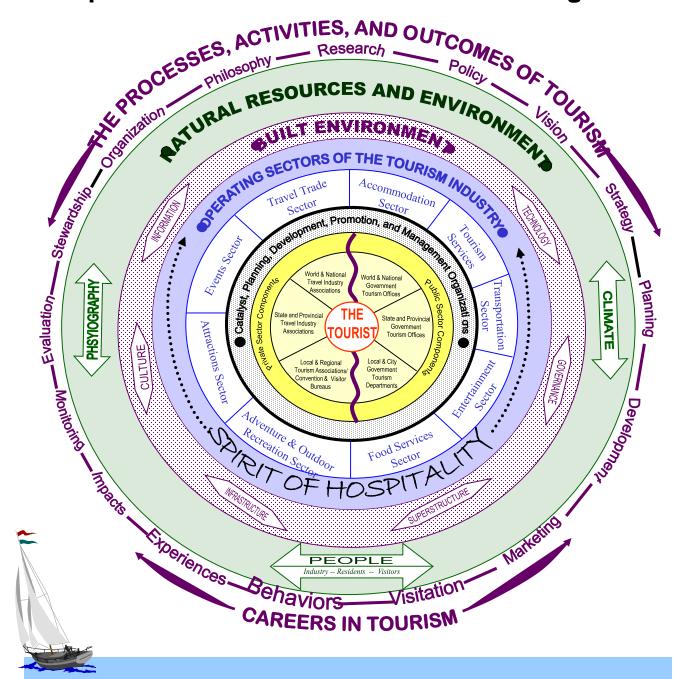


- (1) Tourists in international technical definitions.
- (2) Excursionists in international technical definitions.
- (3) Travelers whose trips are shorter than those that qualify for travel and tourism; e.g., under 50 miles (80 km) from home.
- (4) Students traveling between home and school only -- other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



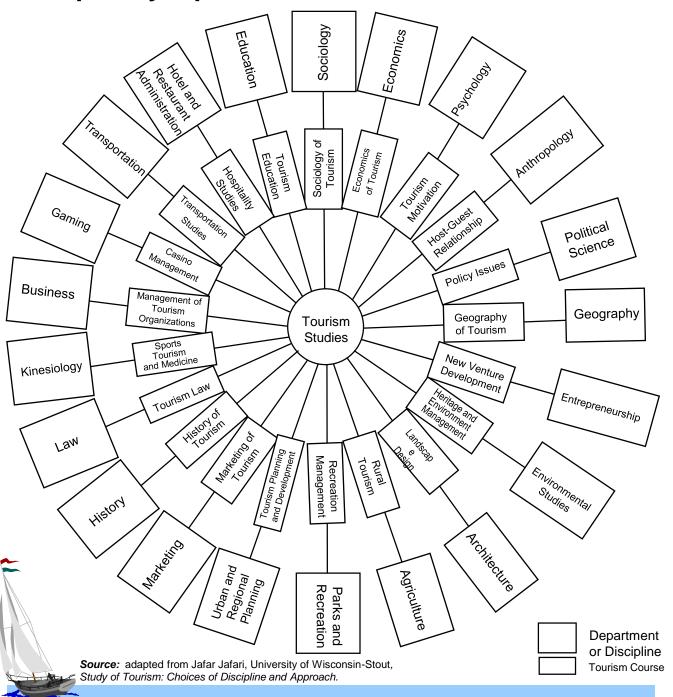
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### The Tourism Phenomenon: Components of tourism and tourism management



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### Disciplinary inputs to the tourism field



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# Travel and Tourism -- World's Largest Industry

### In 2005 it is estimated to account for some:

- \$4.7 trillion of Economic Activity
- 221.5 million jobs

### In 2015 it is estimated to account for:

- \$7.8 trillion of Economic Activity
- •269.5 million jobs

Source: WTTC

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# Travel and Tourism Can Grow by 4% per year

- Travel and Tourism will continue to expand faster than the economy as a whole and faster than comparable industries.
- By 2015 Travel & Tourism is expected to account for:

\*\$7.8 trillion \*269.5 million employees

Growth depends on enlightened government policy

Source: WTTC

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# World's Top 5 Tourism Destinations 2003

	International Tourist Arrivals			
Rank, 2003	Country	(million) 2003	% Change 2002/03	
1	France Spain	75.0 52.5	-2.6 -3.6	
2 3 4	<b>United States</b>		0.3 -0.5	
5	Italy China	33.0	-0.5 -10.3	

Visit WTO's web site for 2004 figures which are to be available in June 2005



Source: WTO

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# World's Top 5 Tourism Earners 2003

Rank, 2003	Τοι	International Tourism Receipts (US\$ billion) % Chang Country 2003 2002/0	
1	United State	s 65.1	-2.2
2	Spain	41.7	24.1
3	France	36.6	13.2
4	Italy	31.3	16.2
5	Germany	23.0	20.0



Source: WTO

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# Tourism: What it Means to the U.S. Economy

- Travel spending in U.S. is projected to total \$612.7 billion in 2005.
- Tourism is the nation's third largest retail industry.
- Tourism is the nation's largest service export.
- Over 7 million Americans employed directly in the travel industry, 9 million indirectly for a total of over 16 million jobs.
- Tourism is the first, second, or third largest employer in 29 states.
- Tourism provides more than 684,000 executive level positions in each year.
- Travel industry provides a disproportionate number of jobs for the traditionally disadvantaged.

Source: Travel Industry Association of America (TIA)



# **Benefits of Tourism**- Economic

- Provides employment opportunities
- Generates foreign exchange
- Increases Incomes
- Increases GNP
- Can be built on existing infrastructure
- Develops an infrastructure that will also help stimulate local commerce and industry

- Can be developed with local products and resources
- Diversifies the economy
- Tends to be compatible with other economic activities
- Spreads development
- High multiplier impact
- Increases governmental revenues



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# **Benefits of Tourism**- **Social**

- Broadens educational and cultural horizons
- Improves quality of life higher incomes and improved standards of living
- Justifies environmental protection and improvement
- Provides tourist and recreational facilities that may be used by a local population



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# **Benefits of Tourism**- Cultural

- Reinforces preservation of heritage and tradition
- Visitor interest in local culture provides employment for artists, musicians and other performing artists enhancing cultural heritage
- Breaks down language barriers, sociocultural barriers, class barriers, racial barriers, political barriers, and religious barriers
- Creates a favorable worldwide image for a destination
- Promotes a global community
- Promotes international understanding and peace

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## Disadvantages of Tourism - Economic

- Develops excess demand
- Results in high leakage
- Creates difficulties of seasonality
- Causes inflation
- Can result in unbalanced economic development
- Increases vulnerability to economic and political changes



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## Disadvantages of Tourism - Social

- Creates social problems
- Degrades the natural physical environment and creates pollution
- Degrades the cultural environment
- Threatens family structure
- Commercializes culture, religion, and the arts
- Creates misunderstanding
- Creates conflicts in the host society
- Contributes to disease, economic fluctuation, and transportation problems