



*Tourism Management  
Department of Economics  
Add on course  
2022 - 2023*



*Wavoo Wajeeha Women's College  
Kavalpatnam*

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### **Learning outcomes of course**

This course provides an overview of tourism as a subject of study and after learning the students should be able to understand: • why tourism has emerged as a major leisure activity • how tourism can be defined as a human activity • how to distinguish between domestic and international tourism • why tourism has to be measured and the importance of tourism statistics • the scale and importance of tourism at a global scale and some of the reasons for its growth • why tourism is a difficult activity to manage.

# TOURISM MANAGEMENT

## An introduction to tourism management

### UNIT - I

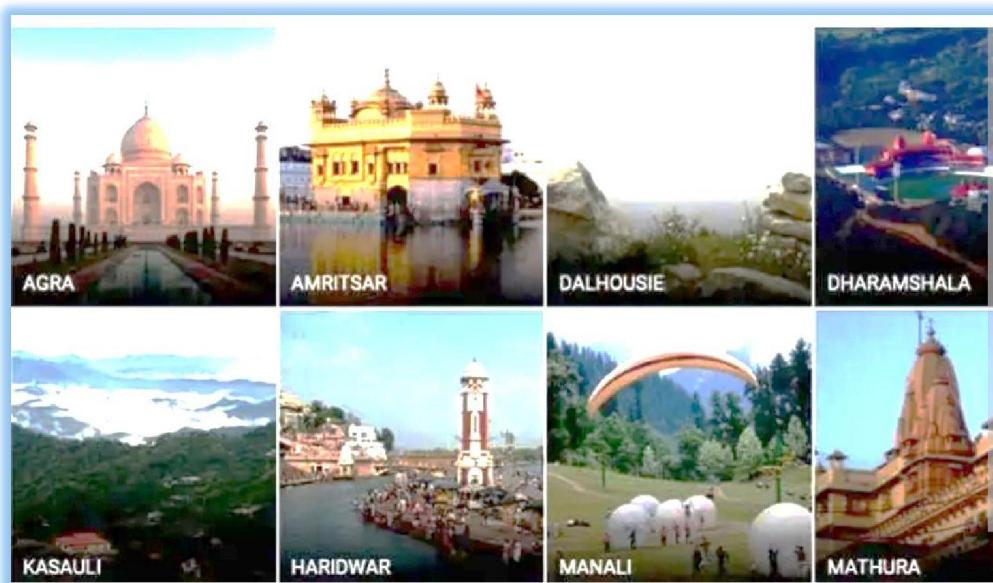
#### 1.1. Introduction

*"The World is a Book and Those Who Do Not Travel Read Only a Page." –*

**Saint Augustine.**

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 a 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. According to the United Nations World Tourism Organisation (UNWTO), tourism entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors.

#### Famous Tourist Places in India



#### 1.2. What is Tourism?

Tourism involves the activities of people travelling and staying in a place away from their home environment for leisure, business, or other purposes. Matheson 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 been 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 the well-planned tour, well-studied destination, and conservation of destination.

### **1.3.The Concept of Tourism**

Notionally, tourism as a phenomenon means the movement of people both within and across the national borders. But, it seems that over the years the definition of both tourism as well as tourist has undergone significant changes in their approach and understanding. It was regarded that word tourism originated from the latin word "Tornos", which means a tool for describing a circle or turner's wheel. It is from this word the concept of round or package tour was evolved. It was late as 1643 that this term was first used in the sense of travelling from place to place. In simple words tourism consists of all those trade which together satisfy the varied needs of the travellers. Let us discuss some of the definitions of tourism. Tourism has it's testimonies in the earliest records of history and has undergone phenomenal rate of growth during the present century. Yet, there is no universally accepted definition of tourism and even now the term "tourism" is defined by different authors, in various ways.

- According to Hunziker and Krapf: "Tourism is the sum of phenomena and relationship arising from the travel and stay of non residents, insofar as they do not lead to permanent residence and are not connected with earning activity."
- b) According to Bernecker: "Tourism is the sum of the relations and services connected with a temporary and voluntary change of residence for non-commercial or non-professional reasons."
- c) According to Dr. Zivadin Joviac: It is a social movement with a view to rest, diversion and satisfaction of cultural needs.
- d) According to Mc Intosh and Goldner (1990): Tourism is the sum of the phenomena and relationship arising from the interactions of tourists, business suppliers, host governments and host communities in the process of attracting and hosting these tourists and other visitors.
- e) According to Mathieson and Wall (1982): Tourism is a temporary movement to destinations outside the normal home and workplace, the activities undertaken during the stay and facilities created to cater for the needs of tourists'.
- f) According to L.J. Lickorish: Tourism embraces all movements of people outside the community for all purposes except migration or regular daily work .The most frequent reason for this movement is for holidays but it will also include, for example attendance at conference and movements on sporadic or infrequent business purposes.
- g) According to UNWTO (United Nations World Tourism Organization) definition, Tourism may be defined as "People who travel to and stay in places outside their usual environment for a minimum period of 24 hours and not more than one consecutive year for the sole purpose of leisure, pleasure, business and other purposes but not related to the exercise of an activity remunerated from within the place visited.

From the above definitions it is clear that tourism represents various types of short-term travel and is variably defined for a specific purpose of the journey, its duration and other criteria. Hence, it is important for the travel to be classified as tourism is that an individual has to move out of the living area and also the purpose may be for pleasure, business, health, leisure or any other reason as per the needs of the individual concerned with the time frame.

#### **1.4.Importance of Tourism**

The tourism industry is important for the benefits it brings and due to its role as a commercial activity that creates demand and growth for many more industries. Tourism not only contributes towards more economic activities but also generates more employment, and revenues and plays a significant role in development.

#### **1. Economics Progress**

The tourism industry aids and supports foreign exchange reserves. It benefits our country in generating foreign currency. Every year a large number of tourists visit India and other places. They visit places; stay and shop in our country. All this contributes to a significant amount of foreign currency generation. Despite the global recession, Indian tourism grew 6.9 % to approximately \$42 billion in the year 2010.

#### **2. Source of Income**

Tourism is a continual source of income for public & private income. The government charges various forms of tax which is called government revenue. The income generated through these taxes is public income. The profit earned by a seller, by selling items like local artifacts, handicraft items, etc, to the tourists is called private income. Tourism also helps in employment generation. It created jobs specifically in the hotel industry, hospitality industry, service sector, entertainment, and transportation industry.

#### **3. Development of Infrastructure**

Have you ever noticed how the look and status of a place change when it is declared a tourist place? Actually, tourism aids and encourages infrastructure development by making way for dams, roads, connectivity, airport improvements, and any other activity that helps a tourist in visiting a place in a much better way!

#### **4. Societal Progress**

Tourism is a wonderful method of cultural exchange. It also encourages societal progress as tourists learn to show respect, tolerance, and love for each other when they visit new places.

#### **5. Cultural Heritage**

Tourism helps explain the beauty, art, history, and culture of our country. Different people visiting any country take beautiful cultural concepts along with them and spread those concepts to others while visiting other places in the world. Similarly, local skills, languages, and art get wide exposure through tourism. For example, Chokhi Dhani in Jaipur.

#### **6. Educational Significance of Tourism**

Tourism has been of great importance for education always. Study tours, short time courses, educational exchange programs, all these are a part and parcel of International Tourism resulting in better knowledge about host countries.

#### **7.Tourismourism and environment**

Tourism is also has spillover benefits such as preservation of environment which covers up an area of historical sites and cultural values. PATA (Pacific Asia Travel Association) and WTO

(World Tourism Organization) have laid down laws for its preservation and conservation. India has given a new lease of life to endangered species of animals by making laws on forbidding the hunting of lions, deers, peacock, and many other birds and animals. India has also set up a separate ministry of environment and forests to monitor the use of land from the environment point of view.

### **1.5. Factors that Motivate People to Travel**

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

- To spend holidays leisurely
- To visit friends and relatives
- To attend business and professional engagements
- To undertake religious pilgrimages
- Any other personal motives Traditional and Niche Tourism

### **1.6. Types of Tourism**

**1. Mass Tourism** It involves the 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. Tourists generally desire souvenirs and site-seeing. For example, religious places, theme parks, boat cruises, and resort towns.

**2. Alternative Tourism** It includes individually organized tours to find first-hand information about a place, local culture, and environment. For example, a biking tour is planned by an individual while accommodation is catered for on the go.

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

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

**5. 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.

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

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

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

**9. 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.

**10. Sports Tourism** is tourism for attending sports events such as World Cup Cricket Match, FIFA, or the Olympics.

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

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



Adventure Tourism

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

### **1.7. 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 needs
- **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 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 the 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 of 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, and 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.

### **1.8. Components of Tourism**

Since tourism is an amalgamation of various sectors, there by tourism industry assumes a complex structure comprising of a wide variety of businesses/other organizations. The promotion of the countries tourism largely depends upon the various components of tourism. Tourism industry is composed of numerous components ranging from accommodation to recreation sectors.

**1. Transportation:** Transport is acknowledged as 'one of the most significant factors to have contributed to the international development of tourism'. Transport provides both the essential link between the tourism origin and destination areas and facilitates the movement of holiday makers, business travellers, people visiting friends and relatives and those undertaking educational tourism. A tourist needs a mode of transport to reach the destination, whether by road, rail or air and even sea. There is no travel and tourism without the development of modes of transport.

- Road transport
- Rail transport
- Sea transport
- Air transport

**2. Accommodation:** Accommodation is a fundamental requirement for tourists who stay overnight in a locality and it comprises a significant sector of the tourism industry. Visit to a particular destination requires an adequate and sufficient accommodation for tourists in that area. Inadequate and insufficient accommodation causes inconvenience to the tourist and may result in adverse publicity leading to poor response from the present and potential customers. Hotels, resorts, lodges, motels, rest houses are to be built for attracting all classes of tourists. The other significant feature of accommodation is the provision of food. As any tourist destination attracts

diverse customers with different food tastes and preferences, it is essential to bring uniformity in the offerings to satisfy diverse interests of the tourist.

### **3. Attractions:**

Tourism attractions are a vital part of the tourism industry because they provide the focus for tourist activities. The destination may offer natural attractions like natural scenic beauty of Himalayas, sunshine, or climatic features etc. The locale with its attractions and amenities, are the most important as these are the very basics to tourism.

### **4. Information Technology:**

There is a great significance of information technology in the development of tourism enterprises. The use of a wide range of electronic, computer based and communication based technologies support the various operations and help in the execution of business processes in tourism. One of the main tasks undertaken is the processing and facilitating of the flow of information within and

### **1.9.Factors Affecting Tourism**

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

#### **1. The environment at the Destination**

Tourism is in its best form when the destination boasts of a 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.

#### **2. The 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.

#### **3. 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, antic paintings and utensils, clothes, weapons, ornaments, and other allied heritage. For example, the world-famous places of historical and cultural importance are the Taj Mahal (India), the Pyramids of Gaza (Egypt), Bagan City (Burma), and the Acropolis (Athens, Greece).

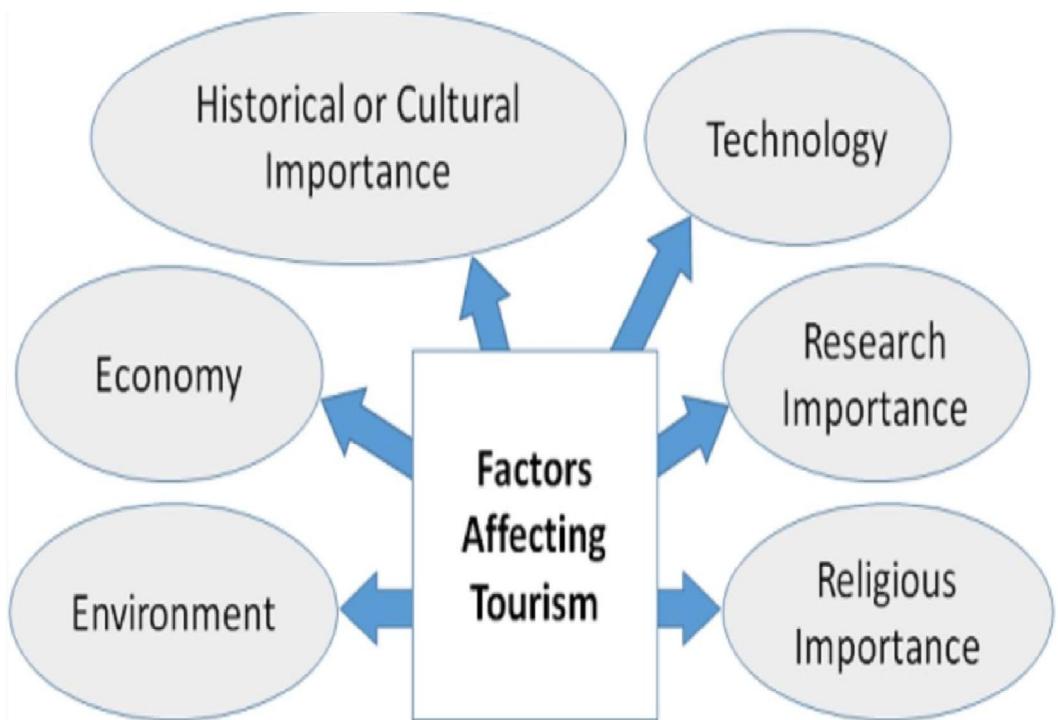
#### **4. Research Importance of Destination**

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

#### **5. Religious Importance of Destination**

Religious sites and places of worship are always crowded 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. A few examples are Mecca, Bethlehem, and Kashi.

### Factors Affecting Tourism



#### 1.9.The Growth of Tourism Industry

With the passage of time tourism has grown into a fully fledged industry. Tourism primarily is a service industry because it does not produce goods but renders services to various classes of people. In view of their special nature and complexity of their contribution to the tourism product, they may be described as tourist industry. This industry is a complex aggregation of many industries which together satisfy the various needs of the travellers, where every penny spent by the traveller contributes to the prosperity and development of the travel industry. Tourism is probably a rare instance of an industry earning foreign exchange without exporting national wealth and further, it is the only smokeless industry that can generate sizable foreign exchange.

#### 1.10.Significance of Indian Tourism Sector

India, one of the oldest civilisations in the world, is a multicultural melting pot. The nation is one of the most well-liked tourist destinations globally, owing to its extensive attractions and rich heritage. From the snow-capped Himalayas in the north to the tropical rain forests in the south, India spans an area of 3,287,263 sq. km. The country's tourism industry has grown significantly due to its rich culture and diversified ecology. India's tourism sector ranks eighth in Gross Domestic Production (GDP) contribution. The revenue of India's tourism industry stood at US\$ 247.3 billion in 2018, representing a 6.7% increase as compared to the previous year and

contributing 9.2% of the entire economy. The sector was also one of the largest foreign exchange earners (FEEs).

### **1.12. Rise of Indian Tourism Sector:**

After the COVID-19 pandemic, many reforms were implemented in India to promote tourism; these policies have significantly boosted the sector. Total FTAs in India surged by 406.6% to 2,764,975 from January-July 2022 compared to the previous year. During this period, the US was the top contributor to FTAs in India, at 25.88%, followed by Bangladesh (18.61%), the UK (10.99%) and Australia (5.16%); the US was among the top 15 source nations. In terms of foreign exchange, India's tourism sector earned US\$ 6.96 billion in 2020. This is expected to increase further after the pandemic.

From January-July 2022, the Delhi Airport (among the top 15 major airports in India) accounted for the highest share in FTAs at 31.66%, followed by the Mumbai Airport (13.92%), Chennai Airport (10.41%), Haridaspur Land Check Post (8.82%) and Bengaluru Airport (6.70%). In 2021, India's domestic tourism rose by 11.05%, from 610.21 million to 677.63 million. The top states in terms of domestic visits were Tamil Nadu at 115.33 million, Uttar Pradesh at 109.70 million, Andhra Pradesh at 93.27 million and Karnataka at 81.33 million.



### **1.13. The benefits of the Internet in the Tourism Industry**

#### **Internet Benefits**

Technology Internet has penetrated almost every corner of the world. Tourists are enjoying the benefits of the Internet. While planning a tour, the tourists try to get an 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, 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.

### **1.14.Benefits of Technology in the Tourism Industry**

- With the internet in place, this has been achieved with ease and at low costs. The business has hosted different sites that they use to advertise its products and services to the entire world. They are able to tailor the needs of the customers accordingly.
- Another advantage of technology is that it has facilitated globalisation. The world has been constricted into one small village. People are connected through internet networks and social media. Information is transmitted at a faster rate with just one click of a mouse.
- Since thi people are able to access information about the locations that they can visit, spend their leisure time and holidays relaxing
- Hospitality industry and tourism have used this opportunity to share ideas on various businesses. It has also helped to bring together people separated by geographical location, as well as those from different cultures.
- According to Cristiana (2008), many people in the USA use the internet to book for their trips to various destinations (p. 344). The rate is increasing every day. For instance, it is estimated that more than 75 million people who travel across the globe use the internet to get information on their destinations.
- Many online travellers said that they use the internet to get updates or information on their destinations and any other logistics about their travelling
- Technology has enabled people to search for their directions, maps for directions, accommodation/hospitality facilities, schedules, airfare, and the amount of money to be spent for a tour. These logistics are available on the internet. It has become a very essential medium of budgeting and choice-making.
- The availability of this information on the internet, for example, tourist attractions sites, tourist attraction scenes, and features create a platform for persuading people to travel and experience them.
- People across the globe are able to access information on their phones even to the extent of communicating with one another. This platform has enabled the hospitality industry and tourist industry to market their products on the interne
- The media is used for sharing ideas and keeping in touch with people across the country. Therefore, they provide a good platform for businesses to market their products and services. Hospitality and tourism industry have the potential of using such media to reach out to many potential visitors.
- People will get information about the tourist destinations and some of the hospitality services provided through such media. Therefore, they can contribute greatly to the success of this hospitality and tourism industry. However, technology has had its negative impact in this industry.

### **1.15. Impacts of Tourism Industry**

The impact of tourism focuses on the specific change that tourism and tourists have initiated in the community this in particular explores the areas of work and property, power and conflict, social identity and family and belief. It has a multitude of impacts, both positive & negative, on people's lives and on the environment.

- 1) **Economic Impact**: One of tourism's most salient influences is on the economy of the host country. Many tourism texts open with statistics proving the huge economic impact that tourism has in terms of cash flows, employment, gross domestic product (GDP) and so on. Of course, the influence of tourism on the economy is inevitably as diverse as are economies, cultures and the people visiting them. Tourism is a major global industry that provides huge opportunity for economic growth, foreign exchange earnings as well as employment and income generation for both the macro and micro- economy. It has been seen that tourism results in a range of economic impacts, both positive and negative depending on the location and social economic foundation of a destination
- 2) **Economic Influence of Tourism**: Expanding opportunities often attract people from other region of the country. It has been noticed that young people and women appear to benefit from tourism employment leading to the economic independence and a resultant weakening of the traditional authority of the family head. In term of financial effect of tourism on work and property, we might frame them in a tripartite form commonly used in economic texts (Walton, 1993:220):
  1. **Direct effect**: The initial injection of tourist expenditure creates direct revenue for hotels, shops, restaurants, travel agents, transport operations and other tourist services.
  2. **Indirect effect**: The recipients of the direct expenditure generate additional revenues to businesses or producers supplying them with necessary inputs, example fuel for various form of transport, food for restaurants, equipment for hotels, construction of hotels etc.
  3. **Induced effect**: The beneficiaries of the direct and indirect effects spend their increased incomes on consumer and investment goods, which induce further consumption within the economy.

### **Limitations**

- a. Tourism development often creates inflationary effects on local economies, relating to land, property and goods. Introduction to Tourism and Hotel Industry Introduction to Tourism and Hotel Industry
- b. Heavy reliance on tourism industry in any region or country to generate revenue is a much criticized policy. Some less developed countries rely on tourists for generating revenue / income. Decreases in demand for tourism will have huge effects on the receiving country.
- c. In many cases, foreign exchange generated by tourism activity may not benefit the economy of the destination. In less developed counties, there is a higher propensity to import due to a lack of supporting industries. In the case leakage rate is high and the multiplier effect cannot develop to its full potential

**Environmental Impact**: The most outstanding result of environmental influence of tourism is its impact as the built environment. A large hotel built overlooking good scenic beauty, beach. Shops have opened to service the visitors, the majority of outlets are geared towards the tourism market. Roads have been indented and built to enable easier access for

coaches and berries. Beyond the valley, tunnels have been blasted out of mountains to ease access and an airport has been built in.

### **Environment issues & Challenges**

Around the globe, tourism is regarded as a pollution free industry as against other manufacturing industry, which can spoil the environment. Environment pollution is a challenge in the modern times. It is not common and limited just to places of industrial activity and urbanization but also spread to places of tourist interest. Visit of tourists to different places results in the spoilage of the beaches, local, social and living systems, national parks, Mountains Rivers etc. The damage may be in the form of writings on temples and historical places, removing pieces of marble from ancient contractions and churches; this shall deprive the originality of a structure and affects the beauty of the same. Below mentioned are some of the environmental issues rising because of tourism

### **1.2.1.Demand for Tourism**

#### **1.2.1 Introduction**

Tourism demand is the total number of persons who travel or wish to travel to use 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 the market of the destination. 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 tourists. Tourism businesses can figure out the demand for tourism in a particular area, by identifying the types of various tourists, and their behaviors, and creating the right offerings for the right market. Let us see, the types of tourists and how tourist behaviors vary with respect to various factors.

### **1.2.2 Types of Tourists**

There are different types of tourists:

- **Intrinsic Tourists:** They are into holidays for the sake of enjoyment.
- **Extrinsic Tourists:** They have reward-oriented motivation. These tourists are susceptible to activities where performance is evaluated.
- **Adventurers Tourists:** 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 a zest for life largely contribute to this type of tourism.
- **Budget Travelers:** They are economy-oriented tourists. Their touring decisions about places, traveling mode, and other related factors are largely dependent on their financial status.
- **Homebodies:** They are mainly relaxed tourists. They do not get into the adventure. Tourists aged 45 to 50 years belong to this type. Busy professionals under 45 years also belong to this type.
- **Moderates:** They plan their tour ahead and are highly inclined towards tourism but do not get into sports or adventure activities.
- **Vacationers:** They plan to tour during vacations such as summer break or Christmas break. They are not always sure of where and why they wish to visit.

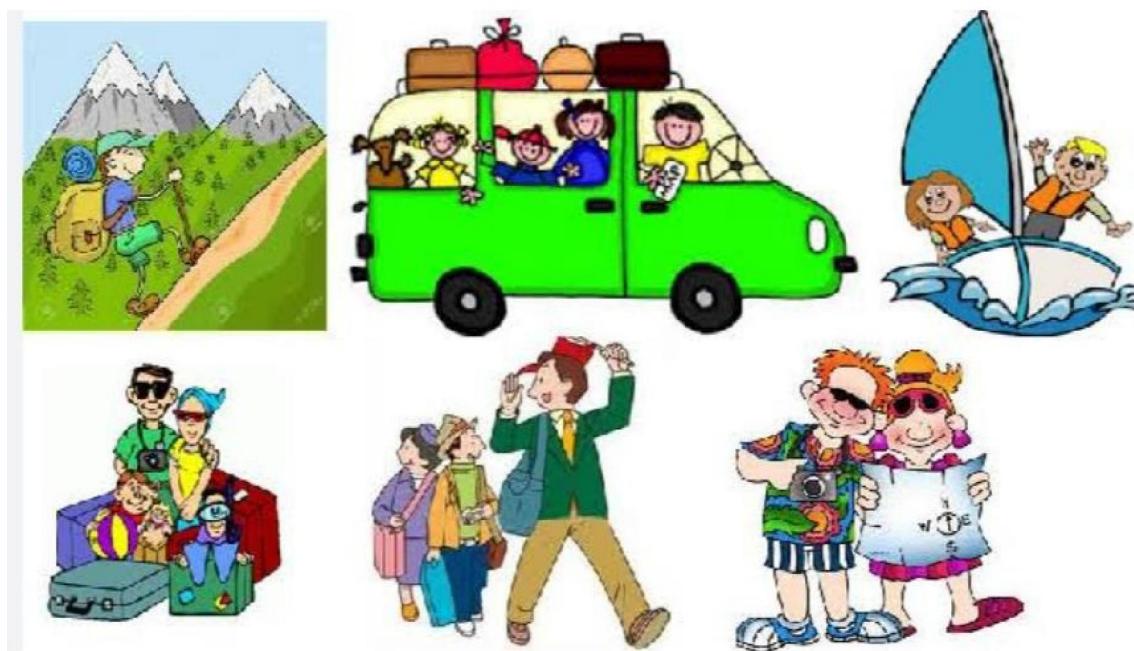
### **1.2.3 Motivation Factors of the Tourists**

### **I. Internal Factors of Motivation**

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

**1. Intrinsic Motivation:** For many people, tourism is a way of satisfying their psychological needs such as traveling, 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 tourists to opt for tourism for intangible rewards such as fun, assurance, and other emotional needs. The other intrinsic factors of motivation are:

#### Motivation Factors of Tourists



- **Attitudes of tourists:** 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 reception about a place, person, or object.
- **Values or Beliefs:** A tourist believes or values a specific mode of conduct that is acceptable personally or socially.
- **The personality of the Tourist:** The nature and physique of a tourist play an important role in motivation for tourism.

#### **1.2.4. External Factors of Motivation:**

External motives in tourism can influence tourists and pull them towards a certain motivation and subsequent decision.

**II. 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.

1. **Place of Origin:** The grooming of the tourist depends upon the place of its origin. For example, for Indian married women, tourism might come last on the list of preferential things they wish to do whereas, for American ladies, tourism would acquire a much higher rank.
2. **Family and Age:** The family matters when it comes to structure and income. Today, families with nuclear structure and double income tend to opt for long-distance, extravagant tourism more than joint families or families with a single-earning member who is interested in visiting domestic places. The tourists also have different preferences for places according to their age. For example, tourists in the age group of 5 to 45 years might enjoy visiting destinations in the USA such as Disneyland more than senior citizens.
3. **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 others to visit the place too.
4. **Market:** Ever-changing market variables alter tourism. Changes in the value of a currency, political situations, and the economic well-being of the country influence the decisions of a tourist.

#### **1.2.5. Maslow's Pyramid of Motivation**

An American psychologist and a professor of the 20th 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:

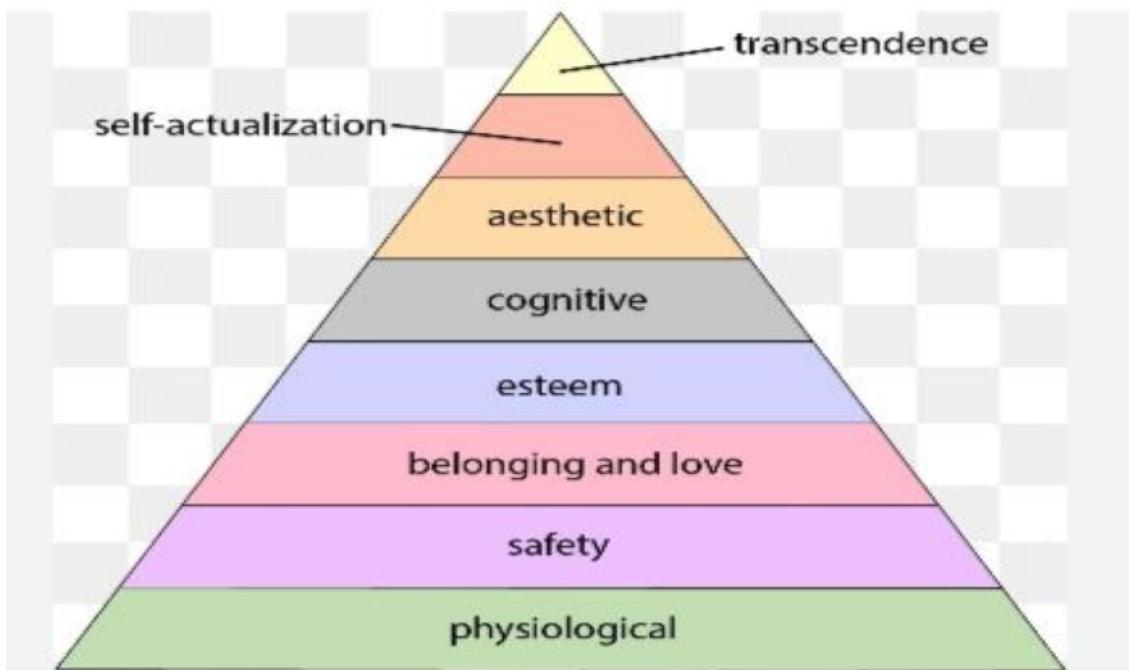
•**Physiological:** Need for air, food, water, shelter, warmth, and sleep, which are required for survival.

•**Safety:** Need for safety from harmful elements, freedom from fear, physical safe economical safety, and against accidents. Safety may also manifest in 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 human needs in the order depicted. As we see, tourism covers the bottom four levels of the triangle.



### **1.2.6 .The Five A's**

The following five A's define the tourist needs and demands:

#### **1. Accessibility**

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

#### **2. Accommodation**

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

#### **3. Attraction**

It is a place of interest that 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 an attraction.

#### **4. Activities**

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

#### **5. Amenities**

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

#### **1.2.7. Milieus of Tourism**

A milieus is nothing but the physical, cultural, or social environment in which people live or which influences people. The milieu includes one's family, friends' 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:

**1. 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 wildlife. Fewer infrastructure developments are found in rural areas. Rural areas offer attractions such as beautiful landscapes, vegetation and plantation of specific crops, vineyards, gardens, water bodies, allied sports, farmhouse visits and stays, and roadside flea markets.

#### **2. Urban Area**

It covers cities and developed towns. The urban areas have a high-density of population and a large number of houses and apartments. The cities are more affected by air and noise pollution. The pace of life is too fast in urban areas. Life and living here boast 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.

#### **2. Coasts and Beaches**

This area offers the extraordinary 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 seafood, a 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.

#### **3. Islands**

**Islands** have developed thriving tourism over the last few years. They draw tourist attractions for their breath-taking beauty of land surrounded by water, refreshing breezes, and tranquillity. They offer a wide range of water sports like speed boating, canoeing, snorkelling, and diving. They offer a 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 a few examples of highly frequented islands for tourism.

#### **4. Mountainous Region**

Mountains have indisputable tourist potential and they attract tourists of all categories. Adventure tourists visit mountains for their remoteness, difficult access, unbeaten mountain trails, and wilderness. Adventure sport liking tourists visit mountains for climbing, hiking, skiing, mountain biking, and bungee jumping. Some tourists visit the 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 the Himalayas.

### **5. Desert Region**

This region is popular with tourists for its sand dunes, serenity, clean air, flora and fauna, and awesome view of the night sky. It also offers desert sports such as quad biking, and air balloon rides, and activities such as camel trekking and camping. The deserts also offer an 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

#### **Desert Tourism**



### **1.2.8. Cultural Milieus**

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

#### **1. 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. Tourism Management.

## **2. Archeological**

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

## **3. 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 study abroad programs 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 people of common interests come together to acquire knowledge.

## **4. Adventure**

A place popular with adventure tourism is likely to attract adventurers. Some tourists have an 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.

## **5. Sports**

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

### **1.3.1. The Tourism Supply**

#### **1.3.1 Introduction**

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 stakeholding businesses need to provide products and services by putting costs and anticipating the 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 tourist satisfaction.

#### **1.3.2. What is Tourism Supply?**

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.

#### **1.3.3. 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.

#### **1.3.4. Components of Tourism Supply**

Here are typical components of the tourism supply:

##### **1. Attraction**

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

- **Natural Attractions:** Caves, canyons, rocks, water bodies, 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.

##### **2. 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 a fixed schedule, Charters that operate as and when required.

##### **3. 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

##### **4. 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.

##### **5. 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, and dining near a water body.
- **Business Activities:** Attending seminars, business meetings, promotions

#### **1.3.5. Categories of Tourism Supply Components**

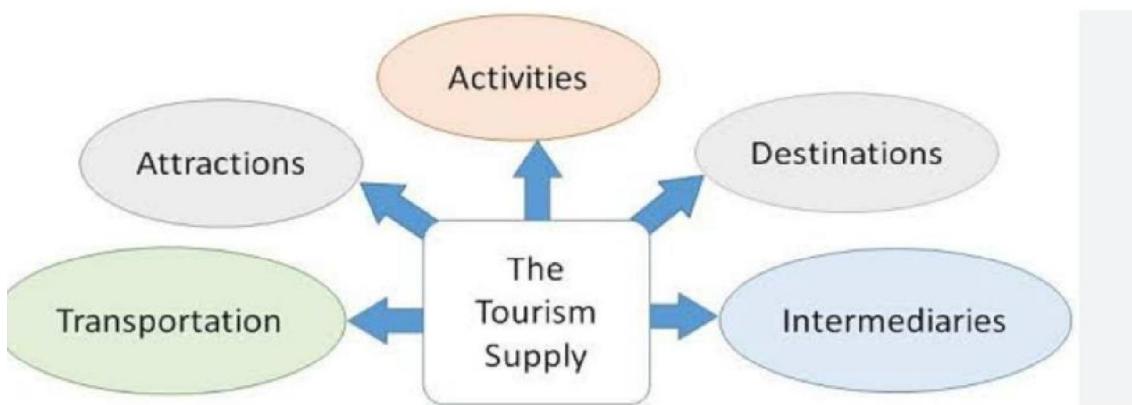
Tourism supply incorporates the following components:

##### **1. 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
- The natural beauty of the destination

### Components of Tourism Supply



## **II. 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
- ❖ Restrooms for sanitation
- ❖ Airports
- ❖ Transport hubs
- ❖ Parking hubs
- ❖ Accommodations/hotels/Restaurants
- ❖ Museums
- ❖ Gardens
- ❖ Shopping centers
- ❖ Attractions

## **III. Operating Components**

They are mainly related to the services. They include the workforce that is instrumental in imparting excellent experiences to tourists.

- Transport service
- Foodservice
- Accommodation service
- Service at the places of attraction

#### **IV. 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.

## **Consumer Behaviour in Tourism**

### **UNIT -II**

#### **2.1. Introduction**

Tourism consumption behavior refers to the process that tourism consumers choose and purchase tourism products to meet the needs of tourism pleasure and other experiences. This process includes the generation of needs before travel, the decision-making process, consumption in scenic spots, and post-purchase evaluation. 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 to travel.

#### **2.2. Understanding consumer behaviour in tourism**

If one is to develop Tourism Marketing with Magnetism and consider the right product, right place, and right time with the right technology, we must isolate and understand the key touch points or sweet spots that consumers desire in their unique decision-making journeys. Understanding and predicting consumer behavior is a central issue for marketing practitioners within the tourism arena.

##### **1. Defining consumer behaviour in tourism**

Consumer behavior can easily be conceptualized as the process of acquiring and organizing information in the direction of a purchase decision. That said, it is not easy to fully address the question ‘Why do people travel?’ The dynamic process of moving from need, to want, to desire and, ultimately, to demanding fully formed tourism experiences, is relatively complex.

##### **2. The cognitive approach**

This process typically encompasses the stages of searching for, purchasing, using, evaluating and disposing of products and services. This paradigm follows a cognitive approach and maps a cycle from stimulation, including motivation and intention formulation, behavior and experience, evaluation and retention of consequences

##### **3. Reference groups**

People turn to particular *groups* for their standards of judgment beings tend to make sense of reality by towers behavior. Any person or group – real or imaginary – that serves as a point of reference for an individual is said to stand as a reference group. It exerts a key influence on the individual’s beliefs, attitudes, and choices.

##### **4. Virtual reference groups**

Technology has dramatically changed the way in which consumers now interact with each other and businesses (as well as the aforementioned traditional modes of reference groups we are now in the age of virtual reference groups), the rise of social networking and consumer blogging literally gives the user unlimited access and exposure to other ‘trusted’ opinions, views and attitudes to every manner of products and services available.

##### **5. Motivation**

Motivation refers to a state of need, a condition that exerts a ‘push’ on the individual towards certain types of action that are seen as likely to bring satisfaction. Vacation tourist motivation is greatly determined by social factors and is related to the need for optimal arousal. We have a need

for stability as well as for novelty. In the case of traveling there are usually multiple motives, based on the tourist's expectations of what will be gained from the purchase.

### **6. Intention**

Intention indicates the likelihood of purchasing a tourist product; it is the readiness-to-buy concept. Behavioral intention is said to be a function of:

1. evaluative beliefs towards the tourist product;
2. social factors which tend to provide a set of normative beliefs for the tourist; and
3. Situational factors that are anticipated at the time of the vacation plan or commitment.

### **7. Decision-making process**

Most models deal with five different steps in the decision process:

1. Socio-Economic Influences
2. Cultural Influences
3. Reference Group Influence
4. Family Influences

### **8. The evoked set**

As consumers are increasingly pressured in terms of time and the number of choice alternatives that now exist, they have developed decision-making heuristics that act as shortcuts – in order to simplify the decision-making process. Sophisticated 'phased' or 'funnel' decision-making methods have emerged where consumers screen out unacceptable choice alternatives, preserving decision-making energy and time to evaluate between a smaller reduced subset of brands; this is commonly referred to as the 'choice set' or 'evoked set'.

### **9. The new consumer journey**

With the majority of consumers now beginning their journey online, and on mobile devices – more and more attention is being placed on blended content. Getting the right balance with content – both user-generated and curated – is and will continue to be a dominant theme. Content must Inspire and Help; it must be Authentic and Trustworthy and it must be 'evergreen' – content must be reviewed and updated 365 days a year. This is necessary to build authority so as to encourage the transformation from prospect to consumer.

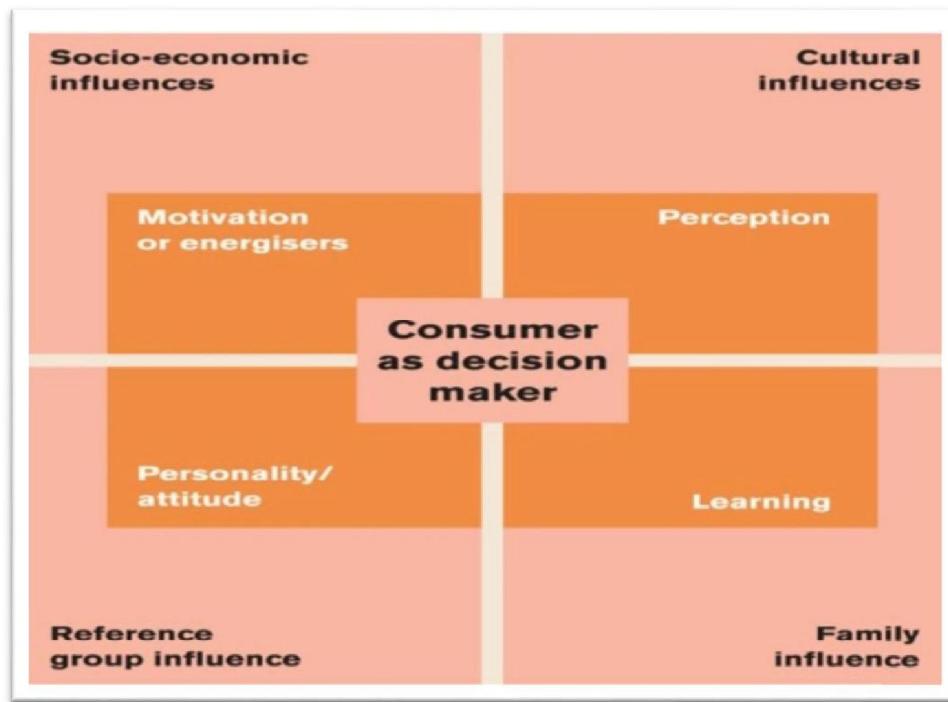
## **2.3 Factors Affecting Tourist Behaviour**

The following factors immensely alter tourist behavior 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 to altering tourist behavior. If a destination has all basic provisions such as electricity, water, clean surroundings, proper accessibility, and amenities, and has its own significance, it largely attracts tourists.
- ❖ **Education of Tourist**: The more educated the tourist is, the with their range of choices, curiosity, the knowledge of places he would have. This drives decision-making when it comes to choosing a destination.
- ❖ **Motivation** - Factors that are motivating the tourist to want to buy a particular product.
- ❖ **Determinant** - factors that determine the extent to which the tourist is able to buy the desired product.

In addition, **consumers' age, gender, personal personality**, etc., are all personal factors that will affect consumer behavior and psychological factors include motivation, perception, learning, attitude, etc. Individuals first generate motivation and needs for consumption and then generate perception.

### Buyers Decision-Making Process



#### 2.4. The impact of attitude towards the destination on consumer decision.

The desire for travel until recent times has been based more on religious commitment health concerns and trade than on pleasure. Natural tourism in different countries is influenced by many factors such as

- (i) Change
- (ii) geographical location
- (iii) history language the development of transport
- (iv) the economic development
- (v) reviewing the quality of nature and cities
- (vi) government policy on tourism
- (vii) the degree of political and economic development and stability

Obstacles that should be overcome for people to become tourists of any kind were related to transport, lack of adequate routes, maritime transport, and the risk of the attack that passenger face. Tourism development could begin only after these obstacles have been overcome. It contributed to the number of unrelated factors occurring at the same time.

1. raising disposable income
2. the availability of the vehicle
3. future interest in free time

4. education
5. the growth of tour operators and
6. Package arrangements.

Political stability has always been a factor in the development of tourism in some countries but politically unstable countries became a motivator for a small number of the tourist-speaking adventures that they have for the particular destination. Namely, if the desired destination processes untouched nature and rich cultural heritage but it are politically stable consequently that would trigger a positive attitude by potential customers.

## **Tourism Functional Management**

### **UNIT- III**

*“Whenever an individual or a business decides that success has been attained, progress stops.”* -Thomas J. Watson, American Businessman & CEO, of IBM

#### **3.1. Introduction**

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.

#### **3.2. Who is a Tour Operator?**

A tour operator is a business set-up or enterprise that 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 providing ancillary support to the tour. For example,

- Cox and Kings, the longest-established tourism business with headquarters in India provide 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.

#### **3.3. Definitions of tour operator**

**Poyther (1993)** defines, “a tour operator as one who has the responsibility of putting the tour ingredients together, marketing it, making reservations and handling actual operation.”

**Holloway (1992)** stated that tour operations undertake a distinct function in the tourism industry, they purchase separate elements of tourism products/services and combine them into a package tour which they sell directly or indirectly to the tourists.

Today, tour operators have become highly competitive. They endeavor to achieve a high volume of turnover and maximum International and domestic market share by effectively operating. Moreover, the success of many developed and developing nations as tourist destinations depend heavily on a tour operator’s ability to attract tourists, development and promotion of tourism plant, diversification of tourism product, and their social responsibilities to develop the remote and backward area.

#### **3.4. Type of tour operators**

Tour operators are basically categorized into **four types**. These are categories on the basis of the nature of the business and its operations.

1. Inbound Tour Operators
2. Outbound Tour Operators

3. Domestic Tour Operators
4. Ground Operators

### **1. Inbound Tour Operators**

These are also known as **incoming tour operators**. Technically, the operators who receive guests, clients/tourists, and handle arrangements in the host country are **called inbound tour operators**. For example, a group of American Tourists is coming through TCI Ltd. to India and the company makes arrangements and handles the group in India then TCI is called an inbound tour operator. Incidentally, the inbound traffic to the country for the last two decades has been decreasing. Essentially the tour operators need to adopt innovative marketing strategies and should introduce a special interest tour to cater to the special needs of Japanese, Americans, French, and British people.

### **2. Outbound Tour Operators**

Tour operator who promote tours for foreign destinations, maybe business tour or leisure tour is called **outbound tour operators**. For example a group of American tourists going to a trip of India and Thomas Cook handle arrangement in America like ticket reservation, hotel booking, etc. then Thomas Cook is called Outbound TourOperator in the context of America.

### **3. Domestic tour operators**

Domestic tour operators are those who assemble and combine tourist components into inclusive tours and sell them to domestic travelers. In general, these tour operators provide travel services within the tourist's native country.

### **4. Ground Tour Operators**

These are commonly known as **handling agencies** and their main function is to organize tour arrangements for incoming tourists on the behalf of overseas operators. Let us take the case of India as a destination that – has a varied culture.

Sometimes when a handling agency is at a prominent tourist place i.e., Delhi and it has to make arrangements to Goa, then it contracts with a local operator (known as an excursion agent) to handle the arrangement on its behalf.

### **3.5. Why Ground Operators**

Obviously, tour operation companies do not have close contact with suppliers, governments, destinations, and so on. It leaves no choice for the companies but to appoint handling agencies at the destinations. The main reasons are:

- Introduction of new products or plant to promote an exotic destination.
- Lack of Government regulations.
- Lack of personal contract.
- Language problem.
- The company cannot establish its own branch.

Recognizing the very fact that the reputation, performance, and profitability of a tour company in its own market largely depends on the efficiency and effectiveness of ground operators, it has become necessary for the company to consider various factors before the selection of a handling agency, they are:

- Size of business
- Professional staff
- Length of business
- Area of operation/Product line
- Market share

Over the years of functions and activities of the destination, companies have changed drastically to cope with the changing environment of the tourism industry. In fact, today's destination

companies have become more professional and are bound to provide personalized travel services to the tourists. The following functions are performed by ground tours operators:

1. Land arrangement
2. Contract and Negotiate with other vendors
3. Handling of Arrival and departure procedure
4. Planning and organizing local package tour
5. Escorting the tourists
6. Providing market information
7. Costing and pricing package tour

The travel agency business is no longer amateurism. Over the last two decades, the pattern and structure of travel agencies have changed to meet tough challenges in the international market. Today, small-scale agencies are finding the travel industry increasingly complex.

### **3.6. Functions of Tour Operator**

A tour operator is an organization, firm, or person who is responsible for the actual arrangement of transport and accommodation facilities on any tour or vacation. They are also responsible for operating and providing vacation through contracting, booking, and packaging together the various components of the tour such as hotel, transportation, meals, guides, optional tours, and sometimes flights.

A tour operator is like a service provider, providing the most convenient option for tourists to stay, visit, as well as leave the city. A tour operator owns a high volume of travel services across carriers, services, and accommodations. Some most important functions of the operators are following as the:

### **3.7 .Planning a Tour**

#### **1. Making a tour Package**

The most important function of the tour operators is planning a tour. Tour operators plan a tour and make a tour itinerary that contains the identification of the origin, destination, and all the stopping points in a traveler's tour. A prospective tour operator also gives advice to intending tourists on various types of tour programs, which they may choose for their leisure or commercial travel. Tour operator buys individual travel components, separately from their suppliers and combines them into a package tour. Tour operators make tour packages by assembling various travel components into a final product which is called a tour package that is sold to tourists with its own price tag. Making tour packages is also an important function of the Tour Operator.

#### **2. Arranging a Tour**

Tour operators make tour packages and also arrange a tour according to tourist demands. Tour operators arrange the tour package and various tourist activities to provide the best experience to tourists/travelers.

#### **3.Travel Information**

Whatever the size of tour operators, it has provided necessary travel information to the tourists. This task is utterly difficult and very complicated. A tour operator must give up-to-date, accurate, and timely information regarding destinations, modes of travel, accommodation, sightseeing, immigration, health and security rules about various permits required to travel in a particular area, etc

#### **4. Reservation.**

It is a very important function of all types of tour operators and travel agencies. Tour operator makes all the reservation by making linkages with the accommodation sector, transport sector, and other entertainment organizations to reserve rooms, and seats in cultural programs and transportation.

#### **5. Travel Management**

Tour operators manage tours from the beginning to the end of the tour. A tour operator has the responsibility to look after the finer details of a vacation or tour such as hotel, accommodation,

meals, conveyance, etc. Tour operators provide travel guide, and escorting services and arrange travel-related needs and want.

### **6. Evaluate the option Availability**

Tour operators evaluate all available options to provide a unique or unforgettable travel experience to tourists during their journey. Tour operators evaluate the various options available for a tour package and provide the best of them to tourists.

### **7. Promotion**

Tour Operators make tour packages and promote them into various tourist markets at domestic as well international levels. Tour operators promote a travel destination to attract a large group of tourists at domestic as well as international levels. In the promotion of tourist destinations, tour operators play a key role. Travel agencies or tour operators are called image builders of a country.

### **8. Sales and Marketing**

Tour operators do sales and marketing of tourist products. Tour operators buy individual travel components, separately and combine them into a tour package, which is sold with their own price tag to the public directly. Tour operators do marketing of tourist destinations and tourism products to attract the attention of tourists/travelers.

### **3.8. Importance of Tour Operators**

Tours operators play a key role in the tourism sector. Tour operators create tourist products, promote them a finally sold them to tourists. Tour operators provide the best and most competitive prices to tourists. Tour operators negotiate with suppliers of tourism products such as and hotels, airlines and provide the best possible price to the tourist. Tour operators buy tourist products in bulk and get huge discounts from suppliers. So that they provide tourist products at a cheap price.

Tour operators organized a tour in the best way. They personalize and make sure each and every component of the tour is well-taken care. Tour operators provide the best travel experience during a tour. Tour operators save tourists time and money.

Tour operators provide immediate support systems in the host country as well as in a foreign land. When tourists travel to a foreign land and things get uncertain, maybe it's a health or loss of documents and the need to return back or change of travel plan. A qualified tour operator takes care of all these unseen events with efficiency.

### **3.9. Difference between Travel Agents and Tour Operators**

There is a lot of confusion about the difference between tour operators and travel agents and what exactly makes them different. The main difference between a Travel agent and a Tour operator is the following:

1. A travel agent is a person who has full knowledge of tourist products – destinations, modes of travel, climate, accommodation, and other areas of the service sector. He acts on the behalf of the product providers/principals and in return get a commission.
2. Tour operator is an organization, firm, or company that buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen.
3. Tour operators are like wholesalers and travel agents are the retailers.
4. A tour operator makes the package holidays up and the travel agents sell them.
5. Tour operators take up the bulk of the responsibilities and their fee is obviously much greater than a travel agent.
6. A tour operator has the responsibility to look after the finer details of a vacation or tour such as hotel, accommodation, meals, conveyance, etc.

The wholesale travel agencies may offer or operate package tours or may specialize in developing tours for inbound as well as outbound travelers. They are often referred to as tour operators, but there is a difference between Wholesale Travel Agencies and Tour operators.

### **3.10. Types of Tour Operators**

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

### **Type - 1**

#### **1. Mass Market Tour operators**

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

#### **2. Specialist Tour Operators**

They provide service to the niche market that has an 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:

#### **3. 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 customers in their own country who wish to travel to another country.

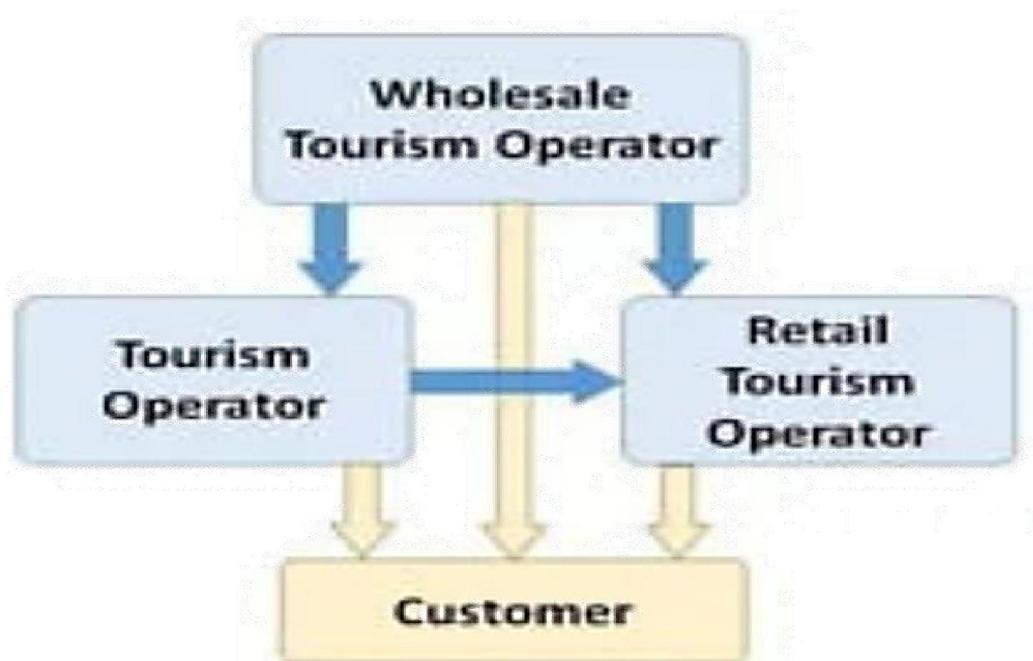
#### **4. Inbound Tour Operators**

They provide trips within a country to 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.

#### **5. 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, since the demand of the local market, and suggest destination requirements to the nearest DMOs. Depending upon their way of working, there are the following typical types of tour operators

### **Tour Operator Type - II**



## **Type - II**

### **1. 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 of a package at a lower price. In addition, 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.

### **2. Retail Tour Operators**

These travel agents are the face of the main distribution channel for package holidays. They sell the tour operator's tourism product in return for a 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 set up a retail outlet, both shopfront and online; as an accessible place for their customers.

### **3. Wholesale Tour Operators**

Wholesale Tour Operators sell a product through established retail distribution channels, both shopfront and online. For example, Qantas Holidays 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 the website. Similar to retail travel agents, wholesalers charge a commission of around 20%.

## **3.11. Characteristics of Tour Operator**

A tour operator is responsible for the safety of the tourists and the 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 a 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 an enthusiastic and friendly attitude to create a welcoming and interesting environment among the customers.

**Knowledgeable:** The tour operator must be well-acquainted with the tourism products, destinations, attractions, and cultures

## **3.12. Tour Operator's Reference Material**

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

- **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 the 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, an 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,

## **Departments of a Tourism Business**

### **UNIT – 1V**

#### **4.1 Introduction**

Similar to any other large business, the work in the tourism business is also distributed into departments. This facilitates more efficiency in the services provided by them.

#### **4.1.Departments of a Tourism**

##### **1. General Management**

This department develops and executes overall business strategies. It is responsible for the entire organization. General management deals with determining overall business strategies, planning, monitoring execution of the plans, decision-making, guiding the workforce, and maintaining punctuality and disciplinary issues.

##### **2. Marketing Department**

The workforce in this department is responsible for identifying customer needs and creating tourism products to satisfy them. The marketing managers mainly are involved in the following activities:

- ❖ **Market Research:** It includes understanding the environment, staying tuned with the economic developments, and knowing customer needs, and the strengths and weaknesses of peer competitors.
- ❖ **Understanding Market Segments:** It includes dividing the total tourism market into smaller market segments. It also involves targeting particular markets, creating separate appealing tourism products for different market segments, and positioning those products to draw consumers. For example, Kesari Tours offers different products for Students, honeymooners, women, and senior citizens.
- ❖ **Product Decisions:** It is about deciding about the addition or removal of a product feature in an offering, deciding about the development of a new product, and manipulating product features.
- ❖ **Promotion Decisions:** It includes informing the target market about various products they would find interesting. The marketing department joins hands with publicity agencies such as radio, television, and website management agency to promote the product package.
- ❖ **Price Decisions:** These involve decisions about the selling cost of the product as well as discount rates.
- ❖ **Product Distribution:** It pertains to which intermediary to employ and where to place the promotional material.

##### **3. Operations Department:**

- ❖ The Operations Department combines two or more tourism components (among attractions, transportation, intermediaries, destination, accommodation, and activities) to create a package and sell it to the consumer.
- ❖ It organizes and conducts a tour within or out of the country and ensures that it turns out successful.

- ❖ It prioritizes customer preferences and supplier offerings to determine the best tour arrangements.
- ❖ It plans the tour itinerary and informs the customers about the schedule of the tour and details such as how to reach the destination, and what to see and do there.
- ❖ It contacts relevant agencies for making arrangements for accommodations and booking travel tickets.

#### **4. Finance Department**

The Finance Department is responsible for acquiring and utilizing the money for financing the activities of the tourism business. Finance people assess short- term and long-term capital

- ❖ Long-term capital requirements in tourism are maintenance of office buildings, vehicles, office infrastructure, and business equipment.
- ❖ Short-term capital requirements involve labour and staff payments, providing a communication facility, and payment of electricity and other resources. A large number of tourism businesses need to invest an initial amount for hotels, lodges, and airline bookings.
- ❖ The owners of tourism businesses invest their money with the sole purpose of getting high returns out of the investment. Hence the head of the finance department is obliged for achieving the organization's objectives by using the finances wisely.

#### **5. Sales Department**

This department is solely responsible for selling relevant tourism products to consumers. The sales person in the tourism business is the first link between the tourism business itself and the consumer.

- ❖ The staff must have deep knowledge of the product and strong communication skills to convince the consumers. The salesperson also promotes the destination. The sales staff identifies and cultivates new customers.
- ❖ The sales staff recommends best-suited products to the customer by assessing their needs.
- ❖ They sell a tourism product successfully by approaching, presenting key features, resolving customer queries, and closing the sale.
- ❖ The sales staff maintains a cordial relationship with the customers.

#### **6. Human Resource Department**

This department is responsible for recruiting skilled, and experienced manpower according to the positions at vacancies of different departments.

- ❖ It is also responsible for conducting orientation programs and training for new staff, recognizing the best facets of staff, and motivating them to achieve organization objectives.

#### **7. Purchase Department**

By following a standard procedure of procurement, this department ensures the enterprise has an appropriate and timely supply of all the required goods and services.

- ❖ The purchasing department procures the goods and services to be consumed by other departments in the business organization

#### **4.2. Tourism –Market Segmentation Introduction**

All tourists are not the same. Just as they may belong to different regions, they may be of different age groups and earn different incomes, and have different tastes and preferences to live their lives

in a certain manner; the tourists also have different choices when it comes to selecting the mode of travel, destination, and the activities at the destination. Tourism market segmentation is the strategic tool for getting a clear picture of diversity among tourists. Tourism researchers and the tourism industry use market segmentation information to study the opportunities for competitive advantage in the marketplace.

### **4.3. What is Market Segmentation?**

Market segmentation is nothing but dividing the total consumer market into groups to be able to communicate with them and provide their specific needs. Smith (1956) introduced the concept of market segmentation as a strategic tool. He stated that “Market segmentation (...) can be viewed as a heterogeneous market (one characterized by divergent demand) as a number of smaller homogeneous markets”

### **4.4. Why Segment in the Tourism Market?**

Every tourist is different, the tourism industry possibly is not capable of satisfying every individual's need. This is the foundation of segmenting the total market. While all tourists are different, some of them are similar to each other. Marketing force of the tourism business groups the tourists into various segments that categorize similar as well as distinct members. Market segmentation can be applied to any of the tourism supply components and provides benefits as given below:

- It helps to understand the specific demands of the consumers.
- It helps to allocate marketing expenses efficiently.
- It helps to create effective marketing strategies to target specific market segments.

### **4.5. Tourism Market Segmentation**

The tourism market segmentation can be broadly divided into the following types:

1. **Geographic:** Geographic market segmentation is done considering the factors such as tourists' place of origin. This factor is important as the tourists belonging to different places are brought up with different cultures and show different traits of behavior. It is the most basic type of segmentation.
2. **Demographic:** This segmentation is done by considering the tourist's gender, age, marital status, ethnicity, occupation, religion, income, education, and family members.
3. **Psychographic:** The marketing people do this segmentation by taking into account the psyche of the tourists. They gather information about the tourists' interests, attitudes, ways of living life, opinions, and overall personality.

### **4.6. Classes of Tourists**

Depending upon the motives and the way of touring, there are various classes of tourists:

1. **Tourists Travelling with Families:** The tourists who visit places with their first and extended families, or families of relatives. One person, generally the head of the tourist family is the decision maker. The families generally travel for holidays and leisure and tend to expend sparingly. They generally are keen on receiving the best services for what they have paid. They tend to carry more luggage.

Market Segment

2. **Single Tourists:** They travel alone and are independent. They are alone but not lonely; as tourism is what they pursue as a hobby. The gap year travelers, unmarried persons, widows/widowers, backpackers, and solitary tourists travel single. They decide for themselves and tend to expend more. They tend to carry less stuff on the journey. They tend to behave balanced if any challenging situation occurs and are rational towards tour schedules.
3. **Groups of Tourists:** Students from schools and universities as members of educational tours, fellows of various fraternities with common interests, groups of newlyweds, or senior citizens.
4. **Tourists Visiting Friends and Relatives:** These tourists travel to meet friends or relatives or to attend a celebration or gathering. These tourists generally plan their tours during the breaks such as Diwali holidays, Christmas holidays, or any kind of long break when most people have a break.
5. **Business Tourists:** They are professional tourists on business trips. They decide for themselves but do not spend much money. For example, a sales or marketing person travels to another city to attend a business fair, and a business manager travels to another country for business deals.
6. **Incentive Tourists:** They tour for consuming the reward they received in the form of a few days' family holiday package at some hotel or resort. Such rewards are generally distributed if an employee performs outstanding to achieve the goals.
7. **Health Tourists:** These tourists travel to places with the agenda of health on their mind. They travel to avail some special medical treatment, operation, surgery, medication, or inexpensive aesthetic surgeries available in a different country. Some tourists in this category also travel if they are receiving some illness from the climate at their residence such as Asthma.

## **4.7. Marketing Mix in Tourism**

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:

### **1. Product**

Tourism is a service sold to the customers, the 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.

### **2. 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 the 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 their 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.

## **3. Tourism Product Pricing Policies**

Commonly followed pricing policies include

1. **Discount Pricing**: This strategy calls for reductions to the basic price of products or services. It is a form of sales promotion which at times proves to be rewarding for the customers.
2. **Variable Pricing**: This pricing varies with respect to the variation in features of a product.
3. **Loss Leader Pricing**: It is selling a few products at prices lower than the actual prices. It helps to settle the loss by attracting customers to buy more products.
4. **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.

## **4. Place**

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

The Marketing Mix

## 5. 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 tourism products:

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

## **Tourism – Products, Service and Future**

### **UNIT - V**

*“Niels Van Deuren, Founder, housinganywhere.com. Don’t give up and always keep on believing in your product. Because if you don’t, how can you make others believe in it”*

#### **5.1 Introduction**

The tourism industry as a whole survives because of various tourism products and services. The tourism industry is flexible. The products of tourism cannot be easily standardized as they are created for customers of varied interests and demands. As 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:

#### **5.2. Types of Tourism Products**

Tourism products are grouped into the following types:

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

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

1. Accommodations; For example, Taj, ITC Hotels.
2. Transportation; For example, Owning taxis, luxury buses, and boats.
3. Retail Travel Agents
4. Tour Operators
5. Shopping Centers such as malls
6. Cinema Theatres such as PVR
7. Restaurants for Food and Beverages
8. Tourism Information Centers
9. Souvenirs Outlets
10. Museums, Temples, Gardens, and Theme parks

**II.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:

1. Hospitals
2. Public Parks
3. Banks and ATMs
4. Petrol Pumps
5. Postal Service

##### **III.Intangible Products of Tourism**

They include:

1. Bookings of accommodations, theatres, and at various sites.
2. Tourists' experience by visiting a destination, eating at a restaurant, or performing an activity.

3. Tourists' memory is created by storing the details of events and experiences on the tour. The high degree of satisfaction or dissatisfaction is often stored as long-term memory.
4. Transportation of tourists and their luggage from one place to another.

## **2. Tour Operator's Products and Services**

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

### **1. Accommodations**

Tourist destinations are equipped with different types of accommodations. They cater to tourists' stay at the destination.

1. **Serviced**: This type of accommodation is supported by skilled staff such as housekeepers, drivers, guides, and cooks.
2. **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.
3. **Hotels**: Budget rooms to 7\* hotels with classy amenities. The hotels contribute a major share of imparting the experience to the tourists by providing the best services and amenities.
4. **Guest Houses**: Owned by business or government organizations, which can be used by its staff and staff relatives.
5. **Camping Sites**: They are open sites often located in areas of lush greenery. They are equipped with a clean place to pitch the personal tent, a water supply, and an electric supply. Campsites have common restrooms.

### **II. Reservations**

The tour operator is responsible for making reservations for special events or activities the tourists are interested in. In 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.

### **III. 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 the tour.

1. **Transport Facilities** These facilities are for traveling from one place to another.
2. **Surface Transport**: It includes support of transport by road or water.
3. **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.
4. Airlines is no more backstage when it comes to caring for their customers. They offer loyalty programs to their customers under the Frequent Flyer Program to encourage the

customers to travel more and accumulate points and redeem them against travel or rewards.

#### **IV.Dining Facilities.**

The tour operators can book accommodation that provides dining facilities or they 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.

### **5.3.Developing a Tourism Product**

#### **An introduction**

Tourists have ever-changing and which tourism product is required to satisfy 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 known what the tourism product is, lets us see the elements of the tourism product and how the tourism product is developed.

### **5.4. Elements of a Tourism Product**

Here is an onion shell diagram that depicts the elements of a tourism product. The diagram shows the 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 the presence of all five elements but it is also the interaction of these elements among themselves.

#### **1. The Physical Plant:**

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

1. A natural attraction such as a landscape, wildlife, or natural structure.
2. A man-made attraction such as a resort.
3. A fixed property such as an accommodation.
4. A mobile property such as a ship or an airbus.
5. A natural or manmade condition such as weather, crowd, and 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 a 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 the hospitality.
- **Freedom of Choice:** It is offering the tourist an 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.

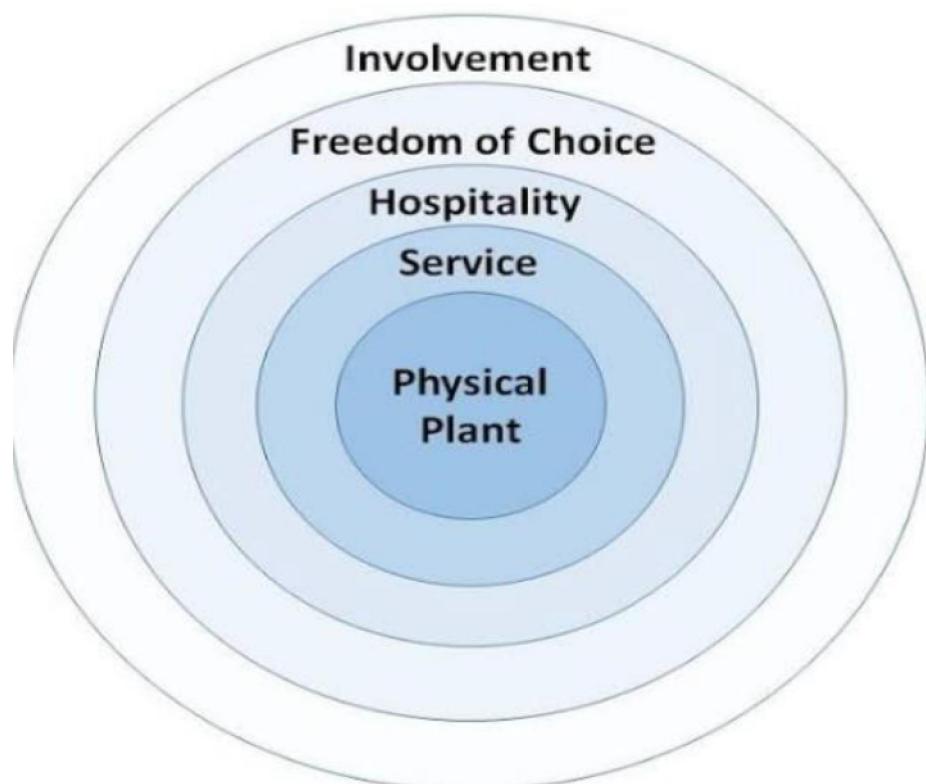
A good tourism product must include some choices for its consumers. By offering some freedom to the tourists, the product gives a sense of control to the tourists. The freedom to choose an airline, a route, a seat, an accommodation, or a restaurant can enhance a tourist's satisfaction. Freedom also implies good surprises. When 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 the inner four elements. These elements prepare the tourists for physical, intellectual, and/or emotional involvement in tourism services. Involvement is not only physical participation but also a sense of engagement in an activity-may it be for pleasure or business.

The more involvement the tourists have, the more they are interested in striking conversation happily with others, the 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.

#### Elements of Tourist Product



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

A tourism product can be of any type from cultural, educational, recreational, heritage site, or 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.

## **5.6. Tourism – Trends and Future**

### **Introduction**

Tourism is the bundle of tangible products and intangible services that can help to bring the 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. The tourism industry contributes to 9% of the global GDP and offers one of every 11 jobs. In addition, the number of tourists has doubled over the past 20 years, and propelling growth is expected in the coming few years among all market segments. The tourism industry has an intense potential to grow and generate revenues. Let us see, the new shaping trends in tourism today.

Today, 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 the related 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 the Trafalgar app, Passport to Tour app, and 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.

## **5.7. Digital Technology in Tourism**

Today, tour operators and tourists, both are equipped with the latest technology. It has empowered 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 devices. The tourists can also add their own data to create an overlay on Google Maps and explore all possibilities in visiting a location by using Google Maps API. Some

apps help to plan the tour, and find out cheap flights, local transport hubs, eating joints, and destination attractions. The apps enhance the tourist experience before, during, and after the tour.



### **5.8.New Trends in Tourism**

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

#### **1. 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 experiences, solitude, and a view of wildlife in its natural habitat opt for polar tourism.



2. **Space Tourism**

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

3. **Dark Tourism** is the oldest form of tourism developed recently. Due to the fear and natural attraction to uncover the 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 a 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 exists today. Hence, Pompeii is an archaeological and also dark tourism site. Some more places the tourists visit for dark tourism are

### Best Travel Apps for Online Hotel Booking



- **Chornobyl 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.

**4. Volunteerism**

It is taking volunteer vacations 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 traveling to care for orphans, plantations, protect wildlife, and similar other tasks.

**5. Luxury Tourism**

It mainly pertains to 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 experiences such as staying on a private island, personal attention from the service providers, and access to elite-class attractions and amenities.

**Luxury Tourism**



**6. Culinary Tourism**

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

**7. BRIC Tourism**

The four major developing countries namely Brazil, Russia, India, and China have a great potential for driving the global economy through the 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.

## **5.9.Tourism Trends in future**

With travelers' desire for new experiences, the rapid global technological advancements, climate change, and other dynamics, the travel and tourism industry is constantly transforming.

Having experienced an all-time high in the past decade, with 2018 recording the highest international tourist arrival, according to the World Tourism Organization (UNWTO) the sector is now undeniably faced with big challenges and uncomfortable changes following the COVID-19 pandemic.

### **1. Bleisure Travel**

**Bleisure travel** is a growing tourism trend where people extend their business travel to leisure activities. Experts predict it will continue to grow in the mobile workforce. Although business travel has started to make its comeback in 2021, bleisure is believed to be its future.

A 2018 study revealed that 60% of U.S. business trips incorporated leisure elements, an increase from 43% in 2016.

As a tour operator, you can take advantage of this growing trend by creating offers that entice business travelers to extend their stay for leisure. For example, you can sell team retreat packages combined with perks like photos, videos, and transportation.

Having wifi and chargers in buses and accommodation (for multi-day tours) can also entice digital nomads and other travelers looking to stay connected for work.

### **2. Automation**

Gone are the days when booking a trip required clients to make a phone call, speak directly to a service provider, or walk into the supplier's office for face-to-face negotiation.

Digitization has led to a rise in online bookings. Not only has this made advertising cheaper for travel companies, but also customers are enjoying and increasingly prefer the convenience it offers. Tour and activities companies have also progressively adopted technology and online booking. In 2019, 71% of operators surveyed were using reservation technology in their businesses, a marked increase from just 25% in 2010. In addition, these companies experienced faster growth and higher profitability.

### **3. Mobile Bookings**

Another important aspect when it comes to digitization is mobile bookings.

Operators report that 2 in 5 online bookings are made on mobile devices. These Smartphone shoppers are also more valuable to your business because of the following reasons:

- They spend 50% more on tours and activities per trip.
- They average 2.9 tours per trip.
- They are twice as likely to leave online reviews.

Source: Arival Travel

### **4. Personalization**

According to **Think with Google**, 57% of travelers believe that companies should personalize their buying experience and base it on their behaviors, personal preferences, and past choices.

Personalization is also important when it comes to the actual tour or activity. By offering flexible experiences that can be tailored to a traveler's needs, you stand a chance of better satisfying your

clients, and that can lead to repeat visits. Your priority should, therefore, be on offering customer-oriented services.

### **5. Tech-Empowered Travel**

A recent Amadeus survey states that technology and innovation seem to be key in building traveler confidence and they will increase willingness to travel in the next 12 months.

In the coming year, tech innovations will continue to bring ease to the travel experience. The top five technologies that would increase confidence to travel in the next 12 months are:

- Mobile applications that provide on-trip notifications and alerts (44%)
- Self-service check-in (41%)
- Contactless mobile payments, e.g., Apple Pay (41%)
- Automated and flexible cancellation policies (40%)
- Mobile boarding (40%)

In addition to supporting people throughout their journey, technologies made innovative solutions possible. Virtual tours, experiences, and classes gained significant popularity during the lockdowns, and thanks to tech innovation, many businesses survived the crisis.

### **6. Sustainable Tourism**

The UNWTO Secretary-general has warned that the “climate emergency is a bigger threat than Covid”. As international travelers become aware of this crisis, they come to believe that people need to take action now and make sustainable travel choices in order to save the planet and preserve it for future generations. More travelers are adopting this mindset hence making their travel decisions with the environment in mind. But it’s important to note that sustainability is not only about the environment. It’s also about making a positive impact on cultures, economies, and the people at the destinations that clients visit.

### **7. Active Ecotourism**

Active Ecotourism is another trend that has emerged in response to the calls for more sustainable and thoughtful tourism. It encourages combining the passion for travel with direct involvement in conservation and supporting the local environment. According to a recent Amadeus survey on rebuilding travel, people consider cost-effective sustainable travel a priority. 37% of travelers surveyed think opportunities for travelers to be involved in the preservation of tourist destinations will help the industry to become more sustainable in the long term. Covid-19 has drawn our attention to the negative impact of travel on the global environment and initiated a promise for ‘coming back better’. So the tourism industry will continue this trend by promoting sustainable outdoor travel and ecotourism in the post-pandemic era.

### **8. Transformative Travel**

This is a new tourism trend that’s quickly gaining popularity. Transformative travel is about not just traveling for leisure but also aiming to make a difference in both the lives of others and oneself. Volunteering trips are an example of the experiences that have gained popularity from this trend. Travelers vacation and also set aside time to volunteer at their travel destinations.

One of the main aims of transformative travel is to be involved in something that’s significant and adds purpose to the trip. Booking.com shares that 68% of global travelers would consider participating in cultural exchanges to learn a new skill, followed by a volunteering trip (54%) and international work placements (52%). Based on this trend, tour operators can focus on offering unique and purposeful activities along with their usual products and services.

### **9. Experience Tourism**

Experience tourism is on the rise. This trend is about having a once-in-a-lifetime experience or gaining an emotional connection with cultures and nature. As travelers get tired or bored of cookie-cutter vacations in touristy hot spots, they begin looking for an authentic experience in their travel destination. They can easily go for a brand that will allow them to mingle with the locals and experience the culture of the people. Recent study revealed that 72% of millennials prefer spending more money on unique experiences rather than on material things.

### **10. Wellness Travel**

These are travelers looking for an enriching experience with the primary purpose of achieving, promoting, or maintaining the best health and sense of well-being and balance in life.

But don't think wellness travel is limited to resorts and spas. Almost any business can take advantage of this trend. Think of how you can market your business offers as a way to contribute to wellness tourism by developing and promoting communities and showing how both tourists and locals can benefit. For example, a helicopter tour, paragliding flight, or whatever fun adventure your company offers, is a chance for personal growth by conquering fears or expanding horizons. Your existing offers may give the chance for people to empower themselves by learning a new skill set which also encourages personal growth.

### **11. Longer Trips**

With international travel returning to some degree, tourists are starting to dream about extended long-distance trips again. While countries are advocating for less air travel, this trend will allow people to travel less but better. According to Evolve's 2022 travel forecasts, the average trip will likely be longer in length (5-7 nights in 2022, compared to an average of 3.8 nights in both 2020 and 2021). Longer trips will be increasing in demand as a result of the many work-from-home opportunities too. A study by Envoy finds that the hybrid work model gives employees more flexibility to get work done when they're most productive. So those who work remotely are more likely to plan extended stays in 2022 and beyond.

### **12. Staycation**

Staycation is another trend that gained popularity during the pandemic. It represents a holiday spent in one's home country or home rather than abroad. Often involves day trips for exploring local attractions and activities. This type of vacation is ideal for people who are feeling the need of escaping out of their homes but want to avoid the ongoing Covid-19 regulations. New research suggests that the trend will continue into 2022 despite the easing of international travel restrictions. This is because tourists want to support their local markets well as feel secure and safe in their holiday environment. So small tour/activity businesses and accommodation providers can rest assured that there will be a constant stream of visitors during the years to come.

## **5.9.Future of Tourism industry**

The ever-increasing speed of technological advancements and changing consumer expectations makes it arguably more difficult to forecast the future of the tourism industry than ever before. However, looking at macro-trends, there is a clear direction of travel that could substantially change the industry as we know it.

### **1. Customers will become empowered through more choice and control.**

As the tech giants lead the way in designing products that provide the best customer experience, from Amazon with single-click buying of every sort of product to Uber with quick and simple pickups, our expectations continue to

evolve. Customers will want more, in less time and with less effort. Millions of bookings, analyzed by Beyonk, show 65% of consumers book within 48 hours of their events and activities. This will likely shorten as the friction of finding and booking in-destination experiences reduces

**2. Connectivity will become commoditized.**

Since 2006, the travel industry has benefited from the General Transit Feed Specification, a standard for how data is accessible across industry stakeholders. While it's unlikely that the rest of the tourism industry will get a similar standard, connectivity will continue to grow between suppliers, resellers and customers. This is a natural evolution of the tourism industry and will likely continue to make consumers more powerful with their decision-making and as a whole, make it easier to find and book with long-tail providers or book multiple categories at once. A series of application programmable interfaces could give access to a large portion of the supply. Many online travel agents could then access similar supply, making branding, differentiation and customer experience even more important to compete.

**3. Personalization will become more important.**

With the explosion of available data, services that are able to meaningfully present the relevant data in a constructive way will probably thrive. The more companies can tailor their offering to suit personal preferences, the more they'll win. From the pre-sales aspect, they'll be able to target suitable audiences with a compelling offer and lead them into personalized customer journeys — from building itineraries to selecting the room package and flight.

**4. Online channels will become seamless with offline channels.**

As augmented and virtual reality technology improves, the price point for such devices in this space will drop significantly. AR and VR will become the new way to experience destinations, travel and things to do. For the initial pre-buying process, there will be a more immersive experience, moving closer to a "try before you buy" approach, as witnessed in retail over the last decade, with more brands adopting such features. It is clear we are moving toward in-destination experiences where you can have an overlay of reviews for each menu item, or have a virtual tour guide giving you tips wherever you are via your wearable device. We, as both consumers and providers, will become more equipped with data to have better experiences. Those organizations that can cater to a more seamless online and offline experience could win big. While it's impossible to predict the future, the trends suggest the future of the industry could be grounded in further maturity of timely, relevant data and making it consumable across channels to delight customers.

## **Conclusion**

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 of apps and online services, tourism is going to get further accessible and enjoyable. According to Ari Steinberg, the founder of the travel

startup Vamo, tourists will tend to spend less time planning in advance. Efficient booking services and apps will enable tourists to create versatile itineraries at a reasonable price. Future tourists would not prefer to be confined to packaged tours. With the availability of a large number of options, tourists would prefer to realize every possible wish regarding tourism. With more flight connectivity, travel modes, and accommodations introducing more comfort, and technology helping mankind progressively, tourism will continue to bring momentum in its sector.

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