



# POLICY AND PRACTICE FOR GLOBAL TOURISM



**WORLD TOURISM ORGANIZATION**

Committed to Tourism, Travel and the Millennium Development Goals





# Policy and Practice for Global Tourism

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Calle Capitán Haya, 42  
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### **Policy and Practice for Global Tourism**

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# Foreword

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## Taleb Rifai

Secretary-General of the  
World Tourism Organization (UNWTO)

Tourism is one of the world's largest and fastest growing economic sectors, emerging over the past fifty years as a key instrument for global growth, development and job creation. Nevertheless, in the aftermath of the global economic downturn, it is clear that the sector faces a number of serious challenges, from the economy to longer-term sustainability issues.

In order for UNWTO to play its role in addressing the challenges ahead, it is more critical than ever for the public and private sectors to work together. Public-private dialogue and partnerships are the building blocks of an enabling environment for tourism, one that allows it to grow sustainably and decisively contribute to global economic and social development.



*'Policy and Practice for Global Tourism'* provides an excellent introduction to the major themes and trends in world tourism today. This publication also demonstrates UNWTO's firm commitment to promoting public-private partnerships in global tourism.

UNWTO is unique within the United Nations system, in that its membership embraces not only governments, but also non-governmental stakeholders, with over 400 Affiliate Members from 80 countries significantly enriching the work of UNWTO through their invaluable knowledge, experience and innovation.

Directed at all those working directly in tourism, as well as those simply interested in learning more about this dynamic sector, this publication clearly demonstrates the added value that the integration of UNWTO Affiliate Members has brought to the work of the Organization. Examples of UNWTO's work in key areas, as highlighted throughout the publication, have been enormously enriched by a spectrum of expert opinions from business leaders, destinations management organizations, academics and NGOs. I would like to thank all those who participated in this publication and invite more to contribute their best practices and experience for the benefit of all.



# Introduction and Acknowledgements

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## Javier Blanco

Director, UNWTO Affiliate Members

As part of its ongoing commitment to encourage the exchange of knowledge and promote collaboration between the public and private sectors in global tourism, the UNWTO Affiliate Members Programme is proud to present this publication Policy and Practice for Global Tourism. It is intended to serve as an easy-reference guide to the major themes in world tourism today and is directed to all those who work in, or are interested to find out more about this exciting, and increasingly significant sector of the global economy.

I would like to express my sincere thanks to all of the Affiliate Members and non-Affiliates from around the world that have contributed to making this publication as rich, diverse and inclusive as possible through commentaries and case studies. Global tourism reflects the complex society that drives it, and thus it is our duty to ensure that Policy and Practice for Global Tourism is continually refreshed with authoritative texts, opinions and case studies. We invite all readers to reflect upon these perspectives and share your own experiences and ideas by engaging in fora such as UNWTO's [www.platma.org](http://www.platma.org), the professional platform for the exchange of knowledge in global tourism.

Finally, I would like to extend my thanks to TEAM Tourism Consulting for their extensive collaboration in this project as well as my colleagues from the UNWTO Secretariat (see below), in particular Márcio Favilla, who contributed to ensuring the publication's development, coordination and accuracy.

Many thanks to:

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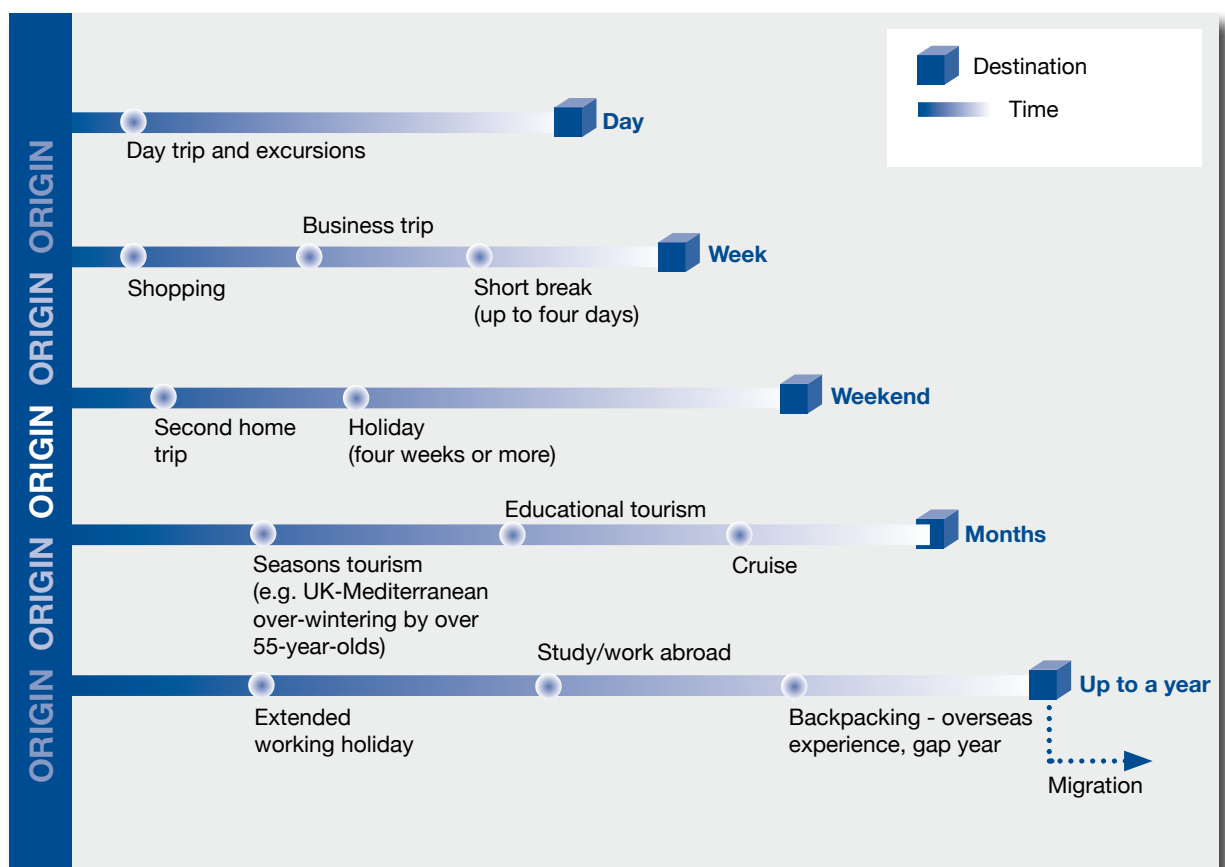
# 1

## Introduction Understanding global tourism

# 1.1 Growth and evolution of tourism

Over the last six decades tourism has grown consistently from 25 million arrivals in 1950 (when international travel started to become more accessible to the general public) to 277 million in 1980, to 438 million in 1990, to 683 million in 2000 and reaching 919 million in 2008 but with a decrease to 880 million in 2009. In terms of receipts this has risen from US\$ 2.1 billion in the 1950s to US\$ 941 billion in 2008, although this was down in 2009 to US\$ 852 billion (UNWTO, 2010a). However, it should be noted that this has not been a smooth growth, and the development of tourism over the last 60 years has been punctuated by declines and recoveries (instigated by man-made or natural crises - see Chapter 10).

**Figure 1.1 Expanding notion of tourism in the last 50-60 years**



Source: Page and Connell (2009)

Figure 1.1 illustrates the diversification of tourism since the 1930s and 1940s. The figure demonstrates how new forms of tourism have emerged and how the concepts of leisure and tourism have blurred.

Tourism has experienced continued growth and diversification to become one of the largest and fastest growing economic sectors in the world. In 2009 the contribution of tourism to economic activity worldwide is estimated at some 5% (UNWTO, 2010a). Many new destinations have emerged alongside the traditional ones of Western Europe and North America. Almost all countries in the world now receive visitors. Growth has been particularly high in the world's emerging regions, the share in international tourist arrivals received by developing countries has steadily risen, from 32% in 1990 to 46% in 2008 and 47% in 2009. By 2020 international arrivals are expected to reach close to 1.6 billion.

Tourism has become one of the major international trade categories. The overall export income generated by international tourism including passenger transport reached US\$ 1 trillion in 2009, or US\$ 3 billion a day. Tourism exports accounted for as much as 30% of the world's exports of commercial services and 6% of overall exports of goods and services in 2009. Globally, as an export category, tourism ranks fourth after fuels, chemicals and automotive products. For many developing countries it is one of the main income sources and the number one export category, creating much needed employment and opportunities for development (UNWTO, 2010a) and becoming a key 'invisible' earner.

However, according to the UNWTO *Handbook on Market Segmentation* (2007a), the scale of participation in international tourism is still relatively low at a global scale. For example, in 1970 there were 4.5 international trips per 100 population globally, which grew to 11.5 by 2000. This is expected to grow to 21 by 2020, a quadrupling in 50 years, but remains low due to barriers to travel. Yet what these statistics suggest is that participation in international tourism is still not universally accessible and is unlikely to be so for the foreseeable future for many of the world's population, with constraints such as cost, availability of time, inclination and other restrictions, making it an entirely discretionary activity. This is one factor associated with the increased competition amongst countries and destinations seeking to capture the market for tourism, due to its economic benefits. This is reflected in more than 200 National Tourism Organizations charged with competing for such business for their countries.

In 2009, the most significant destination countries in terms of international tourist arrivals and international tourism receipts were the United States of America, Spain and France. France (74 million tourists) continues to lead the ranking of the world's major tourism destinations in terms of arrivals and ranks third in receipts. The United States of America ranks first in receipts with US\$ 94 billion and second in arrivals. Spain maintains its position as the second biggest earner worldwide and the first in Europe, and ranks third in arrivals. China and Italy rank fourth and fifth, respectively, in arrivals, and in reverse order for receipts. The United Kingdom is sixth in terms of arrivals and seventh in receipts. Both Turkey and Germany climbed one rank in arrivals, occupying the seventh and eighth positions respectively. In receipts, Germany kept its sixth place and Turkey the ninth. Malaysia entered the 2009 top ten taking the number nine spot in arrivals. Completing the top ten ranking in arrivals were Mexico (10th) and in receipts, Australia (8th) and Austria (10th) (UNWTO 2010a).

If growth and development were major priorities in the period since the 1950s, the new millennium is characterised by intense destination competition. Traditionally western developed nations have dominated the market share of arrivals (particularly during the 1980s and 1990s). Now, however, new developing countries and greater diversification present increased competition and challenges for the traditional Western destinations.





*Commentary by Márcio Favilla L. de Paula, Executive Director for Competitiveness, External Relations & Partnerships*

The massive growth and diversification of tourism during the second half of the 20th century, assisted in particular by technological innovation and lower transportation costs, is one of the major phenomena of our time. There are very few locations on earth to which tourism has not reached, creating vibrant, prosperous destinations in places which were previously inaccessible.

As the authors of this publication rightly point out, if the last century was characterised by tourism's growth, this century will see continued growth and intense competition between existing and emerging destinations - a process which has already started with fervour.

The UNWTO has analysed the ranking and market share of the world's top 15 destinations from 1950 to 2009. According to our data, in 1950 the world's top five destinations were the US, Canada, Italy, France and Switzerland which together held 71% of the total global market share. The next 10 top destinations took the remaining 26%, leaving all those countries which did not appear in the top 15 with a combined market share of just 3%.

Sixty years later, this ranking shows some striking changes in terms of diversification of destinations and the market share that they occupy. In 2009, the top fifteen destinations had a market share of 45%, with all the other countries not in that bracket taking 44%. Thus consumers are being offered an increasingly varied and diverse range of destinations in which to spend their leisure time - itself a commodity in increasingly short supply.

Overall, this growth and diversification in destinations indicates tourism's power to spread not just wealth and prosperity but also un-



derstanding among peoples, as each of the hundreds of millions of journeys taken each year for business, leisure or other purposes represents some sort of cultural exchange and learning process, to a greater or lesser degree.

As international arrivals have grown, the importance of tourism has become increasingly evident to governments and business leaders worldwide. This realisation not only stems from tourism's impact on other sectors of national economies but also from its proven resilience during economic downturns. For while it is true to say that tourism in specific countries can be negatively affected by man-made and natural disasters in the short term, globally the desire for travel is showing no signs of slowing down. This helps to explain why, during the recent economic downturn of 2008-09, receipts from international tourism declined only half as much as world trade in general. Furthermore, tourism has recovered at a much faster rate than the world trade average, a recovery which has seen clear growth over the course of 2010.

The UNWTO is working with all its Members to ensure that global tourism emerges stronger from this crisis and is better prepared to face grave challenges like climate change, one of the themes investigated in this publication. We invite you to provide an on-going analy-

sis of the themes examined here and that you help us to provide effective responses to the challenges that the tourism sector faces today and will face in the coming years. One of the key tools we have provided for this purpose

is platma, the interactive platform for tourism professionals. I look forward to reading your reactions to the case studies and commentaries presented therein.

[www.platma.org](http://www.platma.org), [www.unwto.org](http://www.unwto.org)

## 1.2 Measuring tourism

The economic impact of tourism is one of the most politicised aspects of tourism, often used as the main justification for the investment by public and private sector organizations seeking to expand or pump-prime tourism development. The measurement and analysis of the economic impact of tourism has, therefore, assumed a high priority in tourism research to develop appropriate methodologies and approaches to quantify the costs and benefits of tourism and to illustrate to governments and stakeholders the contribution tourism can make to sustainable development. The UNWTO has played a major role in ensuring reliable data exists and since 1995 has been advancing an initiative to measure the economic contribution of national economies: the Tourism Satellite Account (TSA).

The relatively poor state of tourism statistics in relation to the tourism economy resulted in concerted efforts to address these shortcomings in the 1990s with the introduction of Tourism Satellite Accounting. This has increased the quantity and quality of data available to model the tourism economy, and has been pivotal, as has the UNWTO's role, in demonstrating to government policy-makers the position of tourism in their national economies. This has also enabled governments to quantify the potential value of tourism.

The TSA uses data from the UN framework of a System of National Accounts for countries from which estimates are derived using the economic data associated with a specific economy. It maps out monetary flows and calculates a measure of the value added to tourism as opposed to just the total expenditure and so helps to assess the value to national production. The use of a TSA has a number of potential benefits in the measurement of the economic impact of tourism:



- TSAs are an established internationally accepted methodology to set out key economic information on the impact of tourism related to GDP, gross value added, employment, taxation and the indirect and direct value of tourism added to the economy as well as the dependence of the national economy on tourism activity. They enable a country to assess the level of risk its economy may have in relation to dependency on a limited number of economic sectors that are dependent upon consumer spending.
- Tourism can be compared with other sectors of the economy to assess its performance relative to other sectors.
- It helps to address the critical question of which sectors of the economy provide inputs to the tourism sector.
- Above all it provides policy-makers with unequivocal information of a robust nature on the impact and significance of tourism to help lobby support and investment as well as policies required to support and develop the sector.

To date a total of 53 countries are identified as already having produced or currently developing a TSA exercise (UNWTO, 2010b).

## 1.3

### Tourism and the global economic crisis

After suffering the deepest recession since World War II during 2008-09, the world economy is showing signs of recovery. According to the UNWTO Barometer of World Tourism (UNWTO 2010c), worldwide, international tourist arrivals declined by 4.2% in 2009 to 880 million. By region and sub-region Northern Europe shows a decline of -6% overall with Southern and Mediterranean Europe showing a decline of -4%. Central and Eastern Europe showed negative growth of -10% while North Africa and Sub-Saharan Africa had a more positive growth of 3% each, while for South America the decrease turned out to be less pronounced (-2%). The Middle Eastern region had negative growth of 5%.

Results through August 2010 prove that international tourism continues to recover from the decline of 4.2% suffered in 2009 under the impact of the economic crisis. In the first eight months of 2010, the number of international tourist arrivals exceeded the record achieved during the same period of the pre-crisis year 2008. According to the latest issue of the UNWTO World Tourism

#### Box 1.1 Roadmap for Recovery

##### I. Resilience:

1. Focus on Job Retention and Sector Support
2. Understand the Market and Respond Rapidly
3. Boost Partnerships and 'Co-opetition'
4. Advance Innovation and Technology
5. Strengthen Regional and Interregional Support

##### II. Stimulus

6. Create New Jobs - particularly in Small and Medium Enterprises (SMEs)
7. Mainstream Tourism in Stimulus and Infrastructure Programs
8. Review Tax and Visa Barriers to Growth
9. Improve Tourism Promotion and Capitalize on Major Events
10. Include Tourism in Aid for Trade and Development Support

##### III. Green Economy

11. Develop Green Jobs and Skills Training
12. Respond Effectively to Climate Change
13. Profile Tourism in all Green Economy Strategies
14. Encourage Green Tourism Infrastructure Investment
15. Promote a Green Tourism Culture in Suppliers, Consumers and Communities

Barometer, worldwide arrivals between January and August 2010 totalled 642 million, some 40 million more than during the same months of 2009 (+7%) and 1 million more than in the same period of the record year 2008. Based on current trends, the number of international tourist arrivals is projected to increase in the range of 5%-6% over the full year. In 2011, growth is expected to continue at a more moderate pace, at around the long-term average of 4% (UNWTO 2010c).

In response to the economic events of recent years, the UNWTO has formed the Tourism Resilience Committee (TRC) - a platform for Members to receive and share information on the current economic downturn and its impact on the tourism sector. The TRC has:

- Supported the tourism industry in the face of global economic slowdown
- Collected and analysed economic and industry data to provide real time marker information
- Encouraged the exchange of information, experience and good practice regarding response measures.

Led by the Core Working Group of the Tourism Resilience Committee, a Roadmap for Recovery has been developed. The Roadmap includes a set of 15 recommendations based on three interlocking action areas: Resilience – Stimulus – Green Economy – aimed at supporting the tourism sector and the global economy. These are outlined in Box 1.1.

Case Study 1.1 outlines key policy conclusions identified in the recent report in response to the recession, *Australian Tourism: How Deep The Recession? How Will Tourism Fare During The 'Great Recession' Of 2009*.

**Case Study 1.2 Findings from Australian Tourism: How Deep The Recession? How Will Tourism Fare During The 'Great Recession' Of 2009**

The following are key findings from the above report. The report was produced by the Tourism & Transport Forum (TTF). TTF is the peak industry group for the Australian tourism, transport, aviation and investment sectors. A national, member-funded CEO forum, TTF advocates the public policy interests of the 200 most prestigious corporations and institutions in these sectors.

Governments should not protect particular industries and provide financial support to them. History shows that these measures rarely work well. There are recent examples of such inappropriate measures in Australia that smack of protectionism. Globally, increased protectionism is world trade destroying. Tourism will be a major victim of such consequences. In addition, governments should not increase cost structures faced by the Australian tourism industry where there is no justification for doing so.

- Public sector investment in 'tourism and community infrastructure' may have both counter-cyclical and longer-term merits in the current and prospective environment, provided its social return justifies the use of taxpayer funds involved. Government should focus on tourism planning and investment policy which facilitates an earlier tourism recovery. Government should continue planning and investment for infrastructure, such as airports and major convention centres, that have well understood capacity constraints and long development lead times. Capacity expansion is not likely to be a good private investment proposition for the next year or so. In some cases, contraction of currently available capacity may be needed. This is not to say there is no case for new investment. It is to suggest that such investment should be confined



to depreciation repair and quality upgrades, without expanding capacity. Targeting hi-yield tourism business means having high quality facilities to cater for such customers.

Caution from governments in relation to unused leave. Even if accrued leave is converted to actual leave, there is no way of ensuring it will be used to take a holiday away from home in Australia. The report sees merit in government promotional efforts encouraging employees regularly to take recreation leave as an occupation health safety, and productivity-enhancing measure, with, hopefully, incidental tourism expenditure benefits.

Source: Geoff Carmody & Associates for the Tourism & Transport Forum (2009)

[www.ttf.org.au](http://www.ttf.org.au)

The second T.20 Ministers' meeting held in Republic of Korea, October 2010 confirmed the importance of tourism as a key sector of the global economy, a major creator of jobs and a powerful source of export revenue. The 2nd T.20 Ministers' Meeting is committed to:

- Encouraging economic prosperity through travel and tourism
- Boosting tourism's employment contribution
- Reaffirming tourism's contribution to the global development agenda
- Advancing sustainable tourism.

## 1.4 Barriers to tourism

Despite the significant growth in international and domestic growth of tourism since the 1950s, there is also a range of obstacles and barriers which continue to inhibit the growth of tourism. These have been analysed in detail by OECD's (2008) *Tourism in OECD Countries 2008: Trends and Policies* in relation to the specific obstacles and the respective policy responses which may help to overcome the barriers which is describes as:

- Air transport liberalisation, including the licensing of low-cost carriers to reduce the cost of travel and to grow passenger volumes so that state monopolies or other monopolies on air routes are reduced to lower prices.
- Utilities and infrastructure provision, which is a development precondition for tourism growth, so that the existing infrastructure is upgraded (e.g. telecommunications and access in rural areas). In less developed countries, the provision of energy sources to enhance tourism development due to the demand for electricity from hotels and other tourism businesses.
- The supply of hotel accommodation to increase capacity for tourism growth and as a source of employment.
- Financial services to provide access to capital for the tourism sector, often involving foreign banks where indigenous capital is unavailable.
- Education and training (as discussed in Chapter 9) to strengthen the private and public sector provision of tourism services and to grow the capacity for tourism provision.
- Promotion and marketing of the sector internationally in a coordinated way with private sector engagement and involvement.
- Removal of anti-competitive practices such as the impact of cartels, abuse of dominant position and buying power of key providers and control of the supply chain to the detriment of the local tourism sector to prevent unbalanced market structures. This applies to the tourism and allied sectors where monopolies or oligopolies or collusion limit the cost benefit to consumers and growth of the destination.



In each of these instances, policy measures require action at a national level by the state. To ensure the sector's full potential is realised requires strong tourism institutions in the public sector to coordinate with other government departments and other stakeholders to remove obstacles to development. At a transnational level, trade liberalisation has also been identified as a key to assist in liberalisation measures such as APECs role in air transport liberalisation in Asia to remove impediments to trade including tourism. Recognising that tourism is a form of international business that needs a liberalised policy framework to facilitate the free movement of visitors, encourage investment and encourage sustainable development will improve the region's tourism competitiveness.

## 1.5 Policy and Practice for Global Tourism: key themes

This publication identifies ten themes affecting professionals working in tourism today. These themes are explored in detail in the following chapters. In each chapter a theme is discussed and explained in a practical way. The work of the UNWTO is discussed with key initiatives and document from the organization summarised. Each chapter is illustrated by examples of practice and by opinion pieces from influential leaders and thinkers within the sector. In both cases these have been primarily from UNWTO Affiliate Members. At the end of each chapter information sourced from UNWTO publications is suggested. The chapters may be read sequentially but will be equally informative if read in isolation from the rest of the publication.

The chapters are summarised as follows:

### **Chapter 2: Understanding the visitor**

The themes commence with Chapter 2 which examines the visitor as crucial in creating demand for products and services. As such the chapter commences with motivations to understand some of the key factors in shaping decision making. The chapter then explore the key drivers of change associated with visitor consumer behaviour and the impact of key trends on visitors. These key trends include globalisation, the rise of low cost carriers; an aging population and increased life expectancy; changing house-



hold composition; population location and migration; increased prosperity; ethical values and attitudes; technology and fragmentation of tastes. We conclude with an illustration of some of the key growing outbound markets that are likely to shape travel in the next 5-10 years (China, Russia and India).

### **Chapter 3: Sustainability**

Chapter 3 provides an overview of sustainable tourism. We start with introducing the problems of defining sustainable tourism, and stress the important work of UNWTO in providing a synthesis and framework for a universally agreed point of reference for the analysis of sustainability issues in tourism. This is followed by a critique of the tools for achieving sustainable tourism, introducing the notion of the green economy, public policy intervention and Global Sustainable Tourism Criteria. The social and cultural impacts of tourism, ecotourism and the environmental dimensions of sustainability are reviewed. Climate change and global warming are also introduced and addressing these issues is illustrated by industry good practice.

### **Chapter 4: Tourism as a force for societal growth**

Following closely from the discussion in Chapter 3, Chapter 4 takes a wider look at sustainable tourism in terms of additional direct benefits, enhancements and contributions which tourism can bring to people and communities. The chapter also includes wider issues related to tourism, from the rights of individuals to the responsibilities of large corporations and looks specifically at codes and ethics (including UNWTO Global Code of Ethics for Tourism); corporate social responsibility (CSR); tourism, poverty alleviation and community well-being and social marketing. We explore each of these concepts as a way of moving the theory of tourism as a force for societal growth toward achieving this in practice.

### **Chapter 5: Destination development: competitiveness**

Competitiveness is one of the major themes associated with destination development as it affects the profitability and long term sustainability of destinations. Chapter 5 examines the notion of competitiveness emerging as a global issue and is an important starting point for any discussion of destinations, since it determines how successful an individual destination or region is. The chapter looks at the concepts of destinations and destination management; factors of competitiveness; tools to improve competitiveness; ways in which competitiveness can be improved through a better understanding of the visitor experience; the role of knowledge management to innovate and the importance of the SME sector in tourism in improving competitiveness.

### **Chapter 6: Innovation in destination management**

Following on from Chapter 5, here we look at how destination management organizations have to become more focused and specialized to stay ahead of the pack. Chapter 6 provides an overview of three key factors that characterize innovative and successful tourism destinations. These are: being strategic and intelligent, outlining a model for strategic planning; striking up active and sustainable partnerships, illustrating some of the primary and secondary activities of destination management; and functioning with innovation and creativity, in particular achieving the best return on investment and impact on the market place.

### **Chapter 7: New media marketing for tourism businesses**

Tourism businesses need to understand and be able to operate in the unstructured here-and-now of the online world in order to thrive. Chapter 7 aims to provide a rounded picture of all the communication and business process tools that matter to smaller tourism businesses now, as well as those they should expect to adopt in the future. This chapter covers sections on the main challenges; key e-marketing

techniques associated with the customer journey; 10 keys to successful e-marketing and a look ahead to market and technology trends.



### **Chapter 8: Working the partners and other stakeholders**

Working with partners has assumed increasing global significance as one of the underlying tenets of UNWTO policy activity to positively promote a greater collaborative culture across the different stakeholders involved both directly and indirectly in the tourism sector. Chapter 8 examines a number of key themes intended to inform successful partnership working: Public-private partnerships (PPPs); tourism business networks; coordinating role of the DMO; wider collaboration and future agendas

### **Chapter 9: Human resources**

Tourism is first and foremost a people business. The high level of human involvement in tourism experiences is key to creating value for the consumer. In Chapter 9 we discuss three critical and interconnected elements to human resource development: education, training and management of human capital. For each we discuss how these elements can be enhanced and developed to create a high value tourism labour force.

### **Chapter 10: Crises and disasters: managing through to recovery and business continuity**

For a successful tourism sector to prosper, there needs to be a high degree of macroeconomic stability and relative stability in the factors which shape visitor decision-making such as the perception of the destination. Chapter 10 explores the growing interest in preparations for crises and disasters and presents case studies of best practice in relation to different aspects of crisis management, particularly showcasing the work of UNWTO. The chapter aims to illustrate some of the principles and tools which businesses and organizations need to follow to develop a greater resilience towards the onset of crises.

### **Chapter 11: Tools and techniques to develop our understanding of the future of tourism**

We conclude the publication with Chapter 11 on understanding the future of tourism. Anticipating changes in tourism is crucial, especially as the public sector needs to understand the implications of tourism growth to develop the infrastructure and facilities required in the future. This chapter commences with a discussion of what exactly is meant by the future and how we can try to understand it. This is followed by a review of some of the principal techniques used to evaluate the future. Key trends to watch in the future are given and the publication closes with four possible scenarios for tourism in the next 20 years.





## 1.6

### Other sources of UNWTO information

- World Tourism Organization (1998), *Introduction to Tourism*, UNWTO Madrid
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- World Tourism Organization (2001), *Tourism: 2020 Vision*, UNWTO, Madrid
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- World Tourism Organization (2008), *Tourism Satellite Account – Recommended Methodological Framework*, UNWTO, Madrid, <http://unstats.un.org/unsd/tradeserv/tourism/TSA%20RMF%202008%20edited%20whitecover.pdf>
- World Tourism and Organization United Nations (2008) *International Recommendations for Tourism Statistics 2008* (IRTS 2008), (New York, Madrid, 2008), [http://unstats.un.org/unsd/tradeserv/tourism/08-40120%20IRTS%202008\\_WEB\\_final%20version%20\\_22%20February%202010.pdf](http://unstats.un.org/unsd/tradeserv/tourism/08-40120%20IRTS%202008_WEB_final%20version%20_22%20February%202010.pdf)
- World Tourism Organization (2009), *Yearbook of Tourism Statistics, Data 2003 – 2007*, UNWTO, Madrid
- World Tourism Organization (2009), *Compendium of Tourism Statistics, Data 2003 – 2007*, UNWTO, Madrid
- World Tourism Organization (2009), *UNWTO Statistics – Basic Set 2009*, UNWTO, Madrid
- World Tourism Organization (2010), *UNWTO World Tourism Barometer*, UNWTO: Madrid
- World Tourism Organization (3 issues a year) *World Tourism Barometer*, UNWTO, Madrid



# 2

## Understanding the visitor



## 2.1 Introduction

The services and goods which the tourism sector provides are primarily developed to meet the needs of the visitor as a consumer. The visitor creates the vital demand which destinations and businesses require for their prosperity and development. This raises two fundamental questions for the tourism in the twenty-first century:

- Why do visitors travel to make a tourism experience?
- Which underlying motivations shape visitors' behaviour and how?

Tourism involves extensive pre and post-consumption stages, preceding and following the customer journey (see also Chapter 5) from pre-planning and decision-making, through to booking, experiencing and post-travel evaluation and recollection. This makes it different from many other consumer purchases as the experiences sought cannot be tried or tested in advance and may be emotional purchases. This chapter examines visitor motivations; some of the key drivers of change associated with visitor consumer behaviour; and the impact of key trends (such as the rise of the low cost carriers, changes in demographics and the role of new technology). These are illustrated by a number of commentaries and case studies. We also illustrate some of the key growing outbound markets that are likely to shape travel in the next 5-10 years.



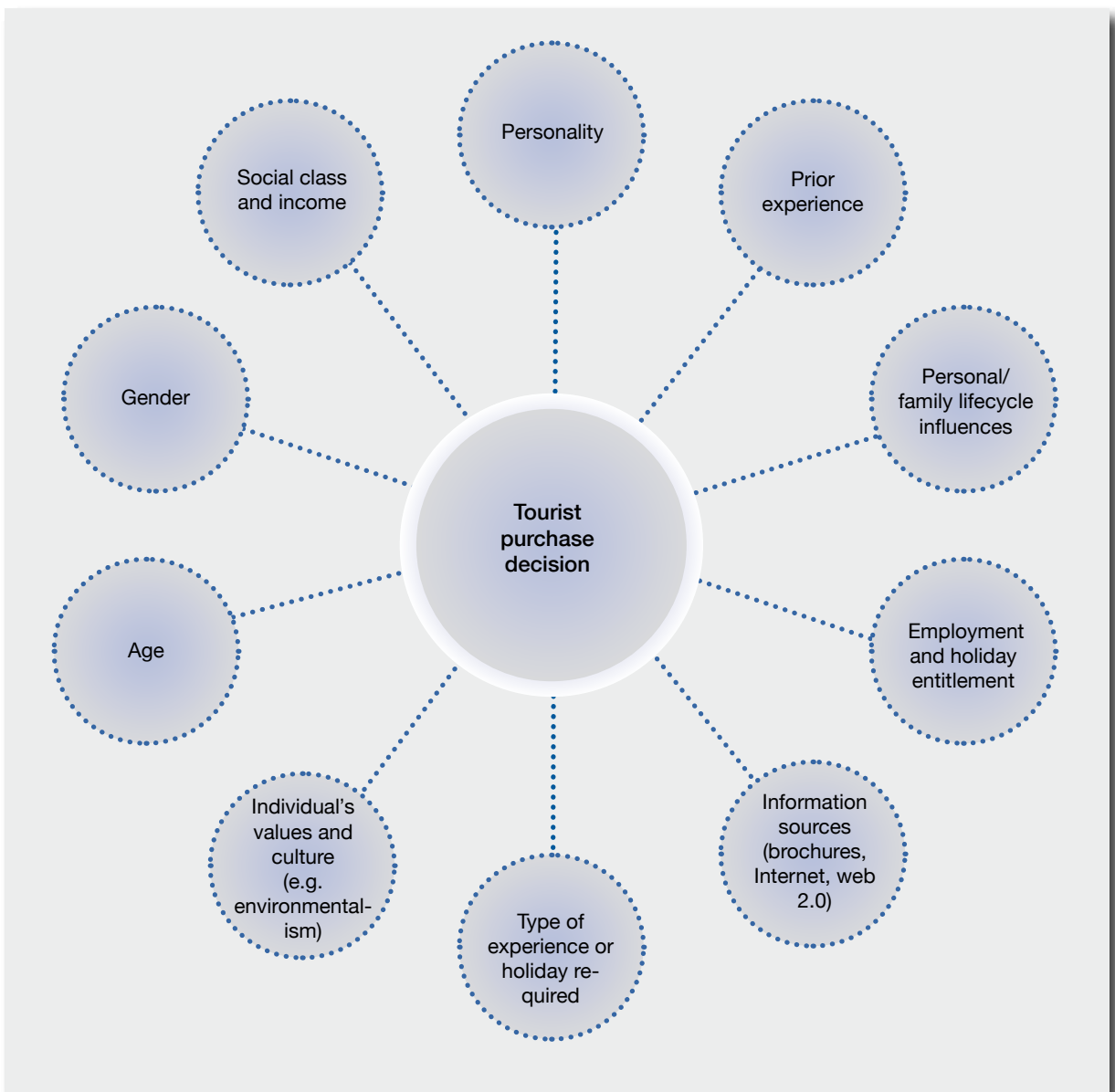
## 2.2 Visitor motivation

Seeking to understand the visitor as a consumer has largely been studied by social psychologists since the 1970s (e.g. Pearce 1982; Pearce 2005). This research has been concerned with why visitors choose to travel, their choices of the different types of holidays and experiences that they consume and the influences upon their behaviour. Trying to understand motivation, decision-making and consumer behaviour in relation to travel and holiday-making has two critical aspects:

- First, it helps businesses and organizations in the public sector to plan for visitor activities.
- Second, in an increasingly competitive sector, it is essential for destinations, businesses and other operators to be able to understand what types of visitors and market segments they are attracting and wish to attract.

Although there is not space in a short piece such as this to explore all the motives and deep seated needs and desires associated with visitor behaviour, we focus on the practical application of these motivational issues and their implications. As a broad overview of the relationship of motivation to visitor purchasing decisions and decision-making, Figure 2.1 illustrates some of the commonly cited motivational factors that will shape specific forms of demand.

**Figure 2.1** Some of the factors shaping the visitor purchase decision



In addition, a useful overview of the current motivations and trends shaping global tourism is provided in the UNWTO (2009a: 3) Handbook of Destination Branding:

*Travel motivation is becoming increasingly characterised by a search for leisure, emotional recharge, authenticity, fulfilling experience, outdoor activities/adventure, and a general desire to participate and explore, rather than merely relax. In particular, there is a need to ‘get away from it all’, and to use travel and holidays as discovery of place, cultures and of self.*

A broad summary of some of the key factors shaping visitor motivation are summarised in Box 2.1 and provides an overview of many of the factors to be discussed in the next section.

**Box 2.1 Travel motivation – Key points**

- People in the larger, more established source markets are increasingly seeing themselves as ‘travellers’, rather than ‘tourists’. They are looking for immersion in a culture, an understanding of the destination’s human and physical environment, and personal fulfilment from their holiday experience.
- Tourism is experiential: The total experience of the holiday has become larger than the sum of its individual parts and travellers are looking for new sensations and unique experiences, even at established traditional destinations.
- Tourism is experimental: Holidaymakers seek out adventure and “freedom from the limits imposed by things familiar and owned”.
- Tourism is existential: Travellers are striving for purpose and self-realisation, whether indulging in sporting challenges, learning a new skill, participating in an exciting new activity, or just searching for personal space in natural surroundings and an emotional reconnection with their own soul or with their partner.
- People are increasingly focusing on the personally regenerating, fulfilling power of a holiday, and on the opportunity to reconnect with a partner and sometimes with the family.
- People are increasingly seeking escape, authenticity, emotional recharge and exploration, rather than passive sightseeing or just relaxing on a beach.

Source: UNWTO (2009a: 2)

These motivational factors are often used as a starting point for the analysis of grouping different visitors into discrete groups and classifying them according to market segments. This process of segmentation allows marketers and analysts to try and identify common reasons for the purchase of tourism products. Case Study 2.1 demonstrates how an understanding of the visitor and their motivations can enhance the appeal of the destination.

**Case-study 2.1 Understanding alternative motivations to improve the visitor’s experience**

The Instituto de Planeamento e Desenvolvimento do Turismo (IPDT) is an association of private, non-profit organization with charitable objectives. IPDT works with Portuguese speaking countries (mature and emerging destinations) to help them become more competitive through the identification of niche markets that look for alternative holiday experiences.

IPDT has developed an environmental scanning model to produce knowledge that could be used to attract these markets. At the same time, the consumer behaviour of these markets has been analysed through a series of research projects, with the specific purpose of getting information, in real time and at low cost, to instruct promotional campaigns to attract these niche markets.

The results of this work include the transformation of some of the weaknesses of the destination countries into sustainable development opportunities, as summarised in the examples presented below:

Remote African islands without tourism infrastructure, specifically formal accommodation units, are attracting niche markets whose motivations are to live with the local community and experience the culture and the living habits of the local community and participate in their day to day activities.

- Lack of formal directions (for example signs) in an area of low tourism development of a mature destination. This was turned into a great attraction for those wanted to experience the sensation of discovering the destination on their own. The experience of getting lost several times, makes for an even more interesting stay as it gives visitors the opportunity to discover new and exciting sites for themselves and interact with local people.

- In some regions the pollution levels resulted in high quantities of plastic accumulating on the beaches, brought by the winds. This was characteristic of the region. Instead of hiding this weakness, the destination informed potential (environmentally conscious) visitors about this and asked them for help, calling people to spend holidays in the destination and join local volunteer teams to help with the cleaning of the beaches.

Source: IPDT - Instituto de Planeamento e Desenvolvimento do Turismo

[www.institutodeturismo.org](http://www.institutodeturismo.org)

## 2.3 Trends shaping the visitor in the 21st Century



A number of key trends characterise tourism in the twenty-first century. Whilst the following discussion is not exhaustive, it does summarise many of the most influential trends, many of which are overlapping, which are shaping tourism demand and more specifically creating different forms of visitor activity. Some of the trends have been influential for a long period of time while others are relatively new and their long-term implications are far from clear. Some of the following have been identified in the UNWTO (2001a) *Tourism 2020 Vision* and should not be seen in isolation from the discussion of future trends in tourism discussed in Chapter 11. The trends have also been compiled with reference to World Tourism Organization and European Travel Commission (2010), *Demographic Change and Tourism*, UNWTO, Madrid.

### 2.3.1 Globalisation-localisation divide

Globalisation and localisation are two concurrent but apparently conflicting developments. At one end of the continuum, globalisation is facilitated and fostered by continuing advances in information technology and allied to the privatisation and deregulation movement. All countries are integrally locked into the global economy and no aspiring market leader can succeed without operating (or establishing networks in) all major industrialised and emerging markets. At the other end of the continuum is localisation with populations responding to this globalisation of economies, markets, systems and cultures by looking to their own identities.

#### Implications

The spread of the multinational and transnational corporations in travel and tourism continues and will continue through their economies of scale and scope. These travel and tourism transnational companies cater for a large volume of visitor movements, accommodation, mainstream or mass tourism. At the local scale are niche operators offering special products, services and experiences to individuals and groups.



### 2.3.2 Rise of low cost carriers and greater accessibility

Another significant trend is the rise of the low cost carriers. The growth of these airlines has been fundamentally important in the overall growth and democratisation of air travel and the development of secondary destinations. Affordable transport in general, and in particular the growth of low-cost airlines and cheaper long-haul travel, has made most parts of the world accessible and the increased use of regional airports favoured by LCCs has led to improvements in infrastructure and increases in local tourism. In addition, the rise of the internet has enabled travellers to access information on most parts of the world electronically and to make their own independent travel arrangements. Some analysts describe this as a buyer's market - when the rise of technology and low-cost airlines are combined. It helps explain the rapid boom in low cost travel among a new generation of consumers who have never used a travel agent for their travel arrangements. Dynamic packaging, which enables consumers to build their own package of flights, accommodation, and a hire car instead of a pre-defined package has further enhanced accessibility and flexibility for the consumer. Relaxation in visas requirements has also facilitated greater freedom of movement across borders.

#### Implications

Low cost flights have resulted in declining yields per passenger km travelled, meaning that passenger volumes are now required more than ever to ensure profitability. Mass customisation and the selling of ancillary services (both à la carte and cross-selling – see Box 2.2), are increasingly important to ensure profitability. Much tourism demand is now characterised by customisation based on the use of electronic technology and the Internet. Segments are identified and products and services are developed and marketed to a public that shares characteristics, attitudes, behaviours and interests. The scale of the segment may not always be large but there are many where the airline or tour operator is able, through the available technology, to develop what appears to be, and in many instances is, a bespoke product or service. Such flexibility also allows for trading up, for example the package holiday maker travelling long haul who trades up to fly business class to enjoy a little luxury. An associated trend is the mixing of experiences, for example where expenditure is restricted on one aspect of the experience (i.e. flying on a low cost carrier) but at the destination, staying in a 5 star hotel.

#### Box 2.2 Mass customisation, facilitated by the internet.

Mass customisation is particularly evident in the airline industry and the addition of ancillary revenue (once exclusively the preserve of low cost carriers) is now a major issue for traditional, hybrid and low cost carriers alike.

As identified in The Travel Gold Rush 2020 prepared by Oxford Economics in partnership with Amadeus (2010b), in terms of ancillary services, this refers to:

- À la carte Ancillary Services, products and services which were previously included in the ticket price such as checked baggage/ sports equipment, seat assignment, priority boarding, in-flight meals, snacks, beverages and pillows. This also covers totally new added value services such as “elite security” lanes or guaranteed exit row seats.
- Cross-sell Ancillary Services which are commission-based additional services provided by a third party supplier which a travel provider, such as an airline, sells to its customers and includes items such as travel insurance policies, car hire and hotel rooms. Cross-sell Ancillary Services can be offered by various providers including airlines, hotels and cruise companies, they can also be sold by intermediaries like travel agents.

See <http://www.amadeus.com/amadeus/goldrush2020.html>

Source: Oxford Economics in partnership with Amadeus (2010b)

### 2.3.3 Aging generation and increased life expectancy

There is massive growth worldwide of the 60+ generation. An aging population will be particularly evident in developed nations. Alongside increased life expectancy is an increased in healthy life expectancy with people enjoying good health in their later years. There is, therefore, an expected increase in older visitors who not only live longer, but who are also relatively fit with a younger outlook. These 'young older' are becoming a primary target market both domestically and internationally.

The market is:

- More active, healthy, fashion conscious
- More media and Internet aware
- More experienced and discerning
- More independent
- More interested in travel.

#### Implications

The 'young old' will play a major role in the tourism industry over the next two decades. Those catering for this market will need to be cognisant of their needs. For example there may be requirements for the proximity of medical facilities and for accommodation and transport to be designed for those with reduced mobility. Staff training which meets the needs of the older population is also a consideration. Consumers may become more interested in well-being therapies and sporting activities in order to stay healthy. There will be an increase in medical and therapy-related tourism. This demographic may also be able to travel outside of the school holiday periods and therefore help address some of the issues of seasonality.

Case Study 2.2 below demonstrates an understanding of the senior tourist in Portugal.

#### Case Study 2.2 INATEL Foundation, Understanding the Senior Tourist

The INATEL Foundation promotes better conditions for the fulfilment of leisure time of workers (active or retired), developing and valuing social tourism, cultural enjoyment, physical activity, inclusion and social solidarity.

The senior and retired population in Portugal constitutes 17.6% of the total population, i.e. there is a total of 1,760,000 people over the age of 65 years (based on 2008 data). According to a study (INE- 2008), the proportion of younger people will continue to decrease and the older population will increase.

The INATEL Foundation requested the Portuguese University of Aveiro to develop a Study of Socio-economic Impacts of the Senior Tourism Programme from 2001 to 2005, to better understand the senior market. The findings are summarised as follows:

- The senior tourists' most common motivations for taking holidays are to get away from daily routine, to rest and relax, to get to know other people and socialize with relatives, to widen horizons and to get to know other places, and to undertake physical activities (mainly outdoors).
- As far as travel behaviour is concerned, senior travellers prefer groups and pre-packaged trips (as they are more convenient) for visiting attractions and historical sites. These travellers are increasingly demanding in relation to quality (Huang & Tsai, 2003).
- On the whole, there is strong evidence for some heterogeneity in the seniors' tourism motivations and preferences, both at the international and national level. There is a general increase in the level of education within



the Portuguese population, and in the future the senior market may demonstrate an increased interest in diversified and cultural tourism experiences and in services of high quality. The tracking of these changes, through regular and continuous studies of the senior and pre-senior markets, will be necessary for a continuous improvement of the quality of INATEL's Programme fitting the seniors' changing needs.

Source: INATEL Foundation Portugal

[www.inatel.pt](http://www.inatel.pt)

### 2.3.4 Changes in household composition

Other demographic trends include a growing rate of divorce, increasing rates of remarriage, older parents with younger children, single parent families and family groups which include grandparents and even great-grandparents, all of which are changing the conventional model of a household and of the traditional holiday. The rise in the developed world of the single traveller has also been a significant development. This reflects a growing trend for young people to spend some time living alone or with friends before starting a family. Newly economically advantaged youth are also a potential market, with youth tourism accounting for 20% of the global market. Case Study 2.3 below demonstrates the significance of youth tourism in Germany.

#### Case Study 2.3 The importance of youth tourism in Germany

Bundesforum Kinder-und Jugendreisen E.V is a federal organization which promotes youth welfare service in the fields of child and youth recreation as well as educational foreign travel. Their key target is the promotion and quality assurance of child and youth travel. These objectives are mainly achieved through representation of interests, safeguarding educational content, project planning and implementation, scientific research, advanced training courses and conferences, edition of publications, symposia for the members. A recent report from Bundesforum Kinder-und Jugendreisen E.V. entitled Deutsche Kinder- und Jugendreisen (Volume and Structure of German Youth Travel), 2008 demonstrates the importance of youth tourism in Germany.

For the first time, all the available data on child and youth travel in Germany have been published in one document. The results show that child and youth travel has an unprecedented economic importance and, in 2008, more than thirty million young people aged up to 26 made trips with a duration of at least two days. This represents a third of all holidays in Germany and represents a combined spend of €11 billion.

The report also shows that in some regions of Germany, at least half of all children stay in a youth shelter. Around 10 million nights are spent in the 550 or so German Youth Hostel Association properties.

Source: Gleu und Kosmale (Herausgeber) (2008)

[www.bundesforum.de](http://www.bundesforum.de)



## Implications

Flexible accommodation will be required which allows for different groups to stay together. This may include single parents, families of different generations (e.g. grandparents spending time with their grandchildren) and groups of friends. Babysitting services may need to be offered for single parent families. Entertainment may also need to be provided which meets the diverse needs of many generations. Flexible costing which can accommodate different family groups and single travellers, without supplements, will be more important (this applies to both accommodation and transport pricing). Marketing and communication also needs to reflect an understanding of the requirements of these new household compositions.

### 2.3.5 Population location and migration

The so-called BRIC economies (Brazil, Russia, India and China) have, in recent years, become among the most dynamic of global foreign exchange reserves - half of world exports of the emerging markets are the BRIC economies. These countries contain half of the world's population and, as their economies grow, so too do the urban middle class (in China, for example, 50 million of the population are middle class which will rise to 170 million by 2020). Around 5% of these populations have currently travelled overseas (compared with nearly 50% for developed countries), with increasing disposable incomes and an appetite for travel, these markets have considerable potential. An increase from 5% of the population to, say, 25% will have a seismic impact on international tourism. In the BRIC countries, patterns associated with the developed world such as the growth of single persons travelling (singletons) and later marriage is creating a more affluent segment. More broadly, Europe's proportion of the global population is set to decline. By 2030, it is estimated that Asia will account for 60% of the world's population, with India and China each contributing just less than 20%.

Migration is also a significant phenomenon to consider. Migration makes important social and economic contributions to destination countries, culturally enriching their society, enhancing the tourism product and providing labour for the travel, tourism, hospitality and catering sectors. Two distinct concepts arise:

- **Tourism-led Migration (TLM):** The growth in international tourism and mobility has given rise to TLM. Examples include the movement of young people from central Europe to fill tourism employment gaps in Western Europe and the migration of male labourers from South Asia to meet the construction demands of the tourism boom in the United Arab Emirates (UAE). Other relevant examples include pensioner migration in Asia and new residency for owners of 'second homes' in western Europe and North America.
- **Migration-led Tourism (MLT):** Migration has led directly and indirectly to significant growth in tourism to both origin and destination countries through increased visibility, especially in the 'Visiting Friends and Relatives' (VFR) sector, and to the development of new tourism infrastructure and transport routes in and between countries.

Further commentary on the relationship between migration and tourism can be found in the UNWTO (2010d) publication *Tourism and Migration - Exploring the Relationship between Two Global Phenomena*.

As a final general point, there is an increase in urban dwellers, who are typically more cosmopolitan in outlook and are considered more likely to travel abroad.

### Implications

With destinations and countries competing for visitors, there is a clear distinction between the types of markets destinations now compete for: the established markets and those which are emerging. Strong potential markets are emerging from the BRIC countries. Understanding the different profiles within the emerging countries is crucial for effective marketing strategies and those providing services for the sector will need to have a good understanding of their different cultural needs and requirements. For further information see recent publications from UNWTO with the European Travel Commission (ETC) (2008, 2009a and 2009b) these are outlined in Box 2.3 at the end of this chapter.

Increased migration will see a boost in VFR, though migrants and their families with a limited income may have a greater requirement for low cost transport options. Migrants within Europe will be a significant source of labour for the tourism sector.

Finally the increase in urban dwellers is an opportunity as it is suggested that urban dwellers have greater propensity to travel than rural dwellers. This may bring opportunities for urban / rural house swaps, and for back to nature experiences.

Recent trends in tourism in the Asia Pacific region are presented by PATA in the commentary below.

#### *Commentary from Greg Duffell CEO, PATA: Tourism trends in the Asia Pacific region*

While the global travel and tourism industry in 2008-09 saw the worst contraction in aggregate international arrival numbers since records began some 60 years ago, Asia and the Pacific as a sub-region fared better than most. With a contraction of 1.3% in 2009, the resultant loss in arrivals amounted to around 2.4 million for the year, compared with losses of 27.6 million in Europe, 6.8 million in the Americas, and 2.8 million in the Middle East. Only Africa increased its international arrival numbers during this period (+1.3 million), to reach a total inbound foreign tourist count of 45.6 million for the year.

From a receipts perspective however, the picture appears a little worse, with Asia and the Pacific seeing contractions of around 2.7% when measured in US dollars, and around 2.5% when measured in euros.

Even so, the aggregate view disguises some positive outcomes under these rather dismal economic conditions. Northeast Asia for ex-



ample, contracted by around 2.9% in international tourist arrivals, but still managed to realise a gain of around 5.9% in receipts when measured in euros, and around 0.4% when measured in US dollars.

A particularly interesting feature during this period of economic gloom was the rapid shift (in part) by some economies in the region away from the international inbound markets to those of the domestic sector. Lessons learned during the traumatic SARS outbreak in 2003 were quickly brought into play and stimulation of domestic travel once again went a long way to keeping tourism services open

and functioning, even if not at full capacity.

The response by some economies to the sudden downturn in international tourist arrivals and of course the lowering of their receipts base, has meant that some destinations, are placing greater attention on what PATA calls the Totality of Tourism (or Total Tourism). The concept of Total Tourism empowers PATA to promote travel “from” Asia Pacific. Previously, PATA’s mandate had only been to promote travel “to” and “within” the region. Seventy-five percent of Asia Pacific’s outbound travel is currently to destinations within the region.

The shift recognises the new realities of the Asia Pacific marketplace. PATA has also launched its Allied Partner programme, which allows local, regional and national tourist bodies outside Asia Pacific to gain access to the region’s outbound markets.

Travel movements to, from and within a destination generate value irrespective of where the travellers originate. In a sense, a focus on the sum of all travel dimensions ‘inbound + outbound + internal’ provides a more balanced tourism portfolio and allows for greater flexibility under changing external conditions.

[www.pata.org](http://www.pata.org)

Examples of the acceleration of tourism in the Asia Pacific region are given in Case Study 2.4 below.

#### Case Study 2.4 Accelerating tourism in Asia Pacific region

This case study has been provided by the Pacific Asia Travel Association (PATA), a membership association acting as a catalyst for the responsible development of the Asia Pacific travel and tourism industry.

On December 1st, 2009, China’s State Council promulgated ‘The Opinion on Accelerating the Development of Tourism’ programme, which identifies travel and tourism in China as a strategic pillar industry of the national economy. It also elevates the development of tourism from the industrial, departmental, and economic levels, to the strategic level of national development. The promulgation of this opinion signifies that travel and tourism as an industry, has formally entered the national strategic system of the People’s Republic of China.

In similar fashion, the ‘10th Malaysia Plan’, covering the period 2011 to 2015, has, for the first time ever, specifically identified and included the tourism industry as a major economic player in the development of the nation’s economy. According to this report, Malaysia has set its sights on improving its position to be among the top ten countries in terms of global tourism receipts by 2015.

Source: PATA

[www.pata.org](http://www.pata.org)

### 2.3.6 Increased prosperity and attitudes towards work, leisure and tourism

Consumers place high value on annual and multiple holidays in both the developed and developing world – seeing holidays as a necessity rather than a luxury. Rising incomes and prosperity over the last 20 years have seen a propensity to take more holidays and more short-break holidays. Even during the recent credit crunch consumers substituted international travel with domestic tourism (popularised in 2008 and 2009 by the concept of the staycation) rather than forgo a holiday altogether. However, despite rising affluence, at a certain level people cease to feel the benefits of prosperity. Where incomes have stagnated and cost of living has increased people are feeling dissatisfied.

Changes in work practices are summarised as follows:

- Less full time employment and more contract work may result in more but shorter holidays, and less distinction between work and leisure time (manifested through an increase in combined work and pleasure trips). The rise of serious leisure is apparent, where leisure activities are added on to work functions such as a business trip.
- Time poor / money rich travellers may account for the trend in holiday experiences to escape from workplace stress ranging from a visit to a spa to an adrenaline rush adventure tourism experience which recharges the visitor's batteries before re-entering the world of work.

### Implications

The effects of the economic downturn are expected to be reflected in peoples' holidaying decision making for some time to come. There is a need to cater for shortbreaks so that visitors can maximise their time, offering flexible start dates and packages. Shorter booking times may be anticipated. There may be greater opportunities for domestic holidays. Finally, customers will increasingly want to see value for money (and time).

## 2.3.7 Ethical values and attitudes

In general terms there is a shift in the market which demonstrates a gradual or incremental move towards ethical spending with research indicating consumer awareness of issues such as the impact of air travel on climate change. This awareness is further increased by media reporting on major problems such as threat to rainforests, pollution, global warming, coral reef bleaching and issues like the dwindling water supplies worldwide resulting in a proportion of the world's population living under stress conditions. Such reports in the media are likely to lead to increased scrutiny on the part of the consumer in destination decision-making. Nevertheless, there is conflicting evidence regarding the extent to which travellers are willing to modify their travel behaviour to become more responsible.

### Implications

There will be a growing impact of consumer-led campaigns for sustainable tourism development and for trade in tourism to be "fair" in its distribution of the rewards of tourism to destinations, particularly in the developing country destinations. Although sustainability and fair trade are seen by the south as a northern obsession, since the bulk of visitors come from the industrialised countries, it is important that destinations acknowledge and orientate their policy development and marketing process and strategies towards the principles of sustainable tourism development. In addition, sustainability has become a globalised theme with common concerns for all, particularly with regards to climate change. However, there will be a growing conflict in the minds of the travelling public between this increased socio-environmental consciousness (manifested in increased scrutiny of destinations for sustainability in approaching their tourism development) versus the urge for travel consumption on the other. It must also be noted that there is a tendency to 'think' green, but not to 'act' green. Service providers need to ensure that responsible choices can be easily made, without over-burdening customers with feelings of guilt.

The following commentary has been provided by The International Ecotourism Society and identifies some of the key issues and trends regarding increased social and environmental awareness of travellers.

*Commentary from, Ayako Ezaki, Director of Communications,  
The International Ecotourism Society (TIES):  
Understanding and responding to shifting traveller values*

### Changing travel preferences and patterns

In recent years, the travel and tourism industry has seen a fundamental change in traveller preferences and patterns, due to various factors – such as experiences with severe economic recession, travel safety threats, extreme weather and increasing attention to climate change. In this context, recognizing the importance of sustainability as a market driver has become more and more critical for tourism businesses in order to stay competitive. Such shifting consumer values and demands bring opportunities, as well as challenges.

While an increasing number of travellers are embracing alternative travel experiences and socially and environmentally responsible values – as seen in the growing popularity of such trends as slow, ethical, and local travel – it appears that consumer demand for sustainability remains elusive. As reported in CMI Green 1st Annual Green Traveller Survey Report (2009)<sup>1</sup>, travellers who identify themselves as being conscious of their – and the tourism industry's – footprint “come with many types of motivations – and varying degrees of commitment”.

The key to successfully navigating the new age of shifting traveller values and increasing awareness, therefore, would be to implement effective strategies for understanding and responding to the needs, demands, and preferences of the new travel consumer who are ever more mindful of the values they receive for their money, ever more conscious of key elements of sustainability and social responsibility, and – more than ever – connected with each other via easy access to online word-of-mouth reviews, exchanges and discussions.



### The example of voluntourism

As seen in various networks and online communities (e.g. Local Travel Movement), an increasing number of travellers are seeking authentic, educational and memorable experiences, and are taking advantage of tourism's potential to make a positive impact. Actively supporting and promoting awareness, the local travel advocates call for “bottom-up” approaches to sustainable tourism, with a distinct emphasis on the local people, the local environment, the local culture, and the local economy.

In this context, host communities in both rural and urban destinations face significant opportunities to take advantage of conscious travellers' new and growing appetite for uniquely local and respectful travel experiences.

Another trend or movement that deserves attention in the area of social and cultural impacts of tourism is “voluntourism”. As Voluntourism (travel experiences that incorporate volunteer activities that give back to the host community) is gaining recognition as a unique and effective way for travellers to contribute to the communities they visit, businesses and organizations offering voluntourism programs are increasingly facing the need to differentiate themselves not only as a community

1. CMI Green website and study information can be accessed at: <http://www.cmigreen.com>

project with a philanthropic mission, but also as a consumer product with a strong competitive edge.

As with various other areas within sustainable tourism, the voluntourism sector is dealing with increasingly technologically savvy, well-informed groups of travellers who are mindful of their impact. Perhaps even more so than in other sectors, however, voluntourism providers face the unique challenge of proving the return on investment (ROI) by travellers in a tangible way. Voluntourists are willingly spending money in order to participate in volunteer activities. Their expectations in terms of ROI is knowing and being satisfied with where their money goes.

As noted in the report “Give a Little, Gain a Lot” (2010, based on a survey conducted by Merriah Michel, Dan Miller and Stephen Cheung of Georgian College Research Analyst Program, in partnership with TIES, Planeterra and Gap Adventures)<sup>2</sup>, in order for travellers to be satisfied with the cost of participating in a voluntourism trip, clarity in how the money supports the volunteer program and how it leads to benefits for local communities is among the most important factors influencing their purchase decisions.

2. Full report can be downloaded at: <http://www.ecotourism.org/voluntourism>.

### 2.3.8 New technology

Technology empowers the consumer in travel-related consumption. Acquisition of information and booking can be undertaken at any moment, from every place and travellers have less reliance upon traditional sources for guidance and information. It has also made travel planning and booking a flexible process and changed the way people experience and rate tourism. New social media such as Web 2.0 and social networking has meant that people can access information from their friends and recent visitors about destinations and products from social media sites such as TripAdvisor. Electronic technology will become all powerful in influencing destination choice and distribution, changing the way the public obtains, considers and acts on information concerning travel and tourism products.

#### Implications

Organizations will need to maximise their virtual presence on an ongoing basis (website usability, including usability for mobile devices, search engine optimisation). Use of social media in particular has led to a ‘democratisation’ of information whereby visitors are relying less and on official sources of information. These new trends are related not only to the new technology and what it can facilitate but has also placed a greater emphasis on tourism as an experience and has encouraged post-trip reflection and evaluation. This can have both very positive benefits and also negative outcomes where poor ratings are placed in the public domain. Organizations can react to this by monitoring and responding to content on social networking sites (See Chapter 7).

### 2.3.9 Fragmentation of tastes

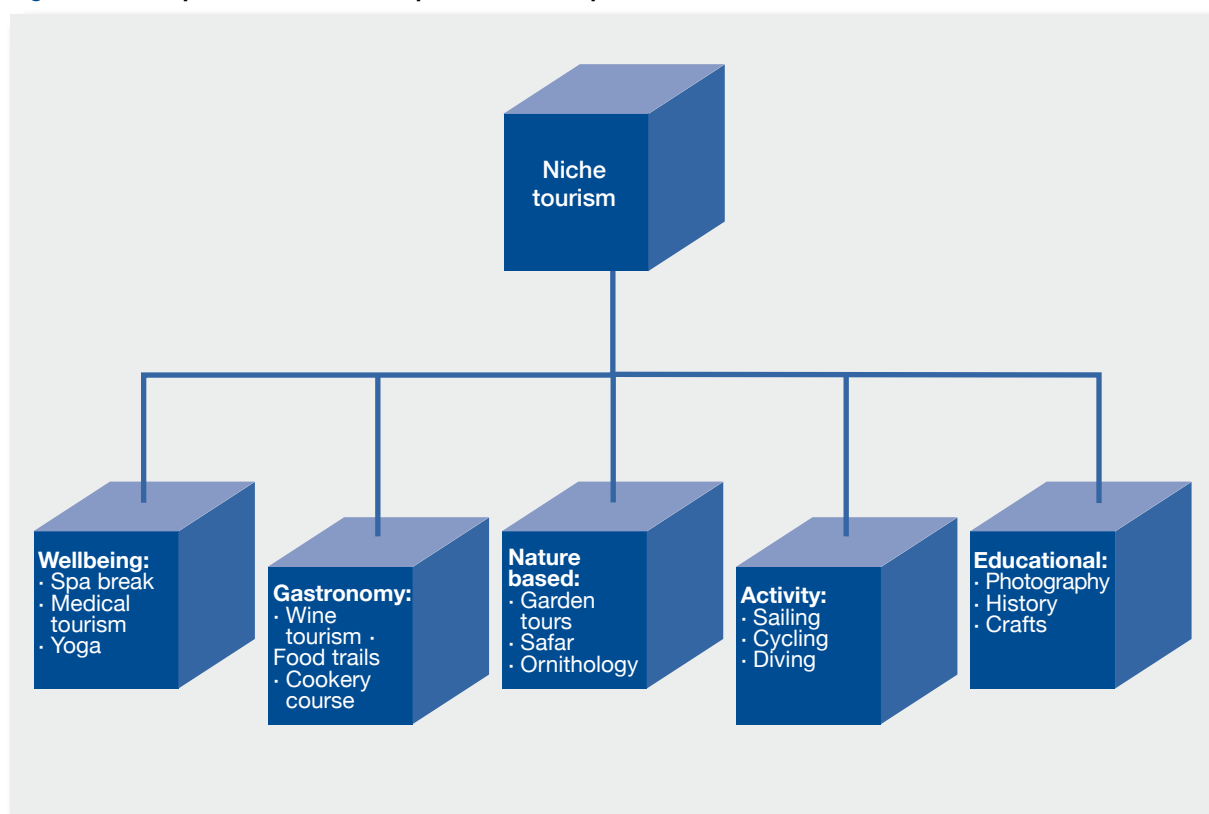
People looking for a unique experience that expresses who they are. There is a clear shift towards new experiences which has seen a move from mainstream products aimed at the wider market to more targeted experiences and products that appeal to a narrow range of interests and tastes. “The industrialised world is in transition from the service to the experience economy, with the peaking of the service

economy in such countries already achieved. The focus is switching to delivering unique experiences that personally engage the consumer and the very clear implication of that for tourism is the need to differentiate tourism product development and marketing, both by destination and operator” (UNWTO 2001a). In this conceptualisation of tourism as an experience, engagement with the visitor is critical to fulfilling expectations in order to derive meaningful experiences. There is also evidence to suggest that the further development of the experience economy concept is seeking a greater attention to authenticity.

### Implications

Those responsible for marketing and product development need to be aware that they are not selling to a homogenous block. A number of these tailored niche products and experiences which allow consumers to express themselves as individuals are shown in Figure 2.2. One advantage of niche experiences and products is that they have the potential to yield higher profit margins and present opportunities for greater levels of satisfaction.

**Figure 2.2** Examples of niche tourism products and experience



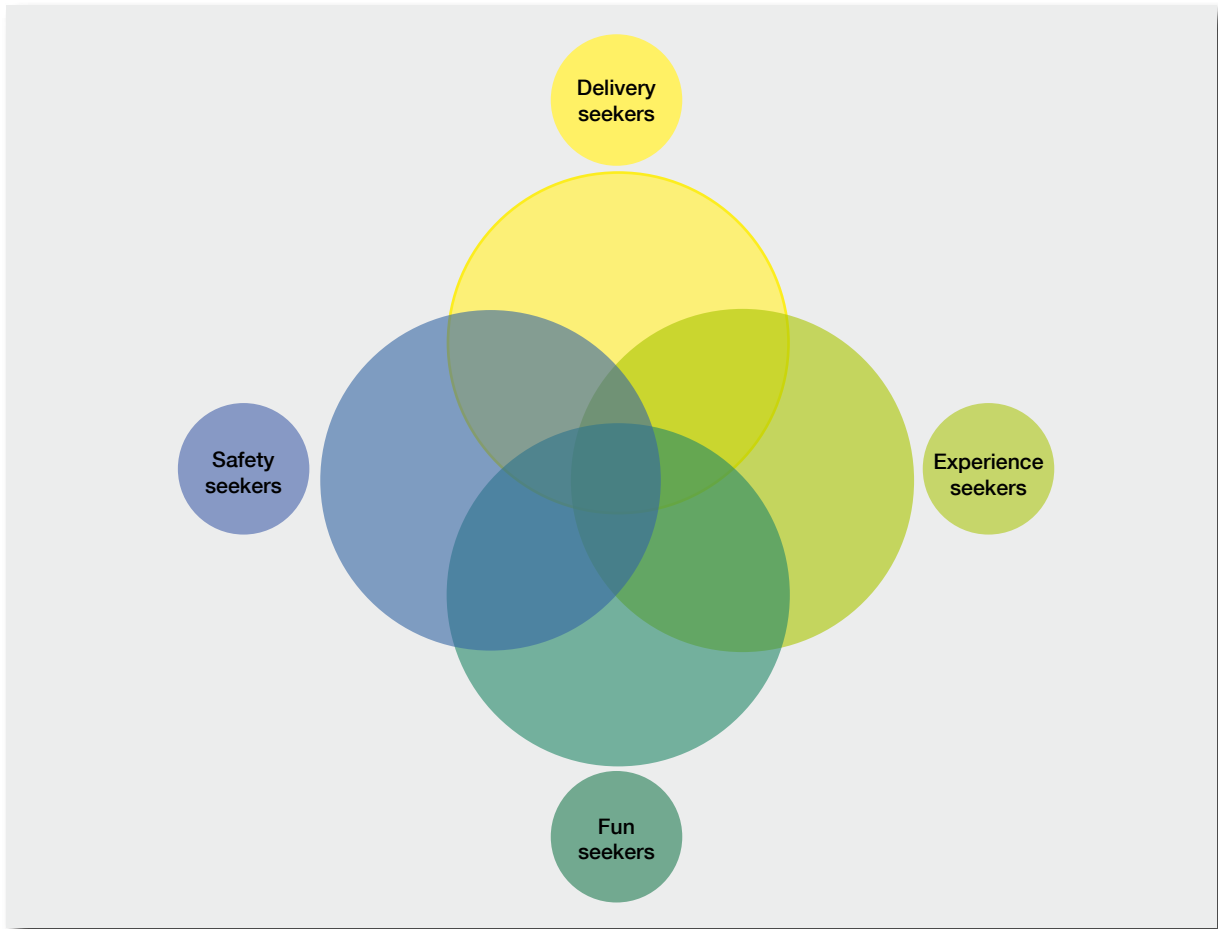
## 2.4 Market segmentation

Market segmentation provides a useful framework for understanding the different visitors and their motivation. For example, the Arkenford system of segmentation is based on Schwartz’s model of universal human values (see Figure 2.3). Value segmentation is likely to be more reliable than other types of segmentation, such as demographics, as people’s values remain fairly consistent over time.





Figure 2.3 Value based segmentation



Source: Based on Arkenford segmentation

However, a certain degree of caution is required in applying these segmentations. The boundaries of these segments need to be fluid to accommodate the flexible nature of today's visitors - independent young travellers (fun and experience seeker) may find a packaged fortnight in Spain more suitable when they start a family, while the delivery seeker who buys a package with a reputable company will perhaps buy an adventurous experience as part of the package. The challenge for destinations is to accommodate this flexibility and allow for personalisation and customisation, to develop their cultural cachet and uniqueness, and to offer experiences at a range of levels of participation.

**Box 2.3 Understanding emerging tourism markets: The prospects of the outbound Russian, Indian and Chinese markets for Europe**

The UNWTO (2009a) *Handbook of Destination Branding* made a distinction, albeit an artificial one, between the established and developed tourism markets of the world (e.g. the United States of America and Europe) and the importance of fast growing markets with their potential for destinations. Examples of travel boom potential in the past included Japan in the 1970s and 1980s and the South Korean market in the mid 1990s when restrictions on travel were lifted. These expanding markets have been followed in the late 1990s with other Asian markets growing, as a result of the rise of the Asian Tiger economies. Since 2000, a number of other outbound markets have demonstrated significant growth potential, namely Russia, China and India. In 2008 and 2009, UNWTO undertook studies of each of these markets with the European Travel Commission. The following examples illustrate the reasons associated with the growth in these markets, how segmentation has been used to identify the growth markets and what types of products and experiences the markets are seeking.



## Russia

The population of Russia is around 142 million and currently only about 15% of the population have ever travelled abroad. Growing prosperity (albeit targeted to specific social groups), a strong currency (the rouble) and rising incomes are creating significant pent up demand for travel. As an outbound market, Russia is ranked as the 9<sup>th</sup> largest, generating US\$22.3 billion in overseas spending in 2007 as a result of 34.3 million outbound trips (of these, only 9.4 million were holidays reflecting the predominance of long-established patterns of business travel). The growth potential of this expanding market is reflected in the annual growth in outbound volumes of travel of 9.4% per annum whilst spending rose at a much higher rate of 14% per annum. This illustrates the growing value of outbound expenditure although this will vary according to the diverse range of market segments:

- The rapidly emerging middle classes
- The funky young professionals
- The upper income group
- The ultra rich (comprising 53 billionaires)
- The golden youth (the offspring of the ultra rich)

These groups make a high usage of the internet as Russia had 59 million users in 2007 (43% of the total population). Aside from the internet, word of mouth and recommendation plays an important part of holiday planning. Nearby destinations such as Turkey and Egypt are favourite sun and sand destinations and holiday travel is growing at a faster rate than business travel. European destinations in Scandinavia and former Eastern Europe countries (especially CIS states) are popular, as well as China and some long-haul destinations such as Thailand. In terms of demand, the majority of outbound demand for packages is concentrated in the major urban areas of Moscow and a large proportion of trips are booked within 2 weeks of departure. The UNWTO report identified the major growth potential for European tourism and a growing demand for higher quality experiences and facilities. There is a large potential of first-time travellers which will switch to repeat visits or the pursuit of quality experiences. New segments are expected to grow, such as the meetings and incentive travel segments along with special interest trips.

## India

The outbound Indian travel market has grown almost three-fold in the ten years since 1997, from 3.7 million to 9.8 million trips, with annual growth rates since 2004 of over 16% per annum. This is almost four times the annual growth rate of world tourism in the same period. Outbound expenditure has risen from US\$1.3 billion in 1997 to US\$8.2 billion in 2007. By 2020 it is expected that the number of outbound trips will reach 50 million. Currently Europe captures around 30% of Indian outbound trips, dominated by the United Kingdom, France, Italy, Germany and Switzerland.

In terms of market segments, the market is dominated by male travellers, being from well-educated households in the upper socio-economic groups. In the short-term the majority of visitors to Europe are first-time visitors although many will have travelled abroad once before as couples or groups. The culture of Europe and sightseeing are the principal motivations to visit with more diverse motivations among repeat visitors. Other key destinations in the long-haul market are: the United States of America, Australia and New Zealand with short haul destinations such as Dubai, Singapore, Thailand and Malaysia.

The top five factors shaping Indian's destination choice are:

- Safety and security
- The variety of things to see and do
- Overall image of the destination
- Good visitor facilities
- The infrastructure
- Ease of obtaining a visa.

Additional factors that are deemed important are: a friendly environment; good weather; availability of holiday packages; availability of Indian/vegetarian food; cultural affinity; value for money.

The major barrier to travel is obtaining a visa, along with the high cost of activities. Among the key drivers of further growth in this market over the next 5-10 years will be the continued growth in the Indian economy, the continued growth in the earning capacity and prosperity of the middle classes, an expanding population of working age (in direct contrast to many mature western economies) and a greater interest in travelling overseas as their knowledge and willingness to travel grows. This reflects macroeconomic trends which are leading to a greater global integration of the Indian economy, greater business travel (combined with leisure travel) and family accompanying businesses travellers. The growth in student travel for education is also expanding the Indian diaspora and will lead to future travel linked to migration. These growth prospects are underpinned by projected expansion of India's population by 41% from 2001 to 2025 from 1.02 billion to 1.42 billion, The fastest growing segment is the 15-54 year age group, which will comprise 59% of the country's population by 2025.

## China

China's outbound travel growth has been nothing short of spectacular. The volume of outbound travel has grown by an average of 22% per annum since 2000, reaching 34.5 million trips in 2006. UNWTO expects it to be the fourth largest market in the world by 2020 with 100 million trips annually expected to be reached before that date. Europe attracts 6% of trips, with 70% of trips to either Hong Kong or Macao. Europe's growth in this market has been developed since 2004 with the granting of Approved Destination Status<sup>3</sup> to most European countries and this has facilitated the growth in the group leisure market. Yet much of this market has been low yield and so future development of more profitable segments is expected to focus on special interest tourism and meetings and business travel.

Much of the growth in the outbound travel has been fuelled by growth in earnings from the urban Chinese largely concentrated in three regions/cities: Beijing, Shanghai and Guangzhou. Much of the growth has come from the young affluent middle classes which are expected to grow from 17.5 million people in 2008 to 500 million by 2025. Older working age empty nesters are also expected to be a growth market. The majority of trips occur in the Golden Weeks (the three week annual holiday periods) although visa control still plays a major role in outbound trips. Even so the market is dominated by 90% of trips destined to other Asian countries. In addition, the ratio of domestic to

3. Approved Destination Status (ADS) is a bilateral tourism arrangement between the Chinese Government and a foreign destination whereby Chinese tourists are permitted to undertake leisure travel in groups to that destination.

international travel is 38:1 illustrating the future growth potential in the Chinese outbound traveller. As the UNWTO report confirmed, data on the Chinese market are still relatively poor but the outbound tourist does show future potential for continued growth.

For further information see World Tourism Organization with European Travel Commission, The Chinese Outbound Market, UNWTO, Madrid; World Tourism Organization with European Travel Commission, The Russian Outbound Market, UNWTO, Madrid; and World Tourism Organization with European Travel Commission, The Indian Outbound Market, UNWTO, Madrid.

Sources: UNWTO and ETC (2008); UNWTO and ETC (2009a); UNWTO and ETC (2009b)

## 2.5 Protecting the visitor



During the last 20 years, developments in consumer law in many countries have required the tourism sector to pay greater attention to its Duty of Care for passengers. Much of the impetus for this can be traced to the Package Travel Directive-PTD in 1990. This Directive has been an important milestone in the protection of European consumers going on holidays and also applies to other travel arrangements provided that there is a “package” combining at least of the following: transport, accommodation, other visitor services. The Directive defines a range of the organiser’s and retailer’s obligations and liabilities as well as the related consumer rights and insists on:

- Clear information in brochures.
- Certain essential information to be provided to consumers at the pre-contractual stage.
- Certain standard terms to be included in the contract.
- Providing consumers with assistance on the spot, if they experience difficulties in relation to their holiday or travel arrangements.
- Protection against being provided with substandard services and compensation where these are provided.
- Insolvency protection if the tour operator went bust.

During the two last decades, the development of the internet together the emergence of low-cost air carriers have revolutionised the way in which visitors as consumers organize their holidays. An increasing number of consumers now arrange their holidays themselves, instead of buying pre-arranged travel packages. This creates a certain amount of legal ambiguity and uncertainty for businesses and consumers and the number of consumers protected by the PTD is decreasing. Steps are being taken to revise the PDT to ensure consumer protection for those who have put together their own ‘dynamic packages’.

In this context, UNWTO appears to be well positioned for the task of drafting an instrument of international law that can provide a minimum level of guarantees for visitors/consumers as well as for travel organizers at a world level. UNWTO supports efforts to remedy the inadequacy of international legal instruments. Actions have been implemented to start this process.



There is also a move to understanding visitor well-being and the wide range of agencies needed to care for the traveller as a host in a country and to make provision for their needs when staying in a strange and unfamiliar environment. For example, many popular resorts and destinations have introduced a Tourist Police Force to manage the impact and effect of increased levels of crime associated with the development of tourism and the rise of visitors as targets for crime and harassment. Similarly, major destinations have to cope with the seasonal rise of visitor health issues in the existing medical infrastructure primarily designed for residents so as to help protect the well-being of the visitor when accidents, injuries and trauma occurs. This raises the thorny issue of whose responsibility is visitor well-being and who should be charged with the coordination and management of well-being issues in the destination, highlighted in scenario planning exercises associated with the impact of crises (e.g. a flu pandemic). Issues are raised regarding how to handle the tourism population as a mobile and visible element of the destination upon which the local economy depends.

## 2.6 Conclusions

This chapter has shown that the visitor as a consumer is a constantly evolving and changing phenomenon, in part reflecting changes in society and the prevailing trends in consumer behaviour. Three principal themes run through this chapter which are shaping the way in which the visitor creates a demand for different experiences:

- Trends in terms of the type of products and services which the visitor seeks
- The increasing development of specialised niche products and experiences that cater for a diverse range of tastes and expectations
- Emerging markets and groups which are new to tourism and experiencing tourism for the first time.

The rise of these new markets are unlikely to repeat the development path which other markets have followed, as specific cultural drivers shape the types of experiences and products they seek. Add to this the rise of globalisation and the impact of new technology, and we can see that the visitor is becoming far more demanding in relation to what they expect from experiences. This is shifting the emphasis from



a supply-led philosophy that is often associated with mass tourism to one where greater targeting of the product is needed to meet the specific forms of demand.



This chapter concludes with a summary of tourism trends and marketing strategies from UNWTO with some key publications highlighted.

*Commentary from John Kester, Programme Manager and Valeria Croce, Programme Collaborator, Tourism Trends and Marketing Strategies Programme UNWTO*

A tourist is a person temporarily involved in a trip lasting at least one night, but less than a year, in a destination outside their usual environment. A tourist is one of two typologies of travellers, who are engaged in tourism, and who are classified as visitors: same-day visitors (or excursionists) and overnight visitors (or tourists). As a consequence, tourism is understood as the phenomenon encompassing all the activities of persons travelling to and staying at a destination both for personal and professional purposes, the only exception being those activities related to employment in the place visited.

Understanding tourists' behaviour is crucial for all stakeholders operating in this sector. From a public perspective, this is needed to develop effective policy and guidance and make the sector more attractive for investors, enhancing the quality of available resources (e.g. labour), improving integration with the local infrastructure (e.g. airports and highways) and ensuring the quality of public (e.g. parks and museums) and private attractions, which in turn pursue the goal of enhancing the overall social and economic well-being of residents.



Understanding tourists' specific characteristics and needs across the whole decision-making process is, for public tourist organizations, directly in charge the promotion of the destination and of the provision of information services to the visitors, as relevant as it is for private operators. In both cases, an effective product-market match can be achieved through actionable market intelligence, combined with up-to-date knowledge of innovative marketing techniques, as support to strategic marketing decisions.

Understanding behaviour in tourism requires a multifaceted investigation of the process, which culminates with the 'consumption' of a trip. This consumption behaviour comprises the way people shape their preferences for a type of trip, the decision making process about what place to visit, and when, the path followed to acquire and combine the necessary services and products, until the experience is realised and a sense of satisfaction (or dissatisfaction) is attached to it. Tourist behaviour is doubtless a knotty problem, which can be more easily unravelled with a knowledge-based approach to the analysis of tourists' needs and decisions, steering research activities towards current, relevant tourism indicators. Focussed market intelligence activities then provide the necessary 'back-end' structure to deliver holistic and coherent customer experience, bringing a competitive advantage to organizations.

The UN World Tourism Organization (UNWTO) is long committed to the creation and evaluation of tourism-related information, to support members in the process of acquiring quantitative and qualitative information relevant to their objectives. Through the continuous activity of data collection, analyses and ad-hoc studies, UNWTO has positioned itself as a worldwide reference for tourism analysis. Its centralized knowledge of the tourism sector and of its dynamics, intertwined with overall economic development, is regularly

disseminated through a number of publications concerning tourism development in the short- and long-term.

The UNWTO World Tourism Barometer is probably the best known example of UNWTO's regular publications about the short-term evolution of tourism. Since 2003, the Barometer has been issued three times a year (January, June, and October), with two interim updates (April and August). This publication provides an overview of short-term tourism data from destination countries, air transport and other relevant economic indicators, as timely support for short-term planning. A retrospective and prospective evaluation of tourism performance by the UNWTO Panel of Tourism Experts completes the analysis, providing indications about the "temperature" of business confidence in the sector. A concise overview of international tourism in the world based on annual results is available in the UNWTO Tourism Highlights, a booklet offering an overview of the most relevant statistics and analysis on international tourist arrivals, international tourism receipts and outbound tourism, including a summary of results by region. It includes the ranking of top tourism destinations, by arrivals and receipts, and the top spenders list. UNWTO regular activity in the assessment of long-term trends has as worldwide reference the Tourism 2020 Vision publication, a set of 7 reports, including 6 regional volumes, with long term forecasts for Africa, Americas, East Asia and the Pacific, Europe, Middle East and South Asia and a global report on World Forecast and profiles of market segments. Current figures for key tourism indicators are also accessible through the organization's website ([www.unwto.org/facts](http://www.unwto.org/facts)).

A series of ad-hoc market studies, realized jointly with the European Travel Commission (ETC), fulfil a timely information need related to specific markets or segments, including emerging outbound markets such as Russia, India and China. These studies provide

a quantitative assessment of these markets combined with qualitative information about local travel habits and fads, and provide a map of promotion channels to access the market. In order to maximize members' use of this information, UNWTO also undertakes capacity-building activities about relevant techniques in the field of marketing and analysis. In addition, a series of publications, which include

handbooks on tourism market segmentation, branding and evaluation techniques, training activities and seminars, provide members with a solid the foundation to plan, implement and monitor their marketing activities.

All studies and publications can be ordered through UNWTO's website at the URL: [www.unwto.org/pub](http://www.unwto.org/pub).



[www.unwto.org](http://www.unwto.org), [www.e-unwto.org](http://www.e-unwto.org)

## 2.7 Other sources of UNWTO information

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# 3

## Sustainability: the impacts of tourism



## 3.1 Introduction

Sustainability is the biggest single issue facing the tourism sector globally. It is an all-embracing umbrella term used to describe a paradigm that now affects all aspects of human activity, given the concerns over the long-term future of the planet's resources and ability to support the activities of a rapidly expanding population. Tourism has become a central part of the debate on global sustainability because of the relatively recent desire for increased levels of travel at both a domestic and international level as discussed in Chapter 1. This increasing level of consumption of travel and tourism services has brought with it the inevitable rise in the negative impacts of tourism. Sustainability is the focal point for understanding the interconnections between the visitor, the tourism sector and resources so as to develop policies and plans to reduce the negative impact of tourism activity and to increase the range of positive impacts (e.g. as a tool for community empowerment and development).

The evolution of the sustainability paradigm has evolved since the 1960s from a focus on the destructive impacts of tourism on the environment to a recognition that the tourism-environment relationship is symbiotic and based on mutual dependence (i.e. each partner depends on the other for their existence). The physical environment-tourism relationship has further evolved since the 1980s to a more sophisticated understanding of the mutual interdependencies that exist between the different stakeholders involved in tourism (i.e. the community, the resource-base, the tourism sector, the public sector and other relevant parties). This focus has been broadly labelled as sustainability since the application of this approach to the analysis of tourism and its impact is how to seek to balance the needs of these diverse partners so as to allow development whilst ensuring the resource base will be managed for use by future generations. The emergence of this sustainability focus has also seen continued development and refinement through the 1990s and into the new millennium. As this chapter will show, there has been a renewed focus on how to harness tourism as a tool for sustainable growth of communities and as a means to achieve societal growth (see Chapter 4). It has also seen its incorporation into new paradigms such as the green economy as will be discussed in this chapter.

Therefore this chapter provides an overview of sustainable tourism, introducing the problems of deriving a definition of sustainable tourism, given that it is notoriously difficult to arrive at agreement since researchers place a different focus on the purpose of sustainable tourism. Here the important work of UNWTO in providing a synthesis and framework for moving these issues forward is reviewed since it provides a universally agreed point of reference for the analysis of sustainability issues in tourism. This is followed by a critique of the tools for achieving sustainable tourism, introducing the notion of the green economy as a new pathway for achieving sustainable tourism. Various industry insights on the implications of implementing sustainable tourism and the progress towards developing global tourism criteria are introduced. Some of the key issues which sustainable tourism addresses such as the social and cultural impacts of tourism, ecotourism and the environmental dimensions of sustainability including tools such as visitor management are reviewed. Critical issues arising from and impacting upon tourism such as climate change and global warming are also introduced as they underpin the continued debate over how tourism will need to adapt and seek to mitigate the impact of climate change. Here the UNWTO research in the field has set an important benchmark for action which policy-makers need to take to address these pressing issues arising from climate change and global warming. This raises

concerns about the resource use of tourism activities and the future implications for the tourism sector to move towards a greater carbon neutral position if it is to mitigate its environmental impact and reduce its resource use in terms of energy and water use. Above all, the chapter seeks to provide a synthesis and roadmap of the complexities of understanding sustainable tourism including the plethora of research and documentary evidence now accumulated by organizations such as UNWTO so it can be understood in a holistic and dynamic manner.

## 3.2 Defining sustainability



The term sustainability emerged largely as an ecological construct. It is often used interchangeably with sustainable development to reflect a more human-centred approach to development within the parameters of the social, economic and environmental global context. The most widely accepted definition of sustainable development is that cited in 'Our Common Future':

*"Development that meets the needs of the present without compromising the needs of future generations".*

(World Commission on Environment and Development, 1987: 8.).

It is widely accepted that this constitutes a clear summary of sustainability. However, this summary masks a range of different interpretations and approaches to sustainable development, since implicit in the term is that further economic development can occur. There are a number of philosophical debates associated with sustainability namely:

- What is it?
- Can it be achieved if agreement is reached on its meaning?
- Is there more to sustainability than rhetoric?
- How do organizations and consumers design more sustainable lives?
- What tools and techniques do we need to embrace to measure and monitor progress towards a more sustainable future?
- What policy instruments and measures do the public sector and intra-governmental organizations need to take to implement a pathway towards sustainable futures?

These questions are among the big issues affecting the economy and society of most countries globally, since sustainability poses a challenge to the growth model of advanced industrial capitalism as a route to future prosperity, based on man's ability to harness and use resources. This is in contrast to the more ecocentric views which suggest that we are only guardians of the earth's resources for this and future generations, and so need to manage them for the present and future. These two contrasting philosophical approaches illustrate that the central tenet of sustainability is about striking a harmonious balance between conservation and development.



## 3.3 Defining sustainable tourism

Despite the shift in global thinking towards sustainability, sustainable tourism remains a very nebulous concept, which has partly been shaped according to the needs of different stakeholders and their own interpretations.

In 2004 the UNWTO looked at the vast array of definitions, which helped to establish how sustainability principles apply to environmental, economic and socio-cultural aspects of tourism. From this critical division of sustainable tourism into three discrete elements, the notion of finding a suitable balance between these interconnected elements was seen as the crux of achieving the long-term sustainability of tourism. The full UNWTO definition of sustainable tourism is presented in Box 3.1.

### Box 3.1 UNWTO Definition of Sustainable Tourism

Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability.

Thus, sustainable tourism should:

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural resources and biodiversity
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.

Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them.

**Source: UNWTO/UNEP (2005).**

This requires the involvement of all stakeholders, as well as ongoing monitoring of the impacts of tourism. In 2005 UNWTO and UNEP outlined 12 specific aims to work towards in achieving more sustainable forms of tourism (as Box 3.2 shows).

**Box 3.2 UNWTO and UNEP (2005) 12 aims for sustainable tourism**

**1. Economic viability**

To ensure the viability and competitiveness of tourism destinations and enterprises, so that they are able to continue to prosper and deliver benefits in the long-term.

**2. Local prosperity**

To maximize the contribution of tourism to the prosperity of the host destination, including the proportion of visitor spending that is retained locally.

**3. Employment quality**

To strengthen the number and quality of local jobs created and supported by tourism, including the level of pay, conditions of service and availability to all without discrimination by gender, race, disability or in other ways.

**4. Social equity**

To seek a widespread distribution of economic and social benefits from tourism throughout the recipient community, including improving opportunities, income and services available to the poor.

**5. Visitor fulfilment**

To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, disability or in other ways.

**6. Local control**

To engage and empower local communities in planning and decision making about the management and future development of tourism in their area, in consultation with other stakeholders.

**7. Community well-being**

To maintain and strengthen the quality of life in local communities, including social structures and access to resources, amenities and life support systems, avoiding any form of social degradation or exploitation.

**8. Cultural richness**

To respect and enhance the historic heritage, authentic culture, traditions and distinctiveness of host communities.

**9. Physical integrity**

To maintain and enhance the quality of landscapes, both urban and rural, and avoid the physical and visual degradation of the environment

**10. Biological diversity**

To support the conservation of natural areas, habitats and wildlife, and minimize damage to them.

**11. Resource efficiency**

To minimize the use of scarce and non-renewable resources in the development and operation of tourism facilities and services.

**12. Environmental purity**

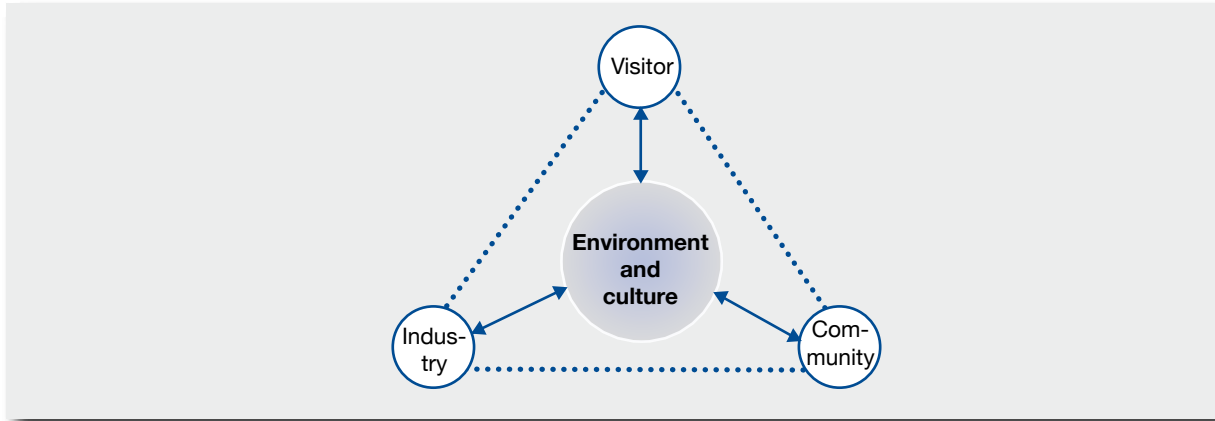
To minimize the pollution of air, water and land and the generation of waste by tourism enterprises and visitors.

**Source: UNWTO/UNEP (2005)**

These aims allow for preventive or corrective measures to be taken when needed. They also allow for maintaining high levels of visitor satisfaction and their awareness of sustainability issues. This reaffirms that the main remit of sustainable tourism is to strike a balance between the host, the visitors and the environment. However, striking the appropriate balance to protect and enhance resources while still meeting the needs of all stakeholders (present and future) is a complex task. The VICE model (as outlined by the English Tourist Board and Tourism Management Institute in their Destination Management Handbook, 2003) accommodates these requirements and gives a framework which destinations planners and managers can use to ensure their actions are sustainable.

The VICE model, illustrated in Figure 3.1 presents destination management as the interactions between the visitors, the industry that serves them, the community that hosts them and the environment where this interaction takes place. The last of these, the environment, can be understood in its broadest sense to include built and natural resources on which many tourism products are based.

**Figure 3.1** The VICE model



Source: English Tourist Board and Tourism Management Institute (2003)

According to this model, it is the role of destination managers to work through partnerships and a joint destination management plan in order to:

- Welcome, involve and satisfy visitors
- Achieve a profitable and prosperous industry
- Engage and benefit host communities
- Protect and enhance the local environment and culture.

The model can be used as a quick check of the sustainability of a proposed plan or action. Four questions should be asked:

- How will this decision affect the visitors?
- What are the implications for industry?
- How does this affect the community?
- What will be the impact on the destination's environment and/or culture?

If positive answers cannot be given for all four questions, then the right balance has not been found and the proposition is unlikely to be sustainable.

In addition to the emergence of a sustainability paradigm and its development in tourism, there has been recent interest in the green economy as a pathway for future development which has salience for tourism.

## 3.4 Tools for achieving sustainable tourism



### 3.4.1 The green economy: A new paradigm and pathway to sustainable tourism

A gear change is required to move from the traditional economic theory that creating wealth is an end-goal in itself, toward a more holistic economic philosophy which places human and environmental needs equally alongside motivations for private profit.

A move towards the 'green economy' is the implementation of such a gear change. Greening the economy refers to the process of reconfiguring businesses and infrastructure to deliver better returns on natural, human and economic capital investments, while at the same time reducing greenhouse gas emissions, extracting and using fewer natural resources, creating less waste and reducing social disparities. The recent "Tourism and Travel in the Green Economy" conference in Gothenburg in September 2009 highlighted key issues for the industry as including:

- Actions in the tourism sector to reduce its negative impact on the environment.
- Ways that new technologies could be used to achieve more environmentally friendly results in the area of transportation.
- The application of Sustainable Consumption and Production policy in the tourism sector.
- The role of action plans adopted by National Tourism Organizations, such as VisitBritain epitomised by its influential report on sustainable tourism (VisitBritain, 2007).

Macroeconomic modelling can illustrate the role of tourism in greening the economy by indicating the potential, under different scenarios, for changes in:

- Sector GDP (and associated growth rate).
- Direct and indirect employment.
- Return on capital investment (and thus the level of investment required).
- Energy efficiency /emissions per unit output.
- Material and resource efficiency.





Through defining the level of investment (and associated impacts) in ‘sustainable’ tourism rather than ‘unsustainable’ tourism it should be possible to identify and discuss the role that a move towards sustainable tourism could have in greening the economy. However, whilst the macroeconomic indicators can provide the business case for decision-makers, the development of additional indicators and collection of data is required to understand the full picture, for example, the quality of jobs, visitor behaviour and other social impacts.

### 3.4.2 The role of public policy interventions

The development of sustainable tourism has seen a growing interest and involvement of different stakeholders in the process, with the public sector often playing a leading role. The role of the public sector can be multifaceted in the way it promotes a sustainable route to tourism development with a range of levels of intervention:

- **Regulation**, to control activities/ behaviour (e.g. via legislation)
- **Coercion**, to encourage change to meet policy objectives (e.g. via tax breaks or additional taxation)
- **Encourage** people to change their behaviour by education and advertising (e.g. social marketing)
- **No intervention or interference** – minimal involvement of the State.

Ultimately this is dependent upon the government’s political philosophies. It is against this background that the work of the UNWTO Sustainable Tourism Programme needs to be viewed, as arguably it has been one of the most active and influential bodies in promoting a global framework to create sustainable tourism activity (see Box 3.3 for an outline of its mission and activities).

#### Box 3.3 The work of the UNWTO Sustainable Tourism Programme

The Mission Statement of the UNWTO Sustainable Tourism Programme is to promote the sustainable development and management of tourism globally in Member States, regions and specific types of destinations involving both public and private sectors for the generation of social, economic and cultural benefits for host communities commensurate with global development interests, for ensuring the supply of quality tourism products and avoiding or reducing negative impacts upon the natural and socio-cultural environments.

The programme of work is consistent with the Millennium Development Goals and the Global Code of Ethics for Tourism.

##### Key Objectives:

- Facilitate the integration of sustainability and quality criteria into national, regional and local tourism policies, development plans and strategies through the application of policy tools, instruments and measures.
- Increase international awareness on the Global Code of Ethics for Tourism and improve effective implementation of its principles by governments and the tourism industry.
- Support the further improvement and application of methodologies, models and techniques for the enhanced sustainability and quality in tourism at specific types of destinations and at natural and cultural heritage sites.
- Guidance, international harmonization and recognition of best practices.
- Support the integration of poverty reduction agendas into tourism policies at the global and national levels and a wider involvement of poor communities in tourism operations.
- Ensure the social and cultural sustainability of tourism, with a special focus placed on the rights and interests of local communities and vulnerable groups.
- Improve the understanding of the relationship between climate change and tourism, and promote the formulation and implementation of adaptation and mitigation policies and measures.

For more information see <http://www.unwto.org/sdt/index.php>

The following commentary is from John Downes, an international travel law consultant, who discusses broadly some of the institutional and legal frameworks required by governments to ensure sustainable tourism development.

*Commentary from John Downes:  
Institutional and Legal Frameworks for Sustainable Tourism Development*

The law is a vital tool in the facilitation of economic activity. It can create an enabling regulatory framework or it can act as an impediment to the development of a modern, adaptable and efficient economic sector. It can be used to protect the common good and ensure respect for the natural and cultural environment or it can be used to emphasise the rights of individuals and corporations over host communities.

Most governments recognise the potential contribution of tourism to economic growth, regional development, job creation and, particularly in developing countries, poverty alleviation. In the preamble to the World Bank Report "Doing Business in 2005" is stated:

*"(A) Although macro policies are unquestionably important, there is a growing consensus that the quality of government regulation of business and the institutions that enforce this regulation are a major determinant of economic success"<sup>4</sup>.*

The recent and continuing global economic crisis points to the need for recognition that economic and fiscal success will only be built on sound institutional and regulatory frameworks. Likewise, the protection of the environment and the rights of host communities needs a legal underpinning. The State plainly has a role in providing those frameworks. The question arises: to what extent should the State be engaged in tourism development, either by itself or in partnership with others, or whether that ought to be left entirely to the private sector? Where the State is involved:



what national, and local, government entities are responsible for tourism; what are their functions and powers; and what administrative and economic mechanisms are available to them? Also: to what extent should the State regulate tourism businesses; in what fields and with which mechanisms?

The aim is to strike the right balance between State supervision and economic freedom. Economic and fiscal success will only be built on a sound institutional framework. That framework is dependent on sound legal infrastructures. Thus it is clear that in the construction of an efficient travel and tourism industry, a Tourism Law, which builds a functional, institutional framework, is a fundamental aspect of any holistic, facilitative approach. Thus, there is a need for comprehensive national legal framework for tourism. That national legal framework must be consistent with developing international norms.

The Millennium Development Goals (MDGs) are the most broadly supported, comprehensive, and specific poverty reduction targets the international community has ever established. Tourism can make a major contribution to the attainment of the MDGs, if managed

4. See <http://www.doingbusiness.org/>

properly, and if the sector is integrated in the MDG and Poverty Reduction Strategies of a country. Projects for many developing countries have sought to use the tools set out in a report for SNV<sup>5</sup>, the Dutch Aid Agency, to assess existing tourism legislation and policies in the context of the Millennium Development Goals and to assist them to develop a legal and policy framework for Tourism so that it accords with, and promotes, the MDG targets.

To pursue these goals effectively, the governments of developing countries need to develop an effective and comprehensive legislative framework that encompasses environmental and cultural protection and enhancement and the regulation of land use in tourism development. It should set out an institutional and legal framework to ensure that local communities are able to engage fully, actively and equitably in tourism planning and implementation and to benefit substantially from tourism development.

Tourism and related legislation should support and encourage the private sector to follow a sustainable and pro-poor approach to tourism. However, ethical standards in commercial life cannot be achieved by law alone, which is often too blunt an instrument. The law

tends to take a forensic or curative approach rather than a preventative one. It is normally expressed in complex language and for many, perhaps most, citizens and local communities legal redress is prohibitively expensive.

Voluntary codes of ethical conduct can be expressed in plain language, be more immediate and widely known. They can have an educational effect, informing stakeholders about what is generally accepted as good practice. The ends are achieved by education, persuasion and voluntary compliance rather than by State coercion. Nonetheless, they have sanctions to encourage compliance. Perhaps most important in the commercial sphere is the threat of bad publicity which can seriously undermine an expensive marketing campaign. The non-compliant trader can also find themselves subject to disciplinary procedures, suspended or excluded from membership. Other members may refuse to trade with them and, more importantly, consumers may boycott their services.

States should encourage trade associations in the tourism sector to adopt ethical codes in respect of environmental protection, cultural respect and fair trade.

5. Downes J, *Tourism Development and the Millennium Development Goals: A Tool to Analyse Tourism Legislation in the Context of the MDG 2015 Targets*, SNV Asia Tourism Knowledge Network.

The UNWTO's influential role can be gauged by its long-term involvement in policy development, evidenced through its wide ranging evaluation of sustainable tourism and specific themes within the area and its range of reports and conferences on the subject area (see Box 3.4). This illustrates the extensive knowledge and research base accumulated and disseminated by UNWTO through its publications, providing a vital synthesis and starting point on key themes as well as accumulating examples of best practice. Such policy work is vital to the long term development of more sustainable forms of tourism, especially at a destination level. This is because there is no uniform adoption or application of sustainable principles at a business level despite governments signing up to Agenda 21 (<http://www.un.org/esa/dsd/agenda21/>) for public sector endorsement and promotion of such principles to tourism and businesses activity. Such principles need to be embedded in more sustainable business practices in the tourism

sector which is still not the norm, so identifying and showcasing examples of best practice is critical to stimulate voluntary interest in such activities.

**Box 3.4 The evolution of international tourism action on sustainable tourism since 1980 by UNWTO and associated reports Programme**

- UNWTO (1980) Manila Declaration on World Tourism
- UNWTO (1985) Tourism Bill of Rights and Tourist Code
- UNWTO/UNEP/UNESCO/EU (1995) Charter for Sustainable Tourism, Lanzarote
- UNWTO (1997) Malé Declaration on Sustainable Tourism Development
- UNEP/UNWTO (1998) Programme of Action for Sustainable Tourism in Small Island Developing States
- WTTC/UNWTO/Earth Council (1995, 1996, 1998) Agenda 21 for the Travel and Tourism Industry, Rio Earth Summit
- UNWTO (1998) Guide for Local Authorities on Developing Sustainable Tourism
- Commission on Sustainable Development (1999) Working Programme for Sustainable Tourism (UNWTO input)
- UNWTO (1999) Global Code of Ethics for Tourism
- UNWTO (1999) Sustainable Tourism and Cultural Heritage
- UNWTO (1999) Tourism at World Cultural Heritage Sites
- UNEP/UNWTO (2000) Principles for the Implementation of Sustainable Tourism
- UNWTO (2000) Sustainable Development of Tourism – A Compilation of Good Practices
- UNWTO (2001) Sustainable Development of Ecotourism – A Compilation of Good Practices
- UNWTO (2001) The Incidence and Sexual Exploitation of Children in Tourism
- UNWTO (2002) Hainan Declaration – Sustainable Tourism in the Islands of the Asia-Pacific Regions
- UNWTO (2002) Voluntary Initiatives for Sustainable Tourism
- UNWTO (2002) Sustainable Tourism in Protected Areas – Guidelines for Planning and Management
- UNWTO (2002) Tourism and Poverty Alleviation
- UNWTO (2002) World Ecotourism Summit – Final Report
- UNWTO (2003) Climate Change and Tourism
- UNWTO (2003) Sustainable Development of Ecotourism – A Compilation of Good Practices in SMEs
- UNWTO (2004) Making Tourism Work in Small Island Developing States
- UNWTO (2004) Indicators of Sustainable Development for Tourism Destinations: A Guidebook (including guidelines for local authorities, ecotourism, protected areas, SMEs and the built environment)
- UNWTO (2004) Tourism Congestion Management at Natural and Cultural Sites
- UNWTO/UNEP (2005) Making Tourism More Sustainable: A Guide for Policy-Makers
- UNWTO (2005) Muscat Declaration on Built Environment for Sustainable Tourism
- UNWTO (2005) Making Tourism more Sustainable
- UNWTO (2005) Tourism's Potential as a Development Strategy
- UNWTO (2006) Sustainable Development of Tourism Destination in Deserts – Guidelines for Decision-Makers
- UNWTO (2007) Sustainable Development of Tourism in Central and Eastern Europe
- UNWTO (2007) From Davos to Bali A Tourism Contribution to the Challenge of Climate Change
- UNWTO (2008) Tourism and Community Development – Asian Perspectives
- UNWTO (2008) Climate Change and Tourism – Responding to Global Challenges
- UNWTO (2009) Davos to Copenhagen Advancing Tourism's Response to Climate Change
- UNWTO (2010) Tourism and Biodiversity – Achieving Common Goals Towards Sustainability Tourism and Biodiversity



## 3.5 Global sustainable tourism criteria

The following commentary has been provided by the Tourism Sustainability Council. The commentary looks in detail at the work of the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership) and its role in mainstreaming sustainability into tourism operations.

*Commentary from Erika Harms, Executive Director, Global Sustainable Tourism Council Partnership for Global Sustainable Tourism Criteria (GSTC Partnership)*

### Standardizing language for the tourism industry

Many stakeholders in the field of tourism have articulated an important challenge – the lack of commonly understood and supported criteria in the tourism marketplace. This has posed a risk for mainstreaming sustainability practices in tourism on a global scale. Without a common language for sustainable tourism there has been fragmentation in the marketplace, resulting in supplier and consumer confusion. In some cases “greenwashing” (making false claims about environmental or social performance) has been used to cover poor performance.

To overcome this challenge, the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership) was created to remove a significant market blockage in mainstreaming sustainability best practices in tourism. Launched in 2008, the GSTC Partnership is a coalition of more than 50 organizations working together to foster increased understanding of sustainable tourism practices and the adoption of universal sustainable tourism principles. The Partnership was initiated by the **Rainforest Alliance, the United Nations Environment Programme (UNEP), the United Nations Foundation, and the United Nations World Tourism Organization (UNWTO).**

To develop these criteria the partnership



consulted widely and reviewed more than 60 existing certification and voluntary sets of existing criteria. The tourism industry including businesses, governments, NGOs, certification programs and others worldwide are now using the criteria as a baseline to set up sustainability programs in tourism.

### Accreditation of Sustainable Tourism Certification Program

One way of rewarding the businesses that truly comply with these goals consists in providing them with credible external recognition. Certification is one of the most effective tools for ensuring true sustainability, and the process to obtain it can teach businesses about better or exemplary practices. Even if the business never gets certified, the certification standard serves as an excellent guideline for best practices.

In 2002 the Sustainable Tourism Stewardship Council (STSC) envisioned the development

of a mechanism to accredit certifying bodies or certification programs based on their performance to help ensure that certification is conducted in an objective and transparent manner. Through accreditation, certification programs would be able to demonstrate their capacity to undertake certification and, thus, build credibility with both consumers and businesses.

In 2009, the STSC agreed to use the GSTC as a baseline for the accreditation standard aligning to a globally accepted and endorsed baseline standard. In the same year the GSTC Partnership merged with a sister initiative –the Sustainable Tourism Stewardship Council (STSC) – to form the Global Sustainable Tourism Council (GSTC). This is a global initiative dedicated to promoting sustainable tourism practices around the world, and is a membership based organization serving as the international body for promoting increased knowledge, understanding and adoption of sustainable tourism practices.

The Global Sustainable Tourism Council focuses on providing business to business solutions that will result in greater market access for tourism businesses that align themselves with the criteria and will work to encourage travel agents, tour operators, distribution systems, and others to better market businesses certified by a GSTC accredited program. The main goal is to create demand for sustainable product and to influence consumer demand and increase general trust in sustainable certification.

Following the completion of the accreditation program, the market access working group will continue to focus on developing markets in such a way that certification groups, businesses and travellers alike can gain confidence and clarity on sustainable tourism offerings.

[www.sustainabletourismcriteria.org](http://www.sustainabletourismcriteria.org)

### 3.6 Social and cultural impacts: understanding the value of tourism in communities

As the development of tourism affects more communities around the world, the social dimension of sustainability has assumed a growing significance for a number of reasons:

- Human communities and their associated culture are major attractors of tourism and the long-term sustainability of these resources needs to be managed so it does not erode their very attributes. This is especially relevant to the case of indigenous tourism where the culture of the people is the attractor for visitors.
- The sustainability of communities and their dependence upon tourism has to be recognised and balanced with local needs and wishes.
- Community attitudes and views need to be understood and accommodated in local plans and developments which impact upon the local community. This can be highly problematic as within any community there will be a wide range of opinions and stakeholders with different attitudes and stances on tourism.
- Tourism can, if managed sustainably and sensitively, offer communities an opportunity to support



themselves. This may develop the knowledge base and local skill base to empower communities to take control of their own future.



Much of the debate on the impact of tourism on communities is associated with the modernising effect which it can bring and the likely socio-cultural transformations it can lead to in these communities. In some cases the interaction between visitor and host communities can dilute or destroy traditional cultures. Conversely, these encounters can also bring opportunities for greater understanding and learning. Although it is difficult to generalise, socio-cultural impacts will typically depend upon the degree of cultural similarity or dissimilarity between the two groups as well as the following dimensions:

- The type and numbers of visitors to the community. A general rule of thumb is that the greater the number of visitors the higher the impact although this is not necessarily always the case as it depends on how the visitors integrate with the local community.
- The importance of tourism to the community, especially the level of dependence on this activity.
- The size, scale and pace of development, as a fast growing tourism sector will bring with it considerable levels of change for the community.

Added to these factors are:

- The nature of the host-guest contact.
- Community attitudes towards tourism which will be affected by the type of contacts that occur between visitors.
- Residents and the community's levels of tolerance towards tourism.

Many developing countries have embraced tourism as a route to economic development, especially at a community level where poverty alleviation is the main driver of such strategies (see Chapter 4). One of the main tenets of planning measures advocated in tourism since the 1980s has been a bottom-up approach to tourism development in small communities, identified as community-based tourism. This approach runs parallel to developments in planning focused on community participation in planning. More recently, as Chapter 4 shows, developments in this area have been refocused around new concepts such as Community Benefit Tourism Initiatives and Pro-Poor Tourism to create local economic benefits for communities while giving the community control over the future development of tourism. Here the critical role of Non-Government Organizations and the ability to build the local capabilities in the community have been key factors in pursuit of a sustainable development strategy. One area frequently cited as enabling local communities to develop and control tourism is ecotourism. Table 3.1 outlines the pros and cons of ecotourism as a tool to empower local communities, while Case Study 3.1 below demonstrates a successful mechanism for local communities to benefit from and successfully manage wildlife resources.

**Table 3.1 Framework for determining the impacts of ecotourism initiatives on local communities**

Impact	Signs of empowerment	Signs of disempowerment
Economic empowerment	Ecotourism brings lasting economic gains to a local community. Cash earned is shared between many households in the community.	Ecotourism merely results in small, spasmodic cash gains for a local community. Most profits go to local elites, outside operators, government agencies, etc. Gain not evenly spread because some lack capital and/or appropriate skills.
Psychological empowerment	For some, self-esteem is enhanced because of outside recognition of the uniqueness and value of their culture, their natural resources and their traditional knowledge. This leads to increased confidence in seeking education and subsequent access to employment.	Many people have not shared in the benefits of ecotourism, yet they may face hardships because of reduced access to the resources of a protected area.
Social empowerment	Community cohesion is improved as individuals and families work together to build a successful ecotourism venture. Some funds raised are used for community development purposes, e.g. to build schools or improve roads.	Many in the community take on outside values and lose respect for traditional culture and for elders. Can cause resentment and jealousy as individuals, families, ethnic or socio-economic groups compete.
Political empowerment	The community's political structure, which fairly represents the needs and interests of all community groups, provides a forum through which people can raise questions relating to the ecotourism venture and have their concerns dealt with.	The community has an autocratic and/or self-interested leadership. Agencies initiating or implementing the ecotourism venture treat communities as passive beneficiaries, failing to involve them in decision-making.

Source: From Scheyvens (1999: 247) © Elsevier

**Case Study 3.1 Namibia's Communal Conservancy Tourism Sector (NASCO)**

A community conservancy is a legal, formally defined area with exclusive rights to wildlife management and utilisation. The community conservancies do not actually own the wildlife but they are entitled to benefit from wildlife-related enterprises such as tourism and game hunting. The 1996 Wildlife Management, Utilization and Tourism in Communal Lands Act was set up to help reform the residual colonial land tenure system and provides the legal framework for this success story.

What is particularly admirable is that any Namibian who meets the basic 5 years local residence and 18 year age criteria can become a member of their local conservancy. In this sense it promotes equality regardless of gender, tribe, or political affiliation. NACSO is a pro-active, highly energised umbrella organization that ensures tourism, conservation and community development happen in harmony. In addition, NACSO also intervenes in human-wildlife conflict situations encouraging the development of compensation/ offsetting schemes managed by conservancies for farmers/ herdsman whose livestock has been killed by wildlife.

All levels of people ranging from lodge managers to employees, to Himba and Herero tribe members living in semi nomadic conditions in micro communities benefit directly (through employment, servicing the tourism industry or selling artefacts to tourists) and indirectly through semi-formal arrangements including water drop off, medication, transport, and community contribution. These conservancies are an embedded part of Namibia's poverty reduction programme, a way of preserving protecting and sustainably exploiting biodiversity, a way of democratically distributing funds and fees from tourism to the local community and a global example of the very best that international tourism has to offer in terms of local benefit.



The private sector has risen to the challenge and has helped create the healthy, mutually beneficial relationships between communities and tourism firms. NACSO coordinates the activities of some 14 groups, holds regular board meetings and communicates to all members. In many cases, tourist lodges within the conservancy become the first port of call for medical emergency transport and communications. Tourism firms within conservancies also help with one-off projects such as making bore-hole wells.

The Act creates a positive environment which places communities at the centre. What is unusual, is that the conservancies are 'rights-based' rather than 'resource based'. It places emphasis on rights linked to responsibilities (including the responsibility to manage wildlife in a sustainable manner. Outside investment flows in and, over a set period of time (typically twenty years or so), ownership of the asset transfers, along with knowledge through a programme of capacity building, to local communities who have the choice of taking on the tourism business or extending the lease. In the meantime, the community has received a range of tangible, intangible and in-kind benefits.

The 50+ (with more in the pipeline) rural Namibian communities collectively involve more than 250,00 people and over 12 million hectares. This means that one in four rural Namibians is a member of a conservancy. A further seven conservancies are contributing to their own operational and staff costs.

Source: University of Brighton

[www.brighton.ac.uk](http://www.brighton.ac.uk)



## 3.7 Nature based attractions and ecotourism

### 3.7.1 Environmental dimensions of sustainability

It is widely accepted that tourism is an environment-dependent activity, and there has been a considerable interest in the relationship between tourism development and its effect on the natural and man-made environment.

*"In the 1950s it was viewed as being one of coexistence...However, with the advent of mass tourism in the 1960s, increasing pressure was put on natural areas for tourism developments. Together with the growing environmental awareness and concerns of the early 1970s, the relationship was perceived to be in conflict. During the next decade this view was endorsed by many others...at the same time a new suggestion was emerging that the relationship could be beneficial to both tourism and the environment"* (Dowling, 1992: 33).

The environmental impacts of tourism are arguably the most contentious area in relation to sustainability. These are normally associated with the land, air and water – based resources and appear as: noise impacts, visual impacts from development (e.g. high rise hotel development), transport-related congestion and atmospheric emissions (i.e. carbon-based emissions) and solid and effluent waste discharges. Yet the destination environment is arguably one of the main attractors of tourism and is the resource base upon which tourism depends.



Tourism development leads to land use change (e.g. through infrastructure development such as airport growth); energy consumption (being a major consumer of energy); and impacts on wildlife. However, it is problematic to determine how much change in the natural environment is directly a result of tourism and how much relates to other factors such as natural environmental change and the effect of residents.

In addition broader environmental impacts are arising, in particular the expansion of international air travel and emissions of greenhouse gases and global warming and climate change. Management of natural environments that attract visitors may need public sector interventions to plan and manage the visitor population. The precise nature of tourism impacts of the environment and their subsequent management will vary according to the type of environment. For example a marine environment will require different management to an inland environment. The visitor management techniques available to managers of nature based attractions are outlined in Box 3.5.

### Box 3.5 Visitor management techniques for nature based attractions

The visitor management techniques available to managers of natural resources include:

- Regulating access by area (e.g. zoning)
- Regulating access by transport (e.g. only pedestrian/foot access)
- Regulating visitor numbers by group and size (e.g. Antarctica)
- Regulating visitation by visitor type (e.g. through pricing)
- Regulating visitor behaviour (e.g. codes of conduct);
- Regulating equipment (e.g. banning certain types of leisure activity)
- Implementing entry or user fees
- Modifying the site
- Undertaking market research
- Undertaking visitor monitoring and research
- Undertaking promotional marketing (i.e. to advertise alternative destinations not under pressure)
- Providing interpretation programmes and facilities
- Encouraging operators to seek alternative resources
- Concentrating on allowing accredited organizations to bring visitors to the site.

**Source: Hall and McArthur (1993)**

There are numerous congestion strategies focussing on managing demand at both destination and specific sites. These are outlined in detail in the UNWTO publication, *Tourism Congestion Management at Natural and Cultural Sites*, (2004a). While the UNWTO (2002a) publication *Sustainable Tourism in Protected Areas – Guidelines for Planning and Management* provides a theoretical structure and practical guidelines for managers, its underlying aim is to ensure that tourism contributes to the purposes of protected areas and does not undermine them.

Case Study 3.2 demonstrates how natural resources have been managed through visitor centres, using the example of Large Protected Areas in Germany.

**Case Study 3.2 Visitor management for Large Protected Areas in Germany**

Natural recreational areas in Germany are divided into three different concepts:

- National parks are for the preservation of representative natural landscapes for the protection of the biodiversity and allowing natural processes to take place without human influences.
- Biosphere reserves aim at a stricter goal in nature protection and are accompanied by monitoring studies. Usage by people is not excluded, though the goal is to establish a cultural landscape in which human economic activities take place in harmony with nature.
- Nature parks are especially suitable for recreational means. Mostly these are diverse cultural landscapes of great aesthetical attraction, created by the interaction of human actions with nature. They fulfil a double task by providing recreational needs and providing protection for nature.

Increasing visitor numbers to natural areas have created problems for preservation, including traffic, pedestrian congestion, and excessive noise levels resulting from uncontrolled tourism development in such areas. The appropriate design of tourism facilities also had to be considered.

The development of visitor information centres and information management in particular is seen as a master strategy for visitor management. The visitor centres:

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The development of visitor information centres and information management in particular is seen as a master strategy for visitor management. The visitor centres:

- Focus on education and transfer of knowledge as a means of creation of awareness for nature.
- Employ standard methods such as exhibitions accompanied by special events.
- Also offer movies, multi-media applications, libraries, restaurants, cafeterias and shops with regional products are used to attract visitors.
- May include animal parks, gardens or playgrounds to increase visitor interest.
- Are starting points for guided tours.

In most cases, the location of the management (forestry, hunting, administration) of the nature park is situated in these centres and most are situated centrally within the protected area and have good access to road or railway infrastructure. From these central points, visitor flows can be controlled leading to an even distribution over the area. This is important for specific carrying capacity strategies of certain areas within the parks and for the concept of 'zoning'.

Of high importance within the nature parks is public information. Signs along the trails, additional workshops in 'green lecture halls' (outdoor seminars in nature) and special workshops offered for teachers contribute to making the visitor aware of the need to preserve the natural resources.

Source: International University of Applied Sciences, Germany

[www.fh-bad-honnef.de](http://www.fh-bad-honnef.de)

### 3.7.2 The positive value of ecotourism

Different tourism activities will have differing impacts on the environment and there are also examples where tourism may have a beneficial impact on the environment such as in the case of ecotourism. The following example (Case Study 3.3) has been provided by the International Ecotourism Society and demonstrates some of the positive outcomes of ecotourism.

#### Case Study 3.3 Positive outcomes from ecotourism

The following case study has been provided by the International Ecotourism Society (TIES), a non-profit organization dedicated to promoting ecotourism. TIES has been in the forefront of the development of ecotourism, providing guidelines and standards, training, technical assistance, research and publications. TIES' global network of ecotourism professionals and travellers is working to make tourism a viable tool for conservation, protection of bio-cultural diversity, and sustainable community development.

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The protection of biodiversity is among the most important and well-recognized (in part as a result of awareness-raising efforts such as the 2010 International Year of Biodiversity) aspects of the benefits of ecotourism. Over the years, the tourism industry has witnessed various positive examples that demonstrate that ecotourism can be an effective tool for successful conservation initiatives and sustainable community development approaches.

The most telling of these examples are those in which ecotourism replaces local community members' financial reliance on environmentally harmful activities such as illegal hunting of wildlife. The following are a couple of "poacher-turned-nature-guide" examples<sup>6</sup> where ecotourism directly benefits both conservation and community empowerment.

#### Grass Routes Journeys, India

Historically, residents of Mangalajodi village posed a threat to local bird life since many families turned to the lucrative poaching trade. Through the development of local conservation organization and partnerships with the tourism industry, former poachers – with an intricate knowledge of bird habitats, breeding cycles and migration patterns – have successfully utilized their knowledge and skills for conservation.

#### Andaman Discoveries, Thailand

In the village of Ton Kloy, North Andaman, Thailand, local villagers have tackled wildlife conservation challenges by educating former hunters of the long-term economic value that thriving wildlife can bring to the community through tourism. *"Going to hunt a deer we can feed only five or six persons, but if we keep a deer everyone can come and see it for a long time."*

6. Examples from The International Ecotourism Society's "Your Travel Choice Blog" <http://www.yourtravelchoice.org>

Source: International Ecotourism Society

[www.ecotourism.org](http://www.ecotourism.org)

Ecotourism also requires regulation, and Case Study 3.4 illustrates the approach taken by Ecotourism Kenya to promote certified ecotourism and sustainable tourism practices in Kenya.

**Case Study 3.4 Ecotourism Kenya's Eco-rating scheme**

Ecotourism Kenya is a civil society organization that was founded in 1996 to promote ecotourism and sustainable tourism practices in Kenya. Founded with enormous industry support, the society was charged with the responsibility of providing the required support for the development of ecotourism and sustainable tourism in the country.

Ecotourism Kenya manages a scheme that certifies tourist accommodation facilities in Kenya. The Eco-rating Scheme is an initiative of the Kenyan tourism industry that is designed to further the goals of sustainable tourism by recognizing efforts aimed at promoting environmental, social and economic values. Eco-rating is a systematic approach for verifying a tourism organizations performance when evaluated against an agreed suite of criteria.

The scheme is voluntary; any hotel, lodge, camp, bush home or banda can participate. Being awarded a label under the scheme is confirmation that the facility has invested time, money and other resources in betterment of the environment, resource use and the welfare of local communities.

To participate, facilities undertake a self-assessment by completing the questionnaire and returning it with all supporting documents to the scheme secretariat at Ecotourism Kenya. The secretariat undertakes a preliminary evaluation of the questionnaire to ensure that all requirements for application have been met. It then convenes a meeting of the eco-rating committee (an independent evaluation team), who review the applications to verify compliance with criteria and make recommendations for certification as necessary. This committee has representation from a broad cross-section of institutions, both private and public as well as leading personalities in conservation and tourism, and is re-constituted every two years.

Source: Ecotourism Kenya

[www.ecotourismkenya.org](http://www.ecotourismkenya.org)

**3.7.3 UNWTO and ecotourism**

2002 was designated by the UN as International Ecotourism Year and a considerable body of research was developed by UNWTO in the form of conferences and reports. UNWTO (2002b) also set out its Quebec Declaration on Ecotourism designed to feed into the World Summit on Sustainable Development (WSSD) and to guide public and private sector organizations on their contribution to the sustainable development of tourism. UNWTO produced a series of profiles of ecotourism markets and products relating to different countries such as Canada, France, Germany, Spain and Italy as part of a globally expanding market. These detailed reports highlighted ecotourism's significance as a specific niche market offering destinations the potential to develop specific products and experiences that could assist in nature conservation.

Box 3.6 derived from UNWTO (2002c) *Sustainable Development in Ecotourism: A Compilation of Good Practices* highlights the critical relationship between ecotourism, environmental conservation and community development. This was also followed up in the subsequent UNWTO (2003a) review of *Sustainable Development of Ecotourism: A Compilation of Good Practices in SMEs* which reviewed 65 case studies, where 25 were funded by private investment, 29 by donor organizations and 11 by mixed investment sources.

**Box 3.6 Objectives of sustainable ecotourism projects****Conservation**

- Preservation of biodiversity and natural habitats.
- Conservation of the natural, cultural and built environment (in more than 50% of the cases this was the prime motivation for the initiation of the project).
- Deterring local communities from illegal use and overuse of natural resources.

- Integration of protected natural areas and conservation objectives in regional and local development plans and programmes.

#### Local communities

- Raising awareness in local communities of the potential benefits and impacts of ecotourism
- Enhancing the pride local communities take in their natural and cultural resources, thus encouraging their conservation.
- Empowering local communities in decision making relative to the development and management of ecotourism areas.
- Generating direct and indirect benefits for communities (income and social benefits).
- Enhancing the geographic and social distribution of economic benefits from tourism.
- Providing alternative job opportunities.
- Developing the business and management skills of local operators and service providers.
- Creating local ecotourism enterprises that are financially viable and aware of environmental protection problems.
- Economic and social revitalization of rural communities by creating new job opportunities, especially for women.
- Enhancing cooperation between all the stakeholders involved in the project at local, regional and national level (public and private sectors, NGOs and communities).
- Tourism development.
- Diversification of the tourism offer by developing ecotourism products and attracting special interest clientele.
- Diversification of the ecotourism product by including features of traditional culture and rural lifestyles of local communities.
- Decreasing seasonality of tourism.
- Developing adequate and environmentally sound ecotourism facilities at natural attractions.
- Enhancing ecotourism product marketing. In general, the strategies followed in most cases are designed to:
  1. Develop institutional frameworks, legislative and regulatory instruments that favour conservation and ensure community benefits from ecotourism
  2. Set up planning and management frameworks for the operation and monitoring of ecotourism programmes and sites
  3. Provide financial incentives and technical support for conservation organizations managing natural areas and local stakeholders involved in ecotourism development
  4. Facilitate the active participation of local communities in ecotourism planning and management processes
  5. Provide capacity building and training programmes and activities for local decision makers (public authorities, private entrepreneurs and community members)
  6. Set up extension and advisory services
  7. Create mechanisms to enhance communications and cooperation between actors from different sectors
  8. Conduct environmental education programmes for local communities and tourists
  9. Introduce new technologies and techniques in natural resource management
  10. Develop marketing and promotion activities to enhance the economic viability of ecotourism projects (e.g. through government support for promotion, cooperation with national and international tour operators, the establishment of regional networks of ecotourism attractions, operators and service providers, reservation systems, etc.).

Source: UNWTO (2002c)



## 3.8 Tourism and biodiversity

UNWTO has long recognized biodiversity as an important issue:

- UNWTO and the Secretariat of the Convention on Biological Diversity have been collaborating since the International Year on Ecotourism in 2002 and in 2006, UNWTO established the Consulting Unit on Tourism and Biodiversity (see Box 3.7).
- UNWTO participated in the tenth meeting of the Conference of the Parties (COP 10) to the Conference on Biological Diversity (CBD) in Nagoya, Japan in October 2010, to raise awareness of the importance of biodiversity for the sustainable development of tourism.
- To coincide with the UN International Year of Biodiversity, “Tourism and Biodiversity” has been selected as the theme for World Tourism Day 2010.

### Box 3.7 UNWTO Consulting Unit on Tourism and Biodiversity



In 2006, UNWTO, with the support of the Federal Government of Germany established the Consulting Unit on Tourism and Biodiversity for Tsunami Affected Countries, based in the UN premises in Bonn, Germany. The initial goal of this Unit was to provide expertise and advisory support to national and local governments of the countries hit by the tsunami in 2004 (in order to assist in redeveloping their tourist infrastructure). In January 2010, the German Government agreed to continue this cooperation by establishing the UNWTO Unit on Tourism and Biodiversity in a special funding agreement till the end of 2011. The mandate of the Unit has been widened to offer advising services to UNWTO members on issues of tourism and biodiversity upon their request, under the overall guidance and supervision from the UNWTO Secretariat.

The main tasks of the UNWTO Consulting Unit are:

- To provide support to UNWTO Member States on biodiversity-based sustainable tourism, participatory tourism planning, and connecting biodiversity-based tourism to overall economic development.
- To support the development of biodiversity-related sustainable tourism products by local stakeholders.
- To assist UNWTO Member States in finding new funding opportunities for biodiversity-related tourism development projects.
- To highlight the linkages of biodiversity and tourism.
- To raise awareness on the role of biodiversity in adaptation of tourism to climate change.
- To apply the Guidelines on Biodiversity and Tourism Development of the Conference on Biological Diversity (CBD) for planning processes in tourism destinations, and demonstrate how this approach can be applied by destinations for management of tourism and biodiversity.
- To develop management, communication and participation tools, as well as training and capacity building for enabling local people to participate in and benefit from tourism projects related to biodiversity.
- To contribute to the formulation and implementation of UNWTO’s activities for the post – 2010 biodiversity targets of the Convention on Biological Diversity.

Source: UNWTO (2010e)

UNWTO is also contributing to the UN inter-agency Environmental Management Group (EMG) report on advancing the biodiversity agenda within the UN system, which also links with preparation of the CBD’s

Strategic Plan for 2011-2020. The EMG report will contribute to formulation the post 2010 biodiversity targets. The report will also:

- Provide information about the interactions of other policy sectors of the UN system with biodiversity;
- Create awareness in the UN system about the CBD process; and
- Identify how collaboration in the UN system can be furthered in support of the advancement of the biodiversity agenda.

For further information on biodiversity please see UNWTO (2010e) *Tourism and Biodiversity – Achieving Common Goals Towards Sustainability*.

## 3.9 Climate change and global warming



### 3.9.1 Key issues

Probably the most serious problem facing policy makers and the global tourism sector in relation to sustainability is climate change and global warming. There is a growing body of scientific evidence that suggest that man's influence on the world's climate has combined with underlying changes to affect the atmosphere, most notably by the volume of greenhouse gases emitted from human activities. This is contributing to the warming of the planet's atmosphere. Tourism contributes part of those emissions which are estimated to have increased by 70% between 1970 and 2004. The most notable changes have occurred in the volume of carbon dioxide which is over three quarters of man-made emissions, fuelled by the pursuit of economic development. Such development has increased the demand for energy which in turn has led to a rise in carbon dioxide emissions. Transport consumes a significant proportion of global energy demand and thereby contributes an increasing proportion of emissions. Tourist mobility is a component of this transport-related problem of emissions, contributing to about 5% of all carbon dioxide emissions, with 75% resulting from tourist mobility and 25% due to on-site consumption (UNWTO-UNEP-WMO, 2008). This problem of energy use is likely to be intensified by the continued growth of tourism which is forecast to expand to 2020, often in excess of rates of GDP growth (see Chapter 11). The UNWTO has undertaken an important leadership role to further research climate change and tourism.

The 2003 UNWTO Djerba Declaration on Tourism and Climate Change recognized the complex interlinkages between the tourism sector and climate change and established a framework for future research and policy making on adaptation and mitigation (UNWTO, 2003b).

In October 2007, the UNWTO convened the Second International Conference on Climate Change and Tourism. The conference agreed that:

- Climate is a key resource for tourism and the sector is highly sensitive to the impacts of climate change and global warming, many elements of which are already being felt.
- Tourism – business and leisure – will continue to be a vital component of the global economy, an important contributor to the Millennium Development Goals and an integral, positive element in our society.
- Given tourism's importance in the global challenges of climate change and poverty reduction, there is a need to urgently adopt a range of policies which encourages truly sustainable tourism that



reflects a “quadruple bottom line” of environmental, social, economic and climate responsiveness.

- The tourism sector must rapidly respond to climate change, within the evolving UN framework and progressively reduce its Greenhouse Gas (GHG) contribution if it is to grow in a sustainable manner.

This will require action to:

1. Mitigate its GHG emissions, derived especially from transport and accommodation activities
2. Adapt tourism businesses and destinations to changing climate conditions
3. Apply existing and new technology to improve energy efficiency
4. Secure financial resources to help poor regions and countries.

One of the most influential studies in this area is the UNWTO-UNEP-WMO (2008) study, summarised in Box 3.8, which illustrates how the global environmental problems associated with climate change may affect future patterns and flows of tourism.

**Box 3.8 The UNWTO-UNEP-WMO (2008) climate change and tourism: responding to global challenges study**

Climate change is a reality for the tourism sector. Its effects and potential impact on tourism are a key feature of any debate on sustainability. Tourism may need to make significant changes in its response to human activity (i.e. adaptation) as well as proactive measures to offset future effects (i.e. mitigation) and consequences of climate change. The extensive and very detailed report by UNWTO pointed to the fact that ‘in 2005 transport generated the largest proportion of CO<sub>2</sub> emissions (75%) from global tourism, with approximately 40% of the total being caused by air transport alone’.

The consequences of climate change are influencing the three key elements that impact upon tourist decision-making – climate, the natural environment, and personal safety – and are being considered by a range of tourism stakeholders (e.g., investors, insurance companies, tourism enterprises, governments, and tourists). However, studies that have examined the climate change risk appraisal of local tourism officials and operators have consistently found relatively low levels of concern and little evidence of long-term strategic planning in anticipation of future changes in climate (UNWTO-UNEP-WMO, 2008: 30) although businesses may be over estimating their adaptive capacity.

From the tourists’ perspective, their adaptive responses to changes such as increased temperatures from global warming in peak seasons will lead to a reshaping of demand patterns and product choices. Inevitably climate change will pose new environmental constraints on the operation and feasibility of tourism business activity. The key question is how the expected growth in tourism to 2020 (see Chapter 11) will be reconciled with these



environmental changes to the destinations and regions which tourists visit. The future changes to tourism businesses will also hinge upon the adaptation and mitigation strategies which tourism adopts given its highly energy consumptive operation (see energy issues also later in this chapter).

### Adaptation and Mitigation

UNWTO-UNEP-WMO (2008) sets out four principal mitigation strategies for addressing greenhouse gas emissions from tourism:

- Reducing energy use.
- Improving energy efficiency.
- Increasing the use of renewable energy.
- Sequestering carbon through sinks (i.e. trapping and burying underground).

Of these four strategies, the UNWTO-UNEP-WMO (2008) noted that energy use and its reduction was the most effective area of action. At a destination level this will focus on how the different strategies are combined to develop effective adaptation responses as the following example of coastal and island destinations illustrates (Case Study 3.5).

#### Case Study 3.5 Adaptation responses to climate change in coastal and island destinations

Beach tourism remains the dominating market segment, constituting a key part of the economy of most Small Islands Developing States (SIDS) and developing countries. Coastal and island destinations are highly vulnerable to direct and indirect impacts of climate change (such as storms and extreme climatic events, coastal erosion, physical damage to infrastructure, sea level rise, flooding, water shortages and water contamination), given that most infrastructure is located within short distance of the shoreline. This high vulnerability often couples with a low adaptive capacity, especially in SIDS and coastal destinations of developing countries.

The strong seasonality of beach tourism has to be taken into consideration, as it can be exacerbated by climate change. In many beach destinations the high tourist season coincides with low water regimes in dry seasons, aggravating water management and environmental issues. The impacts of climate change and global warming will vary greatly in the different coastal regions, and might bring opportunities as well. For example, in traditional summer, beach destinations (like the Mediterranean) the shoulder seasons might lengthen, and winter season might be more appealing to tourists, providing opportunities to reduce seasonality and expand the tourism product. Northern coastal areas might benefit from warmer summers, attracting more tourists and lengthening the summer season.

Recommended adaptation and mitigation measures:

- 'Soft' coastal protection to prevent erosion (e.g., reforestation of mangroves, reef protection).
- Enhanced design, siting standards and planning guidelines for tourism establishments.
- Integrate climate change factors into regulatory frameworks for tourism development, such as Environmental Impact Assessment for tourism infrastructure and establishments.
- Implementation of tourism development plans within the framework of Integrated Coastal Zone Management (ICZM) processes and spatial planning such as zoning; shade provision and crop diversification.
- Reduce tourism pressures on coral reefs.
- Water conservation techniques, such as rainwater storage, the use of water-saving devices, or waste-water recycling.
- Diversification of the tourism product to less-climate dependent and seasonal activities, such as ecotourism.
- Education/awareness raising among tourism businesses and their staff, as well as tourists.
- Awareness and preparedness to face extreme climatic events and disasters at the national and local levels through improved coordination between disaster management offices, tourism administrations, businesses and host communities.
- Improved provision of climatic information to the tourism sector through cooperation with national meteorological services.
- Insurance cover (or alternative schemes) for the recovery of infrastructural and other damage.

- Drainage and watershed management to reduce flood and erosion risks.
- Support protected area management, and other means of the conservation of coastal ecosystems in order to enhance their resilience.
- Climate change adaptation can only be implemented effectively in an integrated policy framework where there is coordination between agencies to allow mainstreaming of climate change and sustainable development which are essential in coastal zones and islands. This is even more significant given that many coastal destinations and most SIDS depend on long-haul flights for their tourism-driven economies.

**Source: UNWTO-UNEP-WMO (2008: 7)**

It is not an easy task to assess the overwhelming effects of climate change on a destination by destination case but the UNWTO-UNEP-WMO (2008) study did suggest that climate change would have a major impact on the competitive position of destinations and the individual profitability of enterprises. However, the following overview provided in the UNWTO report illustrates some of the issues for destinations to think about:

*“As a result, the competitive position of some popular holiday areas are anticipated to decline (e.g., the Mediterranean in summer), whereas other areas (e.g., southern England or southern Canada) are expected to improve. Uncertainties related to tourist climate preference and destination loyalty require attention if the implications for the geographic and seasonal redistribution of visitor flows are to be projected. There are well established vulnerabilities among winter sports destinations to projected declines in natural snowfall. Even with increased snow-making, contractions in the ski industry are very likely in the European Alps, Eastern and Western North America, Australia, and Japan” (UNWTO-UNEP-WMO, 2008: 28).*

### **3.9.2 Transport and infrastructure: The challenge of developing capacity amid tools to manage carbon emissions and a future without oil**

Global organizations charged with the monitoring and analysis of climate change (such as the Intergovernmental Panel on Climate Change (IPCC)) have forecast that between 2002 and 2030 transport-related carbon dioxide emissions will rise by up to 80%. Add to this the insatiable global demand for travel and the psychological attachment in modern societies to the car as a form of personal mobility for leisure, then making changes to human mobility related to leisure and tourism is going to be hugely challenging. The dichotomy exists between what organizations such as the IPCC advocate as necessary emission reductions of 50-80% by 2050 and the rising significance of the tourism sector as a contributor to global emissions. Whilst global agreements such as the Kyoto Protocol set out targets for cutting emissions, the transport and tourism sector continues to experience and forecast global growth. This will present a major challenge for the long-term sustainability of tourism, since our existing modes and patterns of travel will need to change to achieve any downward shift in emissions.

Even when we factor in potential growth in more fuel efficient and less polluting modes of travel, these are expected to only contribute a small reduction in emissions. The result is that a radical shift is needed in the use of transport modes, combined with a reduction in the distances involved in trips and a fast introduction of low carbon transport technologies (see Dubois et al, in press). The implications for meeting emission reduction targets in the transport and tourism sector will be a slower rate of growth in air travel, perhaps even a decline. The most radical solutions of shifting domestic tourism to rail networks and a rise in land-based transport (if the infrastructure existed), may lead to exponential growth in these sectors which may pose alternative management issues of congestion and capacity. Ultimately, tourism

in industrialised countries will need to enter a period of slow growth based on the scenarios put forward by Dubois et al to allow for a growth in emissions in developing countries. Probably the only radical solution will be the decarbonisation of the tourism system, assisted by new technology and management of travel, based on individual emission quotas and pricing structures to limit growth. This will require major leaps forward in the technology of transportation to meet expected drops in carbon emissions.



A study of low carbon based land transport in the United Kingdom to 2050 by Bristow et al (2008) offers a number of useful insights in relation to how technological change may be able to assist in this shift to the decarbonisation of the transport system including:

- Efficiency gains in the energy consumption of the combustion engine (which presupposes a longevity in oil supplies which we discuss later).
- Hybridisation of car engines, affecting the purchasing decisions of consumers to encourage them to buy smaller more energy efficient vehicles.
- The introduction of hybrid buses and battery operated vehicles with advances in fuel cell technology.
- The greater use of biofuels.
- Electrification of the rail network which has around 12% savings on energy use compared with conventional diesel operation which can be improved further through regenerative braking that puts energy back into the traction of the train combined with lighter trains.
- Demand restraints through pricing of private and public transport.
- Improved pricing of public transport and improved service levels.
- Soft measures such as workplace transport strategies, car sharing, marketing to reduce car use.
- Policy measures such as allowing the continued increase in petrol prices so as to incentivise and influence vehicle purchasing decisions along with financial measures to effect change.

Similar measures are also emerging in aviation with the European Emission Trading Scheme proposing a greater user pay approach to air travel, despite the obvious criticisms of the arsenal of voluntary measures designed to reduce emissions. Further detail is given in Chapter 11 about future scenarios.

The most obvious and visible problems of these schemes and tools to address emission cuts relate to their implementation through effective policy instruments. Consequently policy is only slowly addressing the growth of carbon emissions as opposed to cutting them (Bristow et al, 2008). Technology is only ever going to be a partial answer, with radical change in the future tourist behaviour and a likely drop in long-haul travel needed as the debates on energy efficiency will suggest. Nevertheless Case Study 3.6 demonstrates the initiatives of Iberia airlines in reducing their CO<sub>2</sub> emissions.

**Case Study 3.6 Iberia, environmental responsibility and lowering CO<sub>2</sub> emissions**

Iberia is Spain's largest air transport group and the fourth largest in Europe and is a founding member of OneWorld, the alliance of airlines which together serve 700 destinations around the globe.

Iberia:

- Contributes to the European SESAR programme (Single European Sky ATM Research Programme), which aims to achieve a modern management system for European airspace, to reduce air traffic congestion in Europe and mitigate its impact on the environment.
- Participates in the European RETACDA Project (Reduction of Emissions in Terminal Areas using Continuous Decent Approach (CDA)) to reduce emissions by using the CDA when landing. This reduces noise by 4-5 decibels and saves between 300 and 480kg of CO<sub>2</sub> per aircraft.
- Has formally expressed interest in participating in the IAGOS research project from 2011 which consists of fitting long-distance aircraft with scientific instruments to analyse the chemical atmospheric composition, assessing air quality.

Source: UNWTO Tourism and the Millennium Development Goals

[www.iberia.com](http://www.iberia.com)

**3.9.3 Cultural resources and climate change**

Cultural resources also need consideration with regards to climate change. According to the UNWTO-UNEP-WMO (2008) publication *Climate Change and Tourism: responding to global challenges*, architectural heritage may be affected by climate change in a number of ways:

- The direct effect of rising sea level on those structures that are near the coast and that may be flooded or damaged by coastal erosion.
- Increased rainfall resulting in rising water tables will have an effect on the foundations or the fabric of buildings.
- The drainage of land areas may be affected, with consequent increases in area flooding, with implications for buildings and accessibility.
- Architectural heritage can also be affected by increased wind speeds, either through damage to roofs, or through increased wind loading on walls. The latter may adversely affect ruined buildings such as monasteries or tower houses, many of which are in exposed locations.

In 2005, the UNESCO World Heritage Centre (WHC) initiated an assessment of the impacts of climate change on World Heritage; the report, containing twenty-six case studies of natural and cultural heritage, was published in 2007. The study found, for example, that buried archaeological evidences could be rapidly lost if the stratigraphic integrity (organization of levels and types) of soils changed due to changes in precipitation levels, permafrost melting and floods.

Though costly, there are a number of possible adaptation strategies for cultural heritage destinations:

- Master plans and response plans: e.g., water supply planning (in drought susceptible destinations), risk assessment and preparedness strategies, and implementation of early warning systems (e.g., flooding).
- Scientific monitoring survey programmes to assess changes and necessary protection.
- Reconstruction and stabilization of historic assets such as architecturally rich buildings and archaeological sites using a combination of traditional materials and skills (to preserve their historic

- aesthetics and attraction), and modern engineering techniques to enhance their longevity.
- Product diversification; for example: opening up new 'micro' destinations and attractions within an adjacent area to an already popular heritage site.
  - Combining traditional materials and skills with modern engineering when reinforcing, stabilizing and renovating historic sites.
  - Education and awareness raising on minimising external stresses; increasing the profile and knowledge base of users and stakeholders of the undermining nature of external stresses to a destination struggling to deal with the impacts of climate change.
  - Reduction or removal of external stresses such as overuse and pollution and in the case of marine resource.

Source: UNESCO-WHC (2007)

### 3.9.4 Climate change: a summary

Table 3.2 provides a useful summary and overview of many of the issues to be examined in subsequent sections and highlights the need for destinations to adapt to the future realities of climate change including the need for greater eco-efficiency and availability of water. One consequence is the importance of public-private partnerships and leadership from organizations such as UNWTO and WTTC to provide direction and a framework for strategic planning to plan for these changes.

To participate, facilities undertake a self-assessment by completing the questionnaire and returning it with all supporting documents to the scheme secretariat at Ecotourism Kenya. The secretariat undertakes a preliminary evaluation of the questionnaire to ensure that all requirements for application have been met. It then convenes a meeting of the eco-rating committee (an independent evaluation team), who review the applications to verify compliance with criteria and make recommendations for certification as necessary. This committee has representation from a broad cross-section of institutions, both private and public as well as leading personalities in conservation and tourism, and is re-constituted every two years.

**Table 3.2 Major climate change impacts and implications for tourism destinations**

Impact	Implications for tourism
Warmer temperatures	Altered seasonality, heat stress for tourists, cooling costs, changes in plant-wildlife-insect populations and distribution, infectious disease ranges
Decreasing snow cover and shrinking glaciers	Lack of snow in winter sport destinations, increased snow-making costs, shorter winter sports seasons, aesthetics of landscape reduced
Increasing frequency and intensity of extreme storms	Risk for tourism facilities, increased insurance costs/loss of insurability, business interruption costs
Reduced precipitation and increased evaporation in some regions	Water shortages, competition over water between tourism and other sectors, desertification, increased wildfires threatening infrastructure and affecting demand
Increased frequency of heavy precipitation in some regions	Flooding damage to historic architectural and cultural assets, damage to tourism infrastructure, altered seasonality
Sea level rise	Coastal erosion, loss of beach area, higher costs to protect and maintain waterfronts
Sea surface temperatures rise	Increased coral bleaching and marine resource and aesthetics degradation in dive and snorkel destinations
Changes in terrestrial and marine biodiversity	Loss of natural attractions and species from destinations, higher risk of diseases in tropical-subtropical countries

Impact	Implications for tourism
More frequent and larger forest fires	Loss of natural attractions; increase of flooding risk; damage to tourism infrastructure
Soil changes (e.g., moisture levels, erosion and acidity)	Loss of archaeological assets and other natural resources, with impacts on destination attractions

Source: UNWTO-UNEP-WMO (2008: 61)

The following commentary from Dr Murray Simpson at Oxford University, underlines the potential challenge of climate change for tourism.

*Commentary from Dr. Murray C. Simpson, Co-Director CARIBSAVE Partnership Senior Research Associate, Oxford University Centre for the Environment: Facing the challenges of climate change*

The Sustainability: Use of Resources for Tourism chapter covers a significant number of inter-related yet also disparate and highly complex issues. There are an increasing number of examples of best practice where operators are trying to make their businesses more sustainable. This commentary will refer to some of these examples.

Reducing energy use, improving energy efficiency, increasing the use of renewable energy and the use of carbon offsetting are just a few examples of how emissions can be reduced or the impact mitigated. However, as recognised, tourism is less favourable in terms of energy-efficiency than many other sectors. In 2005, it was estimated that the accommodation sector accounted for 21 per cent of the carbon dioxide emissions from tourism (UNWTO-UNEP-WMO 2008).

A number of Governments should also be acknowledged and commended for their intention to make their own travel and tourism sectors carbon neutral. For example, Sri Lanka, Norway, Costa Rica and New Zealand are four countries that have made the commitment. Furthermore Caribbean nations are embarking on an Inter-American bank funded project to achieve carbon neutrality for tourism in the region.

Climate change is already having a significant



impact on tourism businesses in coastal regions and small island states due to the impact on vital assets and resources (Simpson et al 2008). Climate change affects the tourism sector directly and also associated sectors such as water, energy, agriculture, biodiversity, health, infrastructure and settlements and comprehensive disaster management. These impacts threaten livelihoods, economies and environments all around the world. This is also true for mountain destinations and winter tourism. For example, in mountain destinations observed decreases in snow cover are projected to continue and, in many cases, to be intensified. However, snow is the most important resource for winter tourism and there is concern over whether it can remain a sustainable sector (Breiling and Charamza 1999). In many areas, artificial snowmaking is already common practice. In fact, all the ski areas in the Ontario region of Canada now have 100 per cent snow-making coverage of skiable terrain (Scott et al 2003). There will

also be an increasing need to stabilise and ensure the stability of mountain cableway stations, lift masts and other buildings should the permafrost continue to melt (Bürki et al 2005). A number of resorts have diversified their business to offer non-winter activities such as mountain biking and hiking.

As highlighted by the winter tourism example and by the impacts seen in small islands and coastal regions, it is not just the sustainability of natural resources that operators have to contend with. Ensuring a business is also economically viable is, of course, extremely important. Whilst snowmaking may enhance the ski season in some resorts, it is hugely expensive and energy intensive and how sustainable it will be in the long term is a significant concern for many. A similar concern would also surround the import of drinking water or the installation of de-salinisation plants in areas suffering from water shortage as a result of the tourism industry.

Our enhanced understanding of how the climate is changing and the impact this will potentially have on the tourism industry has allowed operators and businesses to consider how the sustainability of natural resources can be secured. However, the solutions to reducing greenhouse gas emissions and tackling climate change and the associated impacts are complex. To be successful, more innovative partnerships are required and adaptation of best practice must continue. Mitigating and adapting to climate change is not a choice. It is something that the tourism industry has to deal with if it is to continue as a major economic sector.

[www.caribsavve.org](http://www.caribsavve.org)

### 3.10

## Energy issues and tourism: Addressing the emission challenge in tourism

One of the principal challenges for the tourism sector, as we examine in more detail in Chapter 11 is the future of travel and tourism without oil. The dependence of the tourism sector upon hydrocarbon energy supplies (i.e. oil and gas) has to be viewed against the debate on peak oil and an expected decline in oil and gas supplies after 2020. Whilst the technological solutions advocated to offset this decline may rest in a switch to more renewable energy sources, this would require a huge investment and infrastructure development to replace carbon based technologies. What is evident is that the immediate future will see tourism businesses and operators faced with higher energy costs. To mitigate these there are short-term measures which may help in achieving greater energy efficiency (e.g. minimising use such as energy efficient light bulbs, insulation, reducing travel distances and energy efficient equipment). However, more stark critics of the route towards sustainable tourism development indicate that limiting fossil fuel use is the key to achieving such a goal. Their arguments suggest that a large proportion of tourism activity is unsustainable, particularly the impact of transport as a consumer of fossil fuels. Therefore, by implication, the future growth of tourism will be unsustainable without any changes.







In 2008, UNWTO, working in partnership with a number of international organizations, launched the Hotel Energy Solutions Project. The aim of this highly ambitious, yet potentially exemplar project, is to provide energy efficiency solutions and increase use of renewable energy technologies for the tourism accommodation sector across 27 European Union countries. It is hoped that the solutions can be disseminated more widely.

### 3.10.1 Energy use and eco-efficiency of tourism

The term eco-efficiency is used by Gössling et al (2005) to explain how resource use in tourism can be used to evaluate energy use and economic use. As energy use is the principal contributor of emissions, this tool helps to logically measure and compare the relative efficiency of tourism versus other sectors of the economy and different forms of tourism. Looking at the energy efficiency of the tourism sector, it can be divided into three discrete sectors: transport, accommodation and the activities of visitors at the destination. Case studies 3.7, 3.8 and 3.9 below demonstrate some of the measures being undertaken by accommodation providers to save energy and water.

Globally, there are significant variations in eco-efficiency levels which are often a result of the impact of long-haul travel on the tourists' carbon footprint (Gössling et al, 2005). Tourism is much less favourable in terms of its eco-efficiency compared to other industry sectors, since it is a highly energy and resource-intensive activity (as will be reiterated in the discussion of water issues below). Interestingly, Gössling et al (2005) question the efficacy of pro-poor tourism strategies that are dependent upon the movement of long-haul tourists from western industrialised nations to developing countries. Given the poor eco-efficiency of such tourist flows this is a major challenge to our thinking on sustainability and poverty alleviation. If greenhouse gases are to drop by 80% by 2030 or 2050, we need a major reorientation of tourist travel away from long-haul to more localised and shorter haul destinations. The longer the travelling distances, the less eco-efficient the trip, but this may be offset to a degree by spending longer at the destination with higher expenditures per day. Other issues like long term energy supplies of oil may lead to a reorientation and re-pricing of long haul travel alongside more environmental polluter-pay type measures that will certainly provide obstacles to tourist travel. In this respect, the challenge for tourism businesses is to implement a future aimed at carbon neutral tourism, to reduce costs and the energy consumption, to offset the uncompetitive position this may place destinations in over the long-term. Yet natural limitations, such as water, may also add a degree of constraint on future tourism development as the next section shows.

### Case Study 3.7 Sol Meliá saving energy and water

Sol Meliá was founded by Gabriel Escarrer Juliá in 1956 in Palma de Mallorca (Spain), and is one of the world's leading hotel chains for holiday travel, as well as the overall hospitality market leader in Spain, both in the leisure and the business segments. It is the third largest chain in Europe, the 12th largest in the world, and is the global market leader for holidays in Latin America and the Caribbean. The group currently has more than 300 hotels in 30 countries on four continents with a workforce of over 35,000.

Sol Meliá launched its new Strategic Plan in 2008, outlining five key strategic areas on which the business intended to focus: Brand Equity; Customer Knowledge and Contact; Development of Asset Management; Talent Management and the Promotion of Responsibility; and Sustainability.

The overall mission statement of the Sustainable Development programme is to create value for Sol Meliá, making sustainability a competitive advantage and creating value for all its stakeholders. Its vision is to contribute to sustainable development in the communities in which it is present.

The most significant advances for energy and water savings are the following:

- The energy saving and water efficiency SAVE Project has been implemented in 142 company hotels.
- The standardisation of energy and water efficient systems through the SAVE Project in 142 hotels resulted in a reduction of 3.7 kg CO<sub>2</sub> per stay and a reduction of 2.1m<sup>3</sup> per stay in 2008 with respect to the period 2004-06.
- The SAVE Project led to Sol Meliá becoming the first company to be included in the Voluntary Commitment System to reduce greenhouse gas emissions (Spanish Ministry of the Environment, Rural Areas and the Sea and the Spanish Sustainability Observatory).
- The signature of an agreement with Bionor to oversee the collection of used vegetable oil in Sol Meliá hotels in Spain, which has led to greater control over the recycling of oil and has contributed to slowing the effects of climate change through the production of bio-diesel fuel from waste, as well as helping to preserve and protect biodiversity in some of the destinations in which it operates.

Source: Sol Meliá

[www.solmelia.com](http://www.solmelia.com)

### Case Study 3.8 Philips energy saving lighting

Royal Philips Electronics of the Netherlands is a diversified Health and Well-being company, focused on improving people's lives through timely innovations. As a world leader in healthcare, lifestyle and lighting, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity".

Guests at one of London's newest hotels, Rafayel, can enjoy the comfort, luxury and hospitality of superb surroundings, safe in the knowledge that their carbon footprint has been significantly reduced.

The carbon footprint of the average London guest is 70kg per night but, by opting for state of the art solutions such as LED lighting supplied by Philips, Rafayel has reduced this significantly to a more acceptable 17kg. For the hotel this also has the benefit of reducing its overall electrical costs by a staggering 80%. Rafayel has set an impressive benchmark for other hotels to follow, especially given that estimates show that, globally, €6 billion could be saved within the hotel sector simply by switching from old to newer lighting technologies.

Some key area of energy saving lighting are:

- The Brasserie, where they have installed LED downlights using just 7 watts of power. Typically this would replace 50W halogen downlights so this instantly gives a saving up to 85% energy.
- The Staircase, where LED 12W bulbs in spiral staircase replace 60W incandescent bulbs. Providing up to 80% energy savings, this dimmable LED bulb offers reduced energy consumption without compromising light quality for general lighting applications. The LED bulb provides instant plug-in saving, extended life and reduced maintenance costs in comparison with conventional lighting.

Source: Philips Lighting

[www.philips.com](http://www.philips.com)

## 3.11 Water supply and water shortages

Water is vital to human life and survival, with clean and fresh supplies a basic necessity. Climate change will impact upon fresh water supplies, making supplies scarcer in some regions of the world in the future. Tourism is dependent upon water supplies for meeting the basic needs of visitors (drinking, sanitation and hygiene).

Tourism has to compete with other sectors of the economy (e.g. agriculture and industry) and domestic needs for water supplies, and studies have shown that the average tourist water usage can range from 200 litres a day through to 2,000 litres. The latter usage poses significant pressure on the resource when water is already relatively scarce in the destination. As a World Wildlife Fund (2004) study of tourism and water use in the Mediterranean found, average tourist water use in Spain ranged from an average of 440 litres through to 880 litres where swimming pools and golf courses were present. Gössling (2005) has that suggested that on global average, an international tourist consumes water in the order of 222 litres per day. If this is examined in relation to tourist flows, then areas experiencing a net decrease in water consumption are the United States of America and North East Asia while areas experiencing a net increase are Europe, the Caribbean and S E Asia, as a result of the summer movement of north to south flows of tourists (around 116 million each year).



The UNWTO (2003b) 1st International Conference on Climate Change and Tourism highlighted several issues along with the threats and human risks which water sourcing posed for tourists. In small island states, water supplies can be directly impacted upon by the highly consumptive demands of tourists. There are already examples of some islands now seeking external supplies of fresh water in the peak season delivered by water tanker ships. In addition, discharges of untreated sewage into sea water can damage the quality of the marine environment for visitors. In some desert and small island settings, desalination has become a means of servicing fresh water needs although this has very high financial and energy costs, thereby adding to greenhouse emissions. Other areas which have particular problems in relation to water provision for tourism are the Middle East, especially the United Arab Emirates with its reliance upon desalination where it exceeds its renewable water resources. There is also significant debate over the possible political conflict that may arise over access to water supplies as a vital resource. Water overuse impacts on the long-term sustainability of sources that rely on aquifers and artesian wells which may be polluted with sea water in small islands where the over-extraction permits the invasion of salt water. In addition to these problems, the impact of climate change compounds the issues of availability and distribution of water supplies.

Among the most obvious solutions will be the reduction in water use (such as removing the irrigation of vegetation in accommodation establishments and replacement of vegetation with more drought tolerant varieties), redesigning swimming pools and their use of water and increased use of desalination for large resort hotels (despite the obvious impact on greenhouse gas emissions). Golf courses are often cited as having significant water consumption and this may be mitigated by using specially treated effluent water, rather than potable water, for irrigation and planting drought and salt resistant grasses.

### Case Study 3.9 Concorde de Luxe Resort, Turkey, Green Economy Initiative

Concorde De Luxe is an award winning 5 star resort located in Lara, Turkey. Concorde de Luxe Resort's project for Sustainable Tourism has been planned to provide sustainability for all natural, cultural, ecologic, biologic renewable and non-renewable resources and undertook studies on these issues. This work has not only ensured stewardship for essential resources but has also made a great contribution economically by controlling the amount of water, electricity, energy and chemical and solid waste.

Some of the resort's initiatives are as follows:

- Informing personnel that the majority of communication should be made via electronic mail instead of fax and not to print messages taken via e-mail as it is not necessary. By this measure they saved 18,000 A4 sheets of paper per year from the purchase and sales departments.
- Removing most of the forms used inside the hotel and monitoring work records with a system which operates similar to a call centre. They encourage the use of both sides of paper used in the offices as well.
- Changing the method of dispensing toiletries in the showers inside the Spa by using locked dispensers instead of single use soap, shampoo and shower gel. With this system which started in the beginning of 2008, they have saved the disposal of 250kg soap and 1,000 plastic bottles per year
- Using information notes in the rooms about the use of towels. By changing the towels when it is needed, the resort has saved 500kg of detergent and 1,000 tonnes of water per year.
- Waste batteries are recycled / treated in a way that will not damage the environment.
- All renewable waste is collected separately and recycled.
- Energy saver keys that only enable the use of electricity in the rooms as long as the guest is in the room. When the balcony door is opened, the air conditioner is switched off automatically
- For illuminating general areas, the lights are automatically turned on and off in order to benefit from maximum daylight.

- Fluorescent bulbs are used, which are more efficient as they produce less heat. A fluorescent bulb can produce 50 to 100 lumens per watt. This feature makes the fluorescent bulbs 4 to 6 times more efficient than incandescent lamps. For this reason, a 15 watt fluorescent lamp, which produces the same light as a 60 watt incandescent bulb, shall always be preferred.
- Toilet taps in general areas are chosen with inbuilt photocell or mechanic time regulators to ensure maximum water savings.

Source: Concorde de Luxe Resort, Turkey

[www.concordehotel.info](http://www.concordehotel.info)

This chapter concludes with a commentary from the Accor hotel group which provides an overview and summary of initiatives in response to climate change and the subsequent need to promote new consumer behaviour and industry practice.

### *Commentary from, Sophie Flak, Accor Executive Vice President: Business transformation, innovation, technologies and sustainability*

As one of the world's leading hotel operators Accor is present in 90 countries with 4,100 hotels and close to 500,000 rooms. With 145,000 employees worldwide, the Group offers its guests and partners nearly 45 years of know-how and expertise.

The travel and tourism industry is facing the dramatic challenge of reducing its carbon footprint and adapting its business to emerging environmental issues. At Accor, we have long been aware of our environmental impact and of the imperative need to preserve the planet not only for future generations, but also for the sustainability of our industry. As one of our co-founders said back in 1974, "the environment is the raw material of tourism". Today, most industries, as well as most communities, realize that they are highly dependent on the availability of natural resources.

We believe that growth and development should always be positive. This is why we set up a dedicated, structured program called Earth Guest to anchor sustainable development at the heart of our corporate strategy, and provide a tangible response to growing social and environmental concerns.



Accor's on-the-ground response to climate change and the depletion of natural resources has been to design measures into every phase of the hotel lifecycle – from development and construction to operation – in a commitment to minimizing the hotel's impact and promoting new tourist behaviour and travel industry practices.

#### **Development & Construction**

Accor conducts integration studies to assess the local social and environmental risks related to new construction projects. Environmental criteria have also been included in the construction standards applied by each brand, to ensure that the building design, amount of insulation, equipment performance and energy sources are capable of drastically reducing

energy use and greenhouse gas emissions. The Group promotes renewable energies and innovative technologies, while integrating environment criteria into room design. In France, for example, the Etap Hotel Toulouse Aéroport has been designed to be three times more energy efficient and emit four times fewer greenhouse gases than current heating regulations require. Moreover, as of the end of 2009, a total of 99 Accor hotels were equipped with solar panels to produce domestic hot water, 79% of owned and leased hotels were equipped with energy-efficient lamps for permanent lighting and 89% were fitted with flow regulators on showers and taps.

### Operations

In recent years, Accor employees have learned new on-the-job practices and simple ways of saving water and energy. First issued in 1998, the Hotels Environment Charter offers 65 guidelines to help hoteliers to devise their environmental action plans. By 2009, it had been implemented in 86% of Accor hotels worldwide. At the end of that year, some of the most significant advances in the fight against climate change included the following:

- Between 2006 and 2009, energy and water use per available room decreased by

respectively 8% and 4% in owned and leased hotels.

- 89% of hotels organize preventive maintenance, which keeps hotel systems running smoothly and significantly reduces consumption.
- 69% of hotels have introduced rationalized plant watering methods.
- 52% of hotels choose plants suitable for local conditions, thereby reducing water use and supporting biodiversity.

To support its environmental commitment, Accor is also engaged in an environmental certification process. At year-end 2009, 10% of Accor hotels had earned certification, including 331 that were ISO 14001 certified and 50 that were Green Globe certified. These certifications allow the implementation of even more effective management systems, which in turn help to drive better performance.

These new ways of designing and operating hotels are having a double impact. First, they are shrinking our carbon footprint, as we lower our greenhouse gas emissions, and second, they are preparing us for a world in which oil will be an increasingly expensive and scarce commodity.

[www.accor.com](http://www.accor.com)

## 3.12 Other sources of UNWTO information

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# 4

## Tourism as a force for societal growth





## 4.1 Introduction

Sustainable tourism, as discussed in Chapter 3, is often understood and implemented in practice as tourism which maintains the status quo and which mitigates negative impacts on environment, society and communities. Mitigating negative impacts is crucial to maintain the integrity of destinations, however, this chapter takes a wider look at sustainable tourism and discusses tourism in terms of additional direct benefits, enhancements and contributions which it can bring to people and communities. The chapter also includes wider issues related to tourism, from the rights of individuals to the responsibilities of large corporations. The last twenty years has seen a change in both the philosophical approaches to tourism and the practices of tourism as new ways of thinking about tourism have emerged, we have termed this new thinking as tourism as a force for societal growth.

Three interconnected themes are identified in this chapter as representing tourism as a force for societal growth:

- Codes and ethics
- Corporate social responsibility (CSR)
- Tourism, poverty alleviation and community well-being
- Social marketing.

This list is not exhaustive, and there is much overlap between the terms which sit with the overall concept of sustainable tourism. However, these concepts are united by one common strand: that tourism can be directly engaged in making a positive contribution to communities, the economy and the environment. (N.B. The concepts discussed in this chapter are very much part of the sustainability debate. However, tourism as a force for positive societal growth is a significant subject in its own right, sometimes overlooked, and hence discussed separately here).

One of the most influential studies, which paved the way for much of the debate, measures and policies now associated with tourism as a vehicle for societal improvement, is attributed to Krippendorf's (1987) *The Holiday-Makers*. The book adopted a critical review of the way in which tourism was organised and operated and the way in which large business interests adopted short-term profit motives to the detriment of communities and the environment. This study was a turning point in stimulating new thinking and approaches to tourism as a damaging phenomenon. Broader developments in the field of business such as corporate social responsibility, the green agenda and its subsequent articulation through sustainability emerged in the 1980s and 1990s.

Much of this thinking now underpins current practice in both the public and private sectors as well as within global agencies, to promote greater equality between destinations and their resident communities, and the companies and individuals that visit them. These developments have gathered momentum due to the pressure exerted by NGOs and the work of UNWTO in seeking to harness the power of tourism as a force for societal change rather than the more widely attributed analogy of tourism being a problem for management and public sector intervention. Some studies have even advocated tourism as a force to promote peace between nations although the evidence of achieving this is limited. There is also an appetite from consumers towards more ethical forms of behaviour in general, including ethical travel.

In this chapter we explore each of the four concepts outlined above as a way of moving the theory of tourism as a force for societal growth toward achieving this in practice. The contribution of UNWTO studies in formulating these new agendas is illustrated where applicable and future areas of development are highlighted. The chapter concludes with a forward-looking commentary from Professor Peter Burns, University of Brighton.

## 4.2 Codes and ethics



As part of the growing interest in ethical behaviour and more responsible forms of tourism, communities, public and private sector organizations point to the value of Codes of Practice as a way of standardising and structuring thinking on how more responsible forms of tourism development and visitor behaviour could be achieved.

A key dimension to changing both visitors' and the tourism sector's attitudes and views of tourism as a business is the UNWTO Global Code of Ethics for Tourism adopted in 1999. The Global Code of Ethics for Tourism (GCET) is a comprehensive set of principles whose purpose is to guide stakeholders in tourism development: central and local governments, local communities, the tourism sector and its professionals, as well as visitors, both international and domestic.

The Code was called for in a resolution of the UNWTO General Assembly meeting in Istanbul in 1997. Over the following two years, a special committee for the preparation of the Global Code of Ethics was formed and a draft document was prepared by the Secretary-General and the legal adviser to UNWTO in consultation with UNWTO Business Council, UNWTO's Regional Commissions, and the UNWTO Executive Council.

The United Nations Commission on Sustainable Development meeting in New York in April 1999 endorsed the concept of the Code and requested UNWTO to seek further input from the private sector, non-governmental organizations and labour organizations. Written comments on the Code were received from more than 70 UNWTO Member States and other entities. The resulting 10 point Global Code of Ethics for Tourism – the culmination of an extensive consultative process – was approved unanimously by the UNWTO General Assembly meeting in Santiago in October 1999.

A number of principles underpin the Code as outlined in Box 4.1.

### Box 4.1 UNWTO Global Code of Ethics for Tourism

- Article 1: **Tourism's contribution to mutual understanding and respect between peoples and societies** which focuses on the underlying principles of diversity and tolerance, harmony, mutual respect, ensuring the safety of visitors and risk minimisation.
- Article 2: **Tourism as a vehicle for individual and collective fulfilment**, should be a privilege and force for self-education while promoting human rights and combating the exploitation of persons, especially children.

**Tourism as a force for societal growth. [4]**

- Article 3: **Tourism, a factor of sustainable development**, indicating that all stakeholders involved in tourism should seek to safeguard the natural environment and strive towards sustainable growth.
- Article 4: **Tourism, a user of the cultural heritage of mankind and a contributor to its enhancement**, so that the cultural heritage is preserved while cultural products are not degenerated, or standardised or commoditized.
- Article 5: **Tourism, a beneficial activity for host countries and communities**, so that the standard of living of local populations is enhanced, especially in sensitive environments such as coastal, mountain and island communities.
- Article 6: **Obligations of stakeholders in tourism development**, whereby suppliers need to act with honesty and integrity in terms of the information and services they provide while cooperating with the public sector to ensure the safety and security of visitors.
- Article 7: **Right to tourism**, which is a universal right and the promotion of social tourism to assist the less privileged to access holidays should receive public support.
- Article 8: **Liberty of tourist movements**, where tourists should have freedom to travel in accordance with Article 13 of the Universal Declaration of Human Rights.
- Article 9: **Rights of workers and entrepreneurs in the tourism industry**, where the rights of workers need to be guaranteed including access to training opportunities.
- Article 10: **Implementation of the principles of the Global Code of Ethics for Tourism**, which requires the cooperation of the public and private sectors for its effective implementation and the establishment of a world committee on tourism ethics for the settlement of disputes.

A complete version of the GCET can be found at  
[http://www.unwto.org/ethics/full\\_text/en/full\\_text.php?subop=2](http://www.unwto.org/ethics/full_text/en/full_text.php?subop=2)



This Code lays the groundwork for subsequent developments in the field of tourism refocusing attention away from the short-term profit motive of business to the longer term sustainability of the tourism sector. Many corporations and destinations are adopting their own codes of conduct, based on ethical thinking as illustrated by the example in Case Study 4.1

#### **Case Study 4.1 Kuoni Corporate Social Responsibility Code of Conduct**

With turnover of CHF 3 581 million in 2004, Kuoni Travel Holding Ltd. is one of Europe's leading tourism companies. It employed some 6 451 full-time equivalents around the world in 2004 and is active in the Leisure Travel and Incoming Services fields. Kuoni has systematically developed its position beyond its home market, too, and now operates subsidiaries in various European countries as well as Asia, Africa and the United States of America. In 2004, Kuoni was named the World's Leading Tour Operator for the sixth time in the annual World Travel Awards. For Kuoni, sustainable business means combining economic success with a responsibility for the environment and

society. Kuoni see Corporate Responsibility as a way of maintaining an open dialogue with all their stakeholders, involving them to ensure the sustainability of their business. Their work on Corporate Responsibility focuses on four key areas:

- The protection of children
- Fair working conditions
- Climate change
- Water scarcity



With its Code of Conduct for Suppliers, Kuoni has established a framework for sustainability in the value chain. It monitors compliance with these standards using Travelife, a system for measuring sustainability. Kuoni also tries to help hotels in their efforts to achieve sustainability, by facilitating knowledge transfer between its business partners and stimulating dialogue with stakeholders through transparent communication.

Kuoni runs regular workshops at various destinations for its hotel partners with the aim of improving their sustainability performance and potential. Essentially, they adopt a pragmatic approach that is intended to prepare their partner hotels for the increasing challenges they face in social and environmental terms. These workshops enable Kuoni to provide hotels with the knowledge and the skills they need to take effective action that will enhance the sustainability of their business and activities.

In 2009, Kuoni achieved the following:

- Monitoring and incentives
  - Data analysis across all Kuoni Group business units
  - Introduction of supplier code of conduct
  - 15 Kuoni employees trained as Travelife auditors
  - 120 suppliers audited by Kuoni
  - 73 key suppliers audited by Kuoni or another TO, of which 31 have achieved a Travelife award
- Knowledge transfer
  - 2 workshops on child protection conducted with 345 representatives of hotels in India and Thailand
  - 2 workshops on cleaner production and human resource best practice conducted with 50 representatives of hotels in Bulgaria
  - 3 workshops on water and energy saving measures conducted with 175 representatives of hotels in Thailand
- Communication and reporting
  - Travelife label introduced in brochures and websites of BU France, Netherlands, Scandinavia, Switzerland and United Kingdom
  - Various training and information tools (e-learning, newsletter, website) about Travelife.

Source: Kuoni

[www.kuoni.com](http://www.kuoni.com)



The development of a specific code of conduct aimed at protecting children from commercial sexual exploitation in tourism is outlined in Box 4.2 below.

#### Box 4.2 Code for the Protection of Children from Commercial Sexual Exploitation in Tourism

UNWTO and the European Union joined forces to support a Code of Conduct for the Protection of Children from Sexual Exploitation of in Tourism initiated by a group of Swedish Tour Operators in 2000.

The international development of the Code is promoted by an international, multi-stakeholder Board of Directors composed of prestigious tourism industry representatives and non-governmental organizations..

Companies signing the Code commit to six criteria including: formally repudiating the commercial sexual exploitation of children; raising staff awareness and training; informing tourists of the problem and suppliers of the company's policy; liaising with key persons at destination; and reporting annually on the implementation of the Code.

Source: [www.thecode.org](http://www.thecode.org)

## 4.3 Corporate Social Responsibility

CSR (also referred to under different labels as responsible business, corporate responsibility and corporate citizenship) is a voluntary form of self-regulation by businesses where they set out to monitor their own adherence to rules, regulations, ethical standards and laws. This usually involves a degree of self-reporting in annual reports by companies to proactively assess their effect on the environment, communities and stakeholders as well as consumers.

In philosophical terms, this approach to business embodies a degree of self-interest as well as a wider philanthropic interest in stakeholders as opposed to short-term pursuit of profits. This is part of the wider demand for more ethical businesses and practices as well as a commitment by businesses to triple bottom line accounting that has a responsibility to people, the planet and profit. It also reflects the growing interest among consumers who are concerned about the way companies interact with both communities and the environment.

To try and move this agenda forward and implement CSR across the global tourism community, in September 2008, UNWTO launched TOURpact GC which is a new framework for CSR open to companies, associations and other tourism stakeholders. TOURpact GC reflects the aligned principles of the Global Compact and UNWTO's Global Code of Ethics for Tourism. The Global Compact is a voluntary initiative designed to mainstream ten key principles of social responsibility in business activity and to catalyze action to support the UN Millennium Development Goals (MDGs).



This illustrates a strengthening of UNWTO's intervention to stimulate greater voluntary action to enhance CSR and its wider development of the Code of Ethics, further enhancing the image and reputation of the tourism sector as one prepared to adopt more responsible business practices. An illustration of these responsible business practices is given in Case Study 4.2.

**Case Study 4.2 Misr Travel, Egypt Corporate Social Responsibility**

Misr Travel was established in 1934 by the Egyptian economist Talaat Harb. Since then Misr Travel has been managed by a long line of influential economists and politicians. Today Misr Travel extends its services in Egypt and around the world.

Some of the services provided by the holding company and its affiliated companies to its employees include:

- Training programs and scholarships.
- Any employee who receives a master's degree or a doctorate is given an incentive bonus.
- Medical treatment for in-service employees.
- Medical treatment for pensioners.
- Transportation.
- Social solidarity fund.
- Housing fund.
- End of service gratuity.
- Insurance policies.
- Pilgrimage and Umra.

Some of the contributions made by the holding company and its affiliated companies to the society include:

- The legal right to use the land of Bein Al-Sarayay to Elmasry Foundation for community service to establish scientific research laboratories, training centres and lecture rooms for Cairo University.
- The land of Al-Baliana to the General Authority for Educational Buildings to construct a school complex.
- Development of Luxor City (Luxor Governorate).
- The Egyptian Red Crescent (relief for the Palestinian people).
- Renovation of downtown squares (Cairo Governorate).
- The humanitarian fund (Sinai Governorate).
- Poisons centre (Suez General Hospital).
- Orphan care.
- Oncology institute.
- Financial contributions to Elmasry.

**Source: MISR Travel**

[www.mistravel.org](http://www.mistravel.org)

Corporate social responsibility is vital to the industry's future because it will help ensure thriving, attractive and welcoming destination communities that will draw visitors, the basis for long term growth and profitability. Creating a positive environment for tourism in the long term will require the entire industry to adopt responsible, sustainable practices (WTTC 2002: 6). Case Study 4.3 demonstrates a collective approach to CSR in Brazil.

**Case Study 4.3 Corporate Social Responsibility and sustainability, The Roteiros de Charme Hotel Association**

The 'Roteiros de Charme Hotel Association' was founded in Brazil in 1992, as a private, non-profit organization. The Association currently comprises 50 independent hotels, inns and ecological refuges, from Northern to Southern Brazil, which recognize the importance of environmental and social responsibilities for the sustainability of their operations and destinations. The critical location of various member hotels, which are set in conservation areas and fragile ecosystems such as the Atlantic Forest and the Pantanal, points to the importance of a continuous and sound environmental program.

The Roteiros de Charme members are devoted to the preservation of the 42 tourism destinations where they are established through the conservation of their natural ecosystems and environmental education.

The goal of the Association's sustainability programme is to:

- Test the efficiency and feasibility of wide application of the environmental and business indicators developed by Roteiros de Charme regarding its Ethics and Environmental Code of Conduct.
- Improve gradually and continuously the cadre of local professionals who are trained to embrace the principles of sustainable tourism.
- Foster a venue to reduce habitat and biodiversity loss through the application of best practices.
- Contribute to the maintenance and integrity of surrounding protected areas.

As well as adopting a Code of Conduct, activities developed by the Association include:

- Environmental education of hotel employees and their families through seminars, talks and courses and target areas related to the Environmental Code of Conduct.
- Implementation of projects and activities aiming to generate social benefits and improvement in the quality of local communities. Examples of these projects are marine aquaculture, reforestation and horticulture programmes.
- Encouraging efforts in support of existing protected areas systems and biodiversity corridors such as the creation of private reserves.
- Participation in local, national and international fairs, conferences and meetings aiming at sharing experiences and mobilizing partnerships towards common goals.
- Participation in local academic and scientific projects, such as conservation of manatees, the hyacinth macaw, the blue-fronted Amazon parrot and the jaguar.

Some of the successes are:

- 30% to 40% reduction in energy consumption.
- 70% of member hotels use solar energy for water heating.
- 30% of member hotels have and protect natural water sources in their own hotel grounds.
- 100% of wastewater generated is treated and reutilized for non-potable purposes in 10% of member hotels.
- 100% of member hotels re-use, reduce and recycle solid waste to different degrees; 35% have organic vegetable gardens and compost organic waste in their properties.



- At least 50 different environmental and social initiatives at local destinations are supported by member hotels.
- At least 100 local companies of service providers and suppliers are involved in the environmental programme.

Source: Roteiros de Charme Hotel Association

[www.roteirosdecharme.com.br](http://www.roteirosdecharme.com.br)

See World Tourism Organization (2010), *Tourism and the Millennium Development Goals*, <http://www.unwto.org/tourism&mdgseazine/> for further examples.

## 4.4 Tourism, poverty alleviation and community well-being



Extreme poverty (as opposed to relative deprivation in developed countries) is a widespread problem and in many developing countries where access to clean water, food, shelter and medical care is limited. According to World Bank (2008) revised estimates on poverty, with the poverty line set at a person living on \$1.25, 1.4 billion people live at this line or below this line.

The significance of tourism in the context of poverty alleviation cannot be underestimated. In many developing countries, though not all, tourism is already a major player in the economy (See UNWTO and SNV, 2010):

- International tourism receipts by developing countries amounted to over US\$ 259 billion in 2007.
- Tourism is the primary source of foreign earnings for the world's 49 Least Developed Countries.
- Tourism is a principal export in over 80% of developing countries and the main export of one third of them.
- In some developing countries, notably small island states, tourism can account for over 25% of GDP.

The term 'pro-poor tourism' has a relatively short history, being developed in the late 1990s and is described as tourism which is used strategically to help reduce poverty. It reflects the prevailing rhetoric and interest in solving poverty as the number one problem for the global development agencies. The war on poverty was given greater credence in terms of the eight Millennium Development Goals set out by the Member States of the United Nations:



1 End poverty and hunger



4 Child health



7 Environmental sustainability



2 Universal education



5 Maternal health



8 Global partnership



3 Gender equality



6 Combat HIV / AIDS





The eight Millennium Development Goals which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world’s countries and all the world’s leading development institutions. UNWTO endorsed these goals, with poverty alleviation as the first goal, recognising the pivotal role tourism has to play in poverty alleviation and is a natural extension of its concerns for harnessing tourism’s vital role in societal development. A major initiative from UNWTO, the ST-EP Programme, is outlined in Box 4.3.

#### Box 4.3 The UNWTO ST-EP Programme

The ST-EP program was established in 2003 by the United Nations World Tourism Organization. The ST-EP name stands for Sustainable Tourism Eliminating Poverty, which tells a great deal about both the goals of the program generally and the work of the Foundation in particular.

ST-EP was created to harness the developmental power of tourism in the fight against world poverty. Its origins and activities are both intimately tied to the UN’s Millennium Development Goals, which include the objective of halving extreme poverty by 2015. ST-EP is especially focused on people living on less than a dollar a day. The targets are the world’s least developed countries, especially those in Africa, along with developing states in general.

The ST-EP program includes four main components:

- A research base to identify linkages, principles and model applications.
- An operating framework for promoting and developing incentives for good practice among companies, consumers and communities.
- Forums for sharing and exchanging information, ideas and plans are designed to bring together private, public and non-governmental stakeholders.
- Finally, there is the ST-EP Foundation which was originally concerned with attracting new, dedicated financing from business, philanthropic and government sources.

Source: UNWTO ([www.unwtostep.org](http://www.unwtostep.org))

UNWTO’s extensive work in this area is documented in five associated reports, the first of which was launched in 2002 at the World Summit on Sustainable Development in Johannesburg:

- *Tourism and Poverty Alleviation* (2002d) which outlined examples from four countries and the contribution to poverty alleviation and defined a number of areas for action.
- *Tourism and Poverty Alleviation: Recommendations for Action* (2004b) which defined approaches which could be harnessed to address poverty.
- *Tourism Microfinance and Poverty Alleviation* (2005) issued in the International Year of Microcredit as a source of finance to set up microenterprises.

- *Poverty Alleviation through Tourism and Compilation of Good Practices* (2006), with examples of projects and good practice in sustainable projects.
- World Tourism Organization and Netherlands Development Organization (SNV) (2010), *Manual on Tourism and Poverty Alleviation – Practical Steps for Destinations*, UNWTO, Madrid.

*Tourism and Poverty Alleviation: Recommendations for Action* (UNWTO, 2004b) defines a number of mechanisms for maximising benefits for the poor:

- Employment of the poor in tourism enterprises.
- Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor.
- Direct sales of goods and services by the poor (the informal economy).
- Establishment and running of tourism enterprises by the poor (i.e. micro enterprises and SMEs, Medium Sized Enterprises or community-based enterprises) (formal economy).
- Tax or levy on tourism income or profits with proceeds benefiting the poor.
- Voluntary giving/support by tourism enterprises and consumers (see for example Case Study 4.4).
- Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors (see for example Case Study 4.5).

The most recent publication *Manual on Tourism and Poverty Alleviation – Practical Steps for Destinations* (UNWTO and SNV 2010) is a manual aimed at organizations and individuals working in the field of tourism at the destination level, or those working more widely at this level to support poverty alleviation with an interest in seeing how tourism development and management can help and how they can assist with this. The manual is divided into three main parts, based on the three classic components of a project cycle: Analysis/ Planning, Action and Assessment.

- PART 1 covers **analysis and planning**. It shows how to take poverty alleviation into account in considering stakeholders and beneficiaries, analysing the current performance of tourism, considering future potential and developing a strategy and action plan.
- PART 2 covers **action**. It provides details on practical ways of delivering tourism benefits to the poor, based on seven mechanisms previously identified by UNWTO. These include: direct employment; supply chains; informal selling; enterprise development; taxes and charges; voluntary giving; and collateral benefits.
- PART 3 covers **assessment**. It looks at the use of indicators and measurement processes to evaluate the impact of tourism and individual initiatives on poverty.

#### Case Study 4.4 Social contribution from visitors: Pousada Cravo e Canela

The inn 'Pousada Cravo e Canela' is a member of the 'Roteiros de Charme Hotel Association' a private, non-profit organization which comprises 50 independent hotels, inns and ecological refuges, from Northern to Southern Brazil. Members are dedicated to the preservation of the 42 tourism destinations where they are established through the conservation of their natural ecosystems and environmental education.

The Pousada Cravo e Canela inn, which is located in the mountain town of Canela in the Brazilian state of Rio Grande do Sul, has begun to involve its guests in its social and environmental contribution to the region. Already committed to best practices and environmental management within its property since the beginning of its operations, the inn now reaches out to the community where it operates, at the same time increasing the social and environmental awareness of its guests. An optional room/night tax of R\$ 1.50 Brazilian Real (approximately 0.86 US\$) has been added to the bills for voluntary payment by guests. The aim was to benefit three local community

charity organizations: a home for the elderly, a home for underprivileged children and a hospital. Between January 2008 and June 2010, US\$ 3,247 was collected and contributed toward the purchase and donation of organic food supplies for these charities.

The goods are acquired directly from small local producers and include items such as jams, juices, brown sugar and fruits. The inn also collects from the three organizations the used food containers such as glass jars which are returned to the producers for re-utilization. Plastic wrappings and other packaging materials are also destined for recycling after use rather than being wasted or improperly discarded.

By involving local producers, the inn contributes to the local economy as well as helping to prevent the exodus of the labour force to larger urban centres, maintaining a traditional regional vocation, the production of home-made family produce. It also reduces the carbon footprint which otherwise would have been incurred in transportation of goods over longer distances. This initiative demonstrates that small hoteliers can have an important role in the social development of destinations in a developing country scenario, where businesses are increasingly active in complementing or acting in partnership with governmental social programmes.



Source: Roteiros de Charme Hotel Association

[www.roteirosdecharme.com.br](http://www.roteirosdecharme.com.br)

#### Case Study 4.5 Accor and Agrisud: contributing to local economic development through local purchasing

Accor of France is a global hotel and service group operating in 90 countries with 145,000 employees. Accor operates 4,100 hotels under the Sofitel, Pullman, MGallery, Novotel, Mercure, Suitehotel, Adagio, Ibis, all seasons, Etap Hotel, Formulae 1, hotelF1 and Motel 6 brands.

Since 2004, Accor has been supporting local economic development in the Siem Reap and Phnom Penh regions of Cambodia in association with Agrisud, an NGO dedicated to creating micro business and helping farmers reach markets. Through purchasing local produce from the region's micro businesses, Accor has contributed to the development of 180 fully operating micro businesses. The initiative has enabled local farmers to diversify their products and market outlets and generate higher revenues for their families. In 2009, over 215 tons of agricultural products were produced equating to a turnover of US\$79,000.

Following the success in Cambodia, in 2008 Accor started implementing a similar initiative with Agrisud in Brazil through its Ibis chain, and is now planning further activity in Ouarzazte and Zagora regions of Morocco.

Source: UNWTO Tourism and the Millennium Development Goals

[www.accor.com](http://www.accor.com), [www.agrisud.org](http://www.agrisud.org)

The problems and solutions identified in relation to pro-poor tourism projects can be summarised as follows in Table 4.1.

**Table 4.1 Problems and solutions related to pro-poor tourism**

Problems	Solutions
<ul style="list-style-type: none"> <li>• Isolation and lack of accessibility and communication technologies in remote areas</li> <li>• Lack of awareness of tourism within the communities which sometimes generates conflicts</li> <li>• Shortage of skilled labour and traditional ways of living that do not want to change</li> <li>• Lack of interest among the public sector for community-based activities</li> <li>• Marketing and promotional difficulties in accessing markets and meeting visitors needs</li> <li>• Conflict of interest between developers and villagers</li> <li>• Financial difficulties in accessing sources of finance safety conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Larger areas for business development have been scaled down and generators installed to provide power and renewable energy sources</li> <li>• A greater use of a participatory process in local communities to explain the role of tourism and micro-entrepreneurs to increase compatibility with traditional activities</li> <li>• Training of local people to overcome skill shortages</li> <li>• Meetings with local authorities to develop a consensus on development needs</li> <li>• Setting up local travel agencies to control local travel groups and attempts to reach national and international markets</li> <li>• Use of a conflict management system to reduce conflicts of interest</li> <li>• Advise of caution on new ventures where there is limited access to capital, so as to start small and increase their businesses incrementally</li> </ul>

Some of the benefits identified are:

- Employment creation.
- Improvements in the quality of life for communities.
- Education and community empowerment.
- Environmental protection.
- Culture and heritage conservation.
- Self-esteem and community pride.
- Recognition and image enhancement through the award of prizes to certain projects.
- Improvements in the visitor infrastructure.
- Increased visitation and improved marketing.



The pursuit of poverty alleviation requires, among other efforts, awareness-raising of these objectives to visitors. One vehicle for doing this is the rise of the green economy and use of social marketing to change behaviour. This is in addition to the role of lobby groups such as Tourism Concern. Their most recent report – *Putting Tourism to Rights* (2009) (see Case Study 4.6) examines examples of ongoing human rights issues which Codes of Practice need to address and measures to achieve greater equity in relationships between the visitor, the tourism sector and host communities.

**Case Study 4.6 Tourism Concern: Putting Tourism to Rights**

Tourism Concern is a human rights campaigning organization based in the United Kingdom committed to ensuring that the rights of people living in tourism destinations are fully respected. Human rights is not a concept commonly associated with tourism but Tourism Concern believe that because there is a shift by industry leaders to commit themselves to sustainable tourism, there is, at last, an opportunity to convince them that their agendas should also include this difficult, but critical, issue.

*Putting Tourism to Rights: A challenge to human rights abuses in the tourism industry*, is the organization's newest publication. It makes use of the Articles in the 1948 Universal Declaration on Human Rights (UDHR) to highlight, through case studies, the violations committed globally by tourism development and makes recommendations to all major stakeholders that would enable tourism to operate sustainably.

The Declaration's 30 'articles of faith' include civil and political rights, such as the right to dignity, respect and privacy as well as economic, social and cultural rights including the right to work, to equal pay, the right to compensation and the right to social progress and development. These rights have been accepted by most governments. As such the UDHR is one of the most significant documents of our time. It is the pivotal authority on human rights issues and the cornerstone for in the advancement of international human rights law.

For 21 years Tourism Concern has been an advocate for a myriad of unheard voices and has considerable evidence of the human rights violations perpetrated by the industry. Several of the case studies in the report are those where destination communities have come to Tourism Concern directly for help.

The fact is that human rights violations are concealed because they largely impact on those who feel powerless and lack faith that their voices will be heard. This fosters the promotion of a consistently one-sided picture of tourism that it creates wealth by providing jobs, brings in essential foreign exchange, and thus eliminates poverty. Tourism Concern's evidence shows that too often very poor wages are paid, people lose their homes and access to their livelihoods, and are unable to access clean water. Thus tourism can often contribute to maintaining people in poverty. All parties must ensure that it plays a meaningful role as a more equitable, just and transparent business in line with their obligations under international human rights laws and conventions.

Tourism Concern urge that:

**Destination governments**

- Fulfil their international legal obligations to protect their citizens from human rights abuses perpetrated by third parties, including the tourism industry, through appropriate policies, regulation and, vitally, adjudication and access to redress.
- Implement the necessary regulations and planning controls to ensure that the development of the tourism industry is sustainable and does not irreplaceably deplete natural resources or cause irreparable damage to the environment.
- Ensure the right to self-determination of indigenous peoples in respect to prospective developments on their land and in their vicinity, in accordance with the UN Declaration on the Rights of Indigenous People.
- Ensure wider dissemination of the UNWTO Global Code of Ethics for Tourism to communities impacted by tourism, including those who may have a grievance concerning its implementation and who may wish to make use of the mechanism set out in Article 10 of the Code.

**Hotels**

- Make use of all available independent social and environmental impact assessments when contracting with developers, either directly or indirectly, and to ensure that there are no ongoing legal disputes over land ownership or access to key resources, such as water, on any site where a hotel is to be built; to commission an independ-

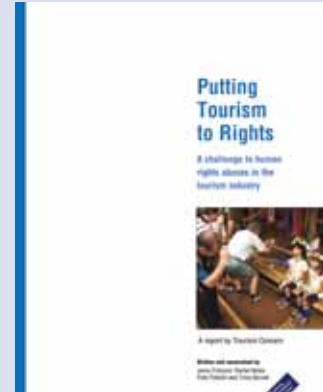
ent assessment where one has not been carried out before proceeding.

- Adopt a single, well understood code of practice, such as those promoted by Tourism Sustainability Council, that is holistic, and includes significant issues around human rights and environmental protection.
- It is essential that leading national and international hotel and tourism associations insist that their members ensure that contracted hotels meet these standards and that accreditation to any association should only be given as a result of an independent audit.

Tourism Concern wants to work with all stakeholders to move this agenda forwards.

For a complete version of this report visit

<http://www.tourismconcern.org.uk/index.php?page=putting-tourism-to-rights>



Source: Tourism Concern

[www.tourismconcern.org.uk](http://www.tourismconcern.org.uk)

## 4.5 Social marketing: future areas for action

Following on from the notion of poverty alleviation and community well-being, there is a growing concern for the social inclusion and exclusion agenda which many western governments have pursued in terms of equity and fairness for its citizens. This is seeing a resurgence in the area of tourism through the use of tools such as social marketing. Social marketing involves the application of commercial marketing principles and other social change techniques to achieve socially desirable goals and influence individual behaviours, including more responsible visitor behaviour.

In the case of poverty alleviation, the use of social marketing can have a potential role in communicating the benefits of more responsible forms of tourism. But social marketing is more complex than advertising. It reflects the application of marketing concepts which replace the focus on profits with one based on human welfare and wellbeing.

Social marketing has been widely used within the leisure domain by NGOs to promote their activities and to communicate to target audiences. There is a growing recognition of its future use in tourism, given the success of some of its strategies

Part of this process is not only to convince people to participate in certain behaviours, but also to highlight the personal benefits of certain forms of tourist behaviour, especially where it can be linked to personal well-being and benefits from tourism. This is certainly an undeveloped area at a global level and one which is likely to see expansion in future years to communicate more widely with visitors via the private and public sector.

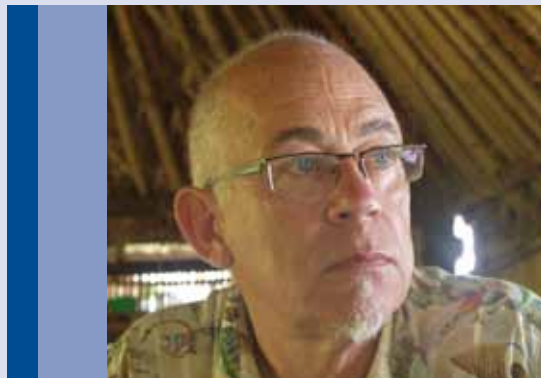


*Commentary from Professor Peter Burns, University of Brighton:  
Next steps for the industry*

The themes listed in this chapter, social marketing, codes and ethics, corporate social responsibility, pro-poor tourism, and sustainability, are all contributing to new forms of tourism that are emerging from the increasingly complex relationship between culture, society and the natural environment. These new and evolving forms of tourism, which are far more respectful of people and planet, are the vanguard for more enlightened forms of consumption.

In recent times, attention has been broadened from simply protecting and conserving the environment to include the cultures and societies that have shaped that environment. For example, in colonial times, tourism operators in Africa might well have seen tribal peoples as either a nuisance, competing for resources as their cattle moved across the land, or as adding a 'folkloric backdrop' to the tourist experience. Poaching was endemic and resentment towards tourists rife. However, in most cases now these same people are seen as key stakeholders, partners in conservation, and their cultural distinctiveness and social identity being strengthened through respectful interaction with outsiders: the positive side of what Valene Smith (1989) has called 'hosts and guests'.

The importance of culture and society as an issue for tourism operators has been recognised for decades. At the 1971 Fiji Tourism Convention, the industry was warned, *"The culture, the friendliness, the songs and dances, the handicrafts and customs of the people of the Pacific are your most valuable assets, an asset which you can use without having to invest one single cent. It is there ready and in the traditional way of the Pacific, willing to help you. Destroy it, and you have destroyed your main asset which can never be created*



*again" [Masiofo Fetau Mata'ofa. Vice Chancellor University of the South Pacific, Conference Keynote address].*

His words take on an even greater meaning in the rapidly globalising world, where culture and distinctive daily patterns of life may be the last possible hope for product differentiation and thus competitiveness. While Mata'ofa captured the problems of using culture simply as a resource for tourism. For generating countries, stress, economic instability, rapid social change, and a general sense of loss of tradition, has increased the significance of tourism. It is no longer simply a discretionary economic leisure activity, but a social imperative central to individual and societal needs and wants.

The industry should take the themes that make up the potential for tourism as a force for societal good and mainstream them (according to type of business) into their corporate plans, developing a situation or business model where benefits flow to community as a result of normal business operations. A good example of this is the community conservancy approach in Namibia (see Case Study 3.3).

There are bound to be tensions between an industry that draws on culture and everyday life as one of its assets and the communities

at the centre of attention. However, such tensions can be creative and spur innovation in the host society and deeper reflection on the part of the guests.

The speed of globalisation has meant that we tend to think of everywhere as 'the same'. Tourism, however, gives us the chance to realise that places are different and that the world remains a rich and varied place full of opportunity.

The future challenge for industry will be how to capitalise on social assets while equitably

sharing the benefits. Both large and small companies can rise to this challenge in different ways. Small companies through the close and intimate relationships they have with the communities in which they operate, cumulatively creating benefits by regular small actions with stakeholders, whilst the larger ones bring critical mass that can bring advanced technical expertise possible only through the high levels of investment and kick-start further investment.

www.brighton.ac.uk

## 4.6 Other sources of UNWTO information

- World Tourism Organization (2001), *The Incidence of Sexual Exploitation of Children in Tourism*, UNWTO, Madrid.
- World Tourism Organization (2001), *Tourism in the Least Developed Countries*, UNWTO, Madrid.
- World Tourism Organization (2002), *Enhancing the Economic Benefits of Tourism for Local Communities and Poverty Alleviation*, UNWTO, Madrid.
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- World Tourism Organization (2005), *Tourism Microfinance and Poverty Alleviation*, UNWTO, Madrid.
- World Tourism Organization (2006), *Poverty Alleviation through Tourism and Compilation of Good Practices*, UNWTO, Madrid.
- World Tourism Organization (2010), *Tourism and the Millennium Development Goals*, <http://www.unwto.org/tourism&mdgsezine/>
- World Tourism Organization and Netherlands Development Organization (SNV) (2010), *Manual on Tourism and Poverty Alleviation – Practical Steps for Destinations*, UNWTO, Madrid.





**Platma is the professional online community for UNWTO Affiliate Members. Users can collaborate, share knowledge and exchange best practices in world tourism using a wide range of multimedia tools.**

**To find out more and register, visit [www.platma.org](http://www.platma.org)**

The collage features four main elements:
 

- Top Left:** A screenshot of the Platma website's user profile page for a member of the UNWTO Affiliate Members Programme. It shows a profile picture, a bio, and a list of recent activities and publications.
- Top Right:** A photograph of a person sitting at a conference table, using a laptop. A microphone is visible in the foreground, and a blurred audience is in the background.
- Bottom Left:** A photograph showing several hands of different ethnicities clasped together in a circle, symbolizing global unity and collaboration.
- Bottom Right:** A screenshot of the Platma website's main page, displaying various news articles, event listings, and publication updates.

**[www.platma.org](http://www.platma.org)**



# 5

## Destination development: competitiveness



## 5.1 Introduction

Researchers and policy analysts have suggested that competitiveness is one of the major themes associated with destination development as it affects the profitability and long term sustainability of destinations. There has been much focus on destination image and destination development in relation to concepts such as the product life cycle in marketing (i.e. the destination life cycle concept) and wider notions of economic development for geographical entities as destinations. The destination has assumed significance because it is a more holistic framework in which the interactions of different actors and stakeholders (e.g. the public and private sector, residents and visitors) can be better understood.

This chapter examines the notion of competitiveness emerging as a global issue and is an important starting point for any discussion of destinations, since it determines how successful an individual destination or region is in the global market. Understanding competitiveness, and how to address it is one of the top issues for destinations because failure to pre-empt or react to change can have far reaching consequences. The chapter looks at:

- The concepts of destinations and destination management
- Factors of competitiveness
- Tools to improve competitiveness
- Ways in which competitiveness can be improved through a better understanding of the visitor experience
- The role of knowledge management to innovate and
- The importance of the SME sector in tourism in improving competitiveness.

The chapter concludes with a commentary from the Association of British Travel Agents (ABTA), which summaries some of the key issues for destination competitiveness.

Chapters 5 and 6 draw on the UNWTO (2007b) publication, *A Practical Guide to Tourism Destination Management* – which demonstrates how concepts of destination management may be translated into practice, with models, guidelines, and snapshot case studies.





## 5.2 The concepts of destinations and destination management

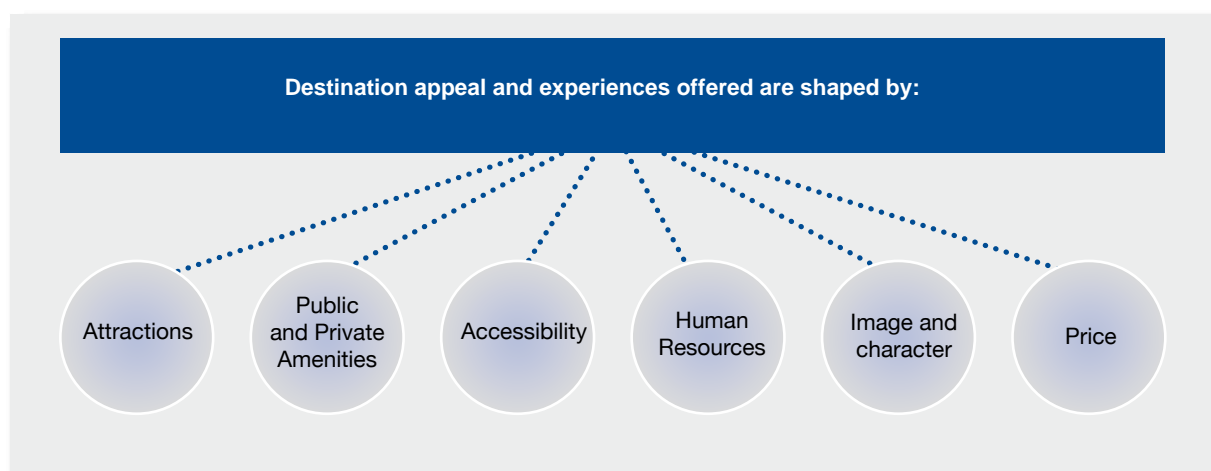
### 5.2.1 The Basic Elements of the Tourism Destination

*“A local tourism destination is a physical space in which a tourist spends at least one overnight. It includes tourism products such as support services and attractions and tourist resources within one day’s return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations. Destinations could be on any scale, from a whole country (e.g. Australia), a region (such as the Spanish ‘Costas’) or island (e.g. Bali), to a village, town or city, or a self-contained centre (e.g. Center Parc or Disneyland)”.*

(UNWTO 2007b: 1)

Destinations contain a number of basic elements which attract the visitor to the destination and which satisfy their needs on arrival. These are summarised in Figure 5.1. The provision and quality of these elements will be influential in the visitor’s decisions to make their trip.

**Figure 5.1 Destination experiences**



Great detail regarding these experiences is outlined in Box 5.1 below

#### Box 5.1 Destination appeal and experiences

- **Attractions.** These are often the focus of visitor attention and may provide the initial motivation for the tourist to visit the destination. These can be categorised as natural (e.g. beaches, mountains, parks, weather), built (e.g. iconic buildings such as the Eiffel Tower, heritage monuments, religious buildings, conference and sports facilities), or cultural (e.g. museums, theatres, art galleries, cultural events). They could be in the public realm such as a nature park, cultural or historical sites or could be community attractions and services such as culture, heritage or lifestyle. Other, less tangible factors, such as uniqueness and emotional or experiential triggers are also attracting tourists to destinations.
- **Amenities.** These are the wide range of services and facilities which support the visitors' stay and include basic infrastructure such as utilities, public transport, and roads as well as direct services for the visitor such as accommodation, visitor information, recreations facilities, guides, operators and catering and shopping facilities.
- **Accessibility.** The destination should be accessible to a large population base via road, air passenger services, rail or cruise ships. Visitors should also be able to travel with relative ease within the destination. Visa requirements, ports of entry, and specific entry conditions should be considered as part of the accessibility of the destination.
- **Image.** A unique character or image is crucial in attracting visitors to the destination. It is not sufficient to have a good range of attractions and amenities if potential visitors are not aware of this. Various means can be used to promote the destinations image (e.g. marketing and branding, travel media, e-marketing). The image of the destination includes uniqueness, sights, scenes, environmental quality, safety, service levels, and the friendliness of people.
- **Price.** Pricing is an important aspect of the destination's competition with other destinations. Price factors relate to the cost of transport to and from the destination as well as the cost on the ground of accommodation, attractions, food and tour services. A tourist's decision may also be based on other economic features such as currency exchange.
- **Human Resources.** Tourism is labour intensive and interaction with local communities is an important aspect of the tourism experience. A well-trained tourism workforce and citizens who are equipped and aware of the benefits and responsibilities associated with tourism growth are indispensable elements of tourism destination delivery and need to be managed in accordance with the destination strategy.

Source: UNWTO (2007b)

The coordination of all these elements is described as destination management, defined as follows:

*“Destination management is the co-ordinated management of all the elements that make up a destination (attractions, amenities, access, marketing and pricing). Destination management takes a strategic approach to link-up these sometimes very separate entities for the better management of the destination. Joined up management can help to avoid duplication of effort with regards to promotion, visitor services, training, business support and identify any management gaps that are not being addressed.”*

UNWTO (2007b: 4)

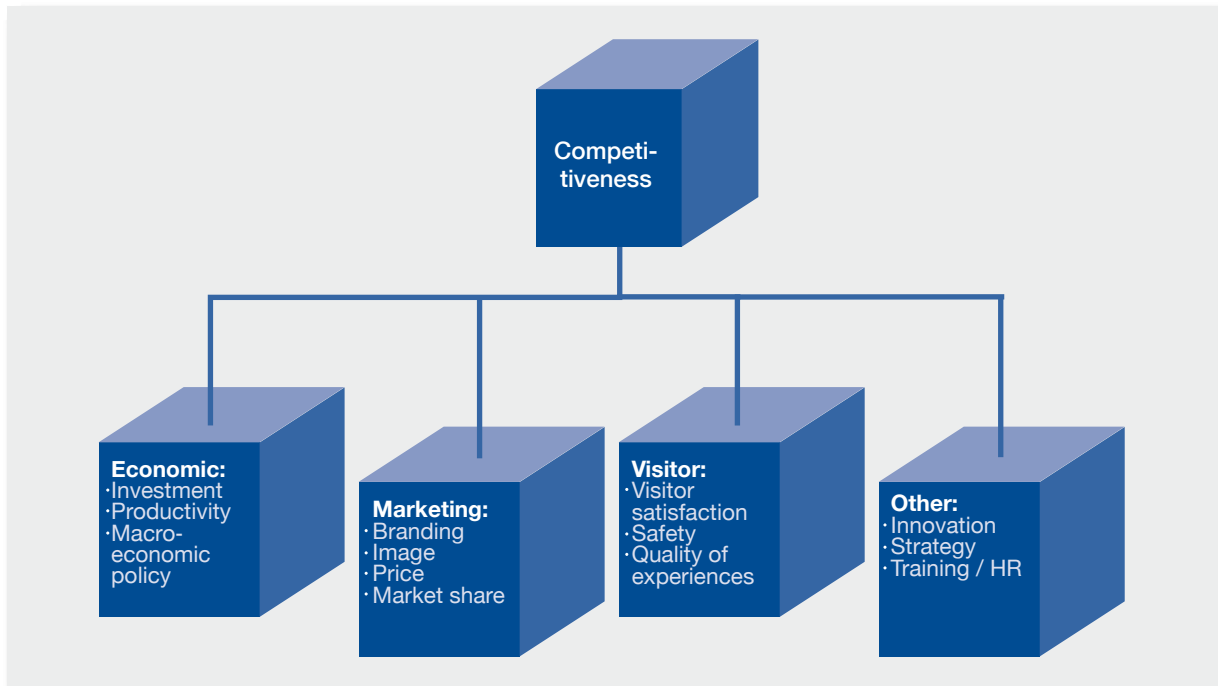
This coordination is typically be led by the Destination Marketing Organization (DMO), also known as tourist boards.



## 5.3 Competitiveness: the concept explained

The essence of competitiveness is the process of competition which is at the heart of the free market economy, where businesses, and in this case destinations, compete for visitors. The focus of any analysis of competitiveness examines a broad range of supply factors which are summarised in Figure 5.2.

**Figure 5.2** Factors which shape destination competitiveness



The analysis of competitiveness has typically focused on both the inter-firm rivalry between businesses in destinations, but increasingly attention has shifted to the study of competitiveness at a destination level. The underlying concerns with competitiveness in these contexts are with profitability, price competition, quality of provision, the size of the market share and ability to grow the business. Other key factors include the degree of competitiveness afforded by key elements of the inputs to tourism production, notably human resources and levels of innovation. In this context, competitiveness is about the effectiveness with which destinations seek to attract and satisfy visitors, and increasingly about the policies which countries adopt towards their tourism economies to make them more competitive.

Some of the above can be influenced by public sector interventions and investment and others are part of the asset base of the region or destination. Destination management has an essential role to play in managing destination competitiveness and the following section looks at some of the tools used to increase competitiveness.



## 5.4 Tools for improving competitiveness

Where active forms of destination management exist, they may sometimes embrace different tools and techniques to seek to understand and improve competitiveness. Some of the most widely used techniques are:

- Destination benchmarking and best practice
- Product development

### 5.4.1 Benchmarking

Finding ways in which elements of success can be measured and quantified so that a destination's relative performance in relation to its competitors can be gauged has seen the development of benchmarking as tool for understanding destination competitiveness.

According to the European Benchmarking Code of Conduct, "Benchmarking is simply about making comparisons with other organizations and then learning the lessons that those companies throw up".

The key benefits of using benchmarking are:

- Benchmarking will require you to start asking questions about what you do, why you do it and if it might be done better given the performance elsewhere to improve efficiency and performance.
- Benchmarking provides an opportunity to look at the practices of others so you can assess performance in relation to competitors.
- Benchmarking is particularly useful to evaluate:
  - Performance against strategies
  - Volume and value of tourism data
  - Overall visitor satisfaction
  - Stakeholder satisfaction (industry, local community).

Tools and techniques to assess destination competitiveness are outlined in Box 5.2.

#### Box 5.2 The Travel and Tourism Competitiveness Index (TTCI)

Since 2007, the World Economic Forum has undertaken an annual Travel and Tourism Competitiveness Report, initially covering 124 major and developing tourism economies and subsequently expanded to 130 countries in 2008 and 133 in 2009. The resulting index measures all the factors which facilitate the development of tourism at a country level. The index provides a set of variables which it asks global executives (2 per country) to comment on alongside quantitative variables. The result is a ranked series of nations according to the TTCI with scores ranging from 1 to 6. The data is aggregated to construct 14 pillars of competitiveness according to three sub-indexes as follows:

**Regulatory Framework:** policies, rules and regulations; environmental sustainability; safety and security; health and hygiene; prioritisation of travel and tourism.

**Business environment and infrastructure:** air transport infrastructure; ground transport infrastructure; tourism infrastructure; information and communications technology infrastructure; price competitiveness in the travel and tourism industry.

**Human, cultural and natural resources:** human resources; affinity for travel and tourism; natural resources; cultural resources.

This is then used to produce the ranking, and recently Switzerland has been consistently ranked as the most competitive destination. Whilst this ranking is a useful attempt to try and differentiate between countries as tourist destinations, it does not cover the vast majority of developing countries or island states so it only offers a partial coverage. One consequence is that some destinations at a sub-country level have also embarked on their own competitiveness studies as a result of this heightened interest in competitiveness. One notable study completed in 2009 is the Ontario Tourism Competitiveness Study which recommended that a regional approach to tourism development and promotion was implemented with a focus on key niche tourism experiences such as culinary tourism, healthy eating as well as principles for policy including sustainability and reducing the carbon footprint. There was focus on specific regions of Ontario, for which the government committed \$40 million, to support the initiative of tourism regions. The overall aim is to not only improve the competitive position of the overall tourism sector from the supply side but to also uplift the experiences for the visitor.

Case Study 5.1 demonstrates how an examination of existing best practice can be used to improve competitiveness.

### Case Study 5.1 Brazilian Competitiveness Project for CVBx

Work was recently undertaken to improve the competitiveness of the members of the Brazilian Convention & Visitors Bureaux Confederation (CBCVB). CBCVB is entirely composed of organizations operating as Convention & Visitors Bureaux (CVBx) in the country with the purpose of advancing and representing their members' interests. The CBCVB partners with the Brazilian Tourist Board and the Ministry of Tourism on initiatives that foster the meetings and visitors industry in Brazil and abroad.

CVCVB faced a number of challenges to become more competitive:

- There are more than 100 CVBx in Brazil. However, there is a lack of reference documents or academic literature on CVBx management
- Limited knowledge regarding international convention bureaux
- Need to raise the performance of Brazilian CVBx to international standards
- Need to train the Brazilian CVBx personnel.

As part of the research several convention bureaux worldwide were visited and interviewed on a range of subjects including political aspects, legal aspects, administration, marketing, operational aspects, associated members relationship and client relationships. This research was supplemented by additional desk research.

The examination of best practice had the following objectives:

- Improve the competitive intelligence model of the CBCVB and the Brazilian CVBx
- Develop a good practices manual to be followed by the CVBx and its associates, focused on applying practical measures
- Develop a code of conduct to be followed by Brazilian CVBx.

The outcomes of the research were the production of a Good Practices Manual and a Code of Conduct with the following results:

- Full access to information throughout Brazil
- Increased the number of Brazilian destinations to compete on the international market
- Access for hundreds of Brazilian cities to economic development through the meetings industry
- Improvement on the services standards of the Brazilian CVBx delivered to national and international clients



- Increase the competitiveness of the Brazilian destinations
- Increase the Brazilian competitiveness on the international meetings market.

Source: Brazilian Confederation of Convention and Visitors Bureaux

[www.cbcbv.org.br](http://www.cbcbv.org.br)

## 5.4.2 New Product Development

A product can be defined as “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, places, organizations and ideas” (Kotler, Bowen and Maken, 2010: 230). In tourism, the product is the vital ingredient that helps create the experiences which are consumed by visitors and the elements supplied by the tourism sector. Given the trend towards much shorter product lifecycles for tourism goods and services and with increased global competition, understanding tourism products and their lifecycle is important. The result is that destination management organizations and their stakeholders need to understand how tourism products develop, grow, mature and then decline so that they can tailor their marketing strategies accordingly.



Organizations also need to know how to develop new products both for their own businesses and at a destination level. This is a complex and lengthy process which can involve in-house ideas generation, or the review of competitors' products, copying and adapting them, or developing products and processes from other non-tourism fields. The process of new product development can be simplified into the following steps:

- New ideas generation
- Idea screening and assessment
- Concept development and testing
- Creation of a marketing strategy for the new product
- New product development
- Testing of the new product
- Communication/launch of the new product

Source: Modified from Kotler et al (2010)

### 5.4.3 Taxation and tourism

Taxation is one immediate way in which destinations may generate direct economic benefits from tourism. Conversely, evidence suggests that tourism has flourished in the OECD countries due to an absence of barriers and restrictive measures<sup>7</sup>. The UNWTO (1998a) argues that the prevalence of taxes impacts upon the competitiveness of the sector, which may depress demand and increase costs to consumers. The impact of job losses which could arise from business failure resulting from a more uncompetitive and highly taxed industry may ultimately lead to a reduction in the tax revenue from tourism. Where a taxation system has been carefully designed and thought through, it may have benefits for residents, and be used to safeguard the environment if the revenues are ring fenced or spent on the sectors generating the income. However, in many governments, the revenue from taxation on tourism is absorbed into general taxation accounts (the exception being US State Taxes on tourism such as bed taxes which are used to part fund tourism development in some cases). Whilst Tourism Satellite Accounting has inevitably highlighted the flows of tax that are accruing from tourism and tourism-related spending, this has occurred alongside a proliferation of taxes on travel and tourism since the 1980s. The sustainability agenda has inevitably led to a rise in some taxation for tourism as a basis for improving the performance or to offset the impact of tourism. Equally, tourism has been a welcomed tool to broaden the tax base of governments. The Centre's first report pointed to the proliferation of taxation that was often imposed without quality information or research, leading to a greater contribution to the global tax base being levelled on tourism.

The scope of tourist taxes ranges from those levelled in destinations on both residents and visitors through to those specifically levied on tourists such as a bed tax (Mak, 2006). There are a number of reasons why destinations tax tourism:

- To export taxes to non-resident tourists.
- To shift profits from tourism to residents.
- To correct market failure.
- To expand and diversify their tax base.

In most countries, visitors also pay a goods service or Value Added Tax (VAT) which can range from 15% to 25%. Whilst VAT may eliminate the effects of tax pyramiding, it does cause a one-off increase in the price of commodities. Some countries permit refunds of VAT on tourist spending when they leave the country but it is often an all encompassing tax on tourist consumption.

It is often the case that tourist taxes are levied at a higher rate which is open for criticism as this is not consistent with arguments that individuals should pay taxes in relation to their ability to pay. But advocates point to tourism being a discretionary good which people can choose whether or not they wish to purchase. In addition to general tourist taxes are taxes associated with the privilege of undertaking certain activities. Examples here are airport taxes and entrance fees for visiting natural areas which are voluntary charges. The argument for such charges is that the revenue is used to finance public usage and the which recommended policy action on tourism taxes by governments as follows:

- Governments should undertake research to assess the potential impact on tourism demand and indirect effect on employment with the debate over the introduction of a bed tax to fund the develop-

7. UNWTO (1998) Tourism taxation: Striking a Fair Deal study pointed to an earlier OECD study in 1991 entitled Inventory of Measures Perceived as Obstacles to International Tourism in the OECD Areas

ment of the local tourism industry.

- Consultation with the tourism industry to give businesses time to adjust their pricing strategy when planned taxes occur.
- A detailed review of tax collection procedures to reduce the administrative burden on business.
- Monitoring of the impact of the taxes on business and the demand for tourism.

It was concluded that:

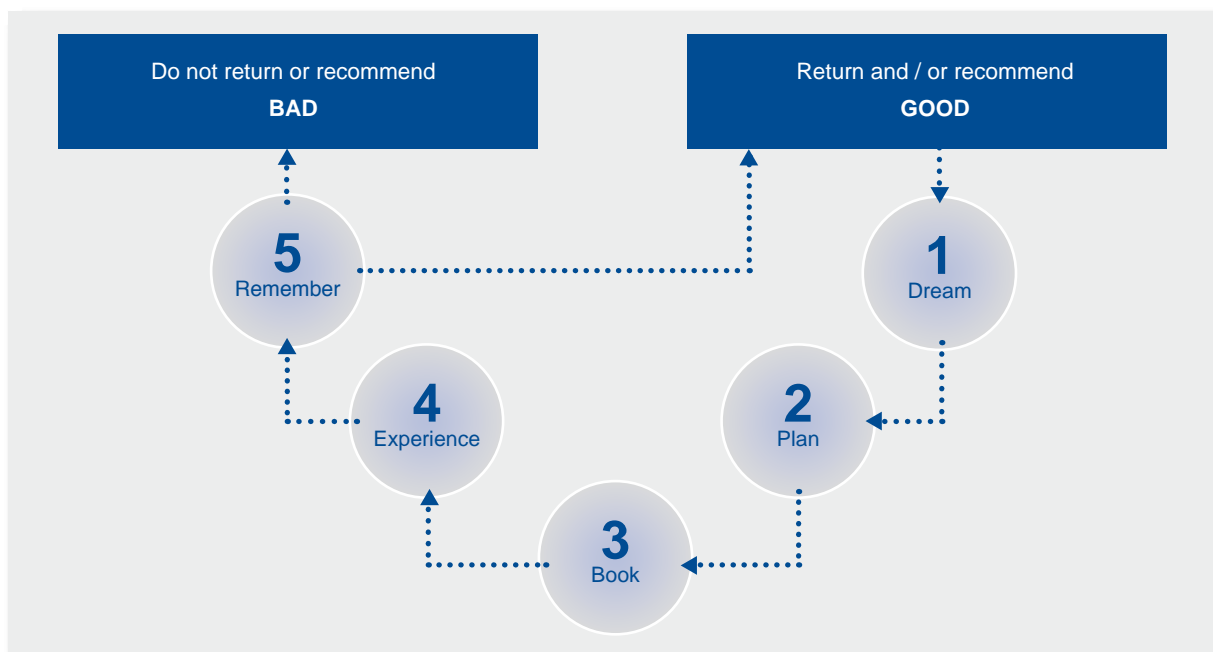
- Tourist taxes should be simple and easy to understand, arguing for the removal of entry and exit taxes (including visa fees) in favour of taxation which applies to the tourist within the country which is easily explained to the visitor.
- Tourist taxes should be harmonised between countries and regions to minimise competitive distortions between destinations.
- Tourist taxes should be levied at an optimal level which does not discourage tourism but equally does not lead to an overall loss in the national tax take.

## 5.5 The customer journey



The customer journey refers to a series of inter-connected stages from planning, through to booking, visiting and finally reflection (see Figure 5.3). Whilst the visitor experience has almost entirely been modelled on the visit and how visitors evaluate and rate destinations, there is also the post-visit evaluation which is what makes a purchase unique as a service: it can have a high degree of emotional and psychological meaning for a long time after a purchase has occurred. The evaluation process is important in terms of repeat visitation and word of mouth recommendations.

**Figure 5.3** The customer journey



Source: UNWTO (2007b), *A Practical Guide to Tourism Destination Management*

A wide range of factors (including human contact) may shape the experience that the visitor has with an attraction or any aspect of a destination and there needs to be a strong focus on visitor satisfaction. Some visitor settings, such as the Disney Corporation have a very highly developed model of delighting the guest with a carefully planned and managed experience which generates high levels of repeat visitation. This is often achieved with a high degree of success when new visitor attractions open (e.g. the Guggenheim Museum in Bilbao; The Eden Project in Cornwall, United Kingdom) but the product life cycle for such experiences will also need ongoing investment to ensure that the visitor experience is constantly refreshed and offers something for a repeat visitor. This illustrates that firms and destinations need to be able to apply business processes to the visitor encounter to ensure high levels of satisfaction. In addition there needs to be focus on designing experiences that add value (see Table 5.1).



There is a growing agreement that one of the major transformations that has occurred in modern tourism is the shift towards experiences as the element which is consumed from a visit, holiday or event.

Ensuring quality of visitor experience at every stage in the journey is a critical component of the competitiveness of destinations:

- Destinations are competing for visitors and to be attractive, there is a need to recognise what the customer journey is, how it impacts on the planning and development of experiences that will attract visitors.
- The visitor experience is not simply confined to consumption of tourism whilst at the destination. Too many tourism businesses are focused narrowly on their product supply and delivery, and give little thought to the other stages of the customer journey.
- The public sector has a critical role in coordinating and developing tourism delivery to ensure a quality experience at the time of visiting the destination.
- Developing a quality experience will encourage repeat visits and positive word of mouth recommendation to friends, relatives and other Internet users, via social networks.

**Table 5.1 Designing the visitor experience to add value**

Design Processes	Actions
1. Identify who the visitor is	Visitor survey research in the destination.
2. Understanding the needs, wishes and choice behaviour of guests	Application of marketing segmentation techniques to target different groups of visitors to serve and identify those to customise the experience to (e.g. families, individuals, senior groups).
3. Meeting the guest: the encounter between buyer and seller	Customising and tailoring the experience to individuals .
4. The moment of truth: first impressions count	A visitor may form his/her initial satisfaction or irritation with a destination at the very outset on arrival when they are in a psychological state that can have heightened levels of stress, uncertainty and ambivalence.
5. The stages and staging of the experience	The spirit of the place and location will have a clear impact on the type of experience which can be delivered. The hospitableness of the location and staff will be an important determinant of the experience formed. The nature of the staff or technology employed will be critical and it will offer opportunities to delight the visitor, by building trust and a rapport with the visitor if the experience design engages them.
6. The enabling management structure	This involves the management processes employed to support the business and locale in developing the experience (e.g. in-house business processes such as accounting, marketing, leadership and management).
7. Quality management	This involves a corporate philosophy committed to total quality management and applies the necessary tools and techniques across the organization to develop a quality experience and a profitable encounter.

Source: Developed from Haahiti and Komppula (2006)

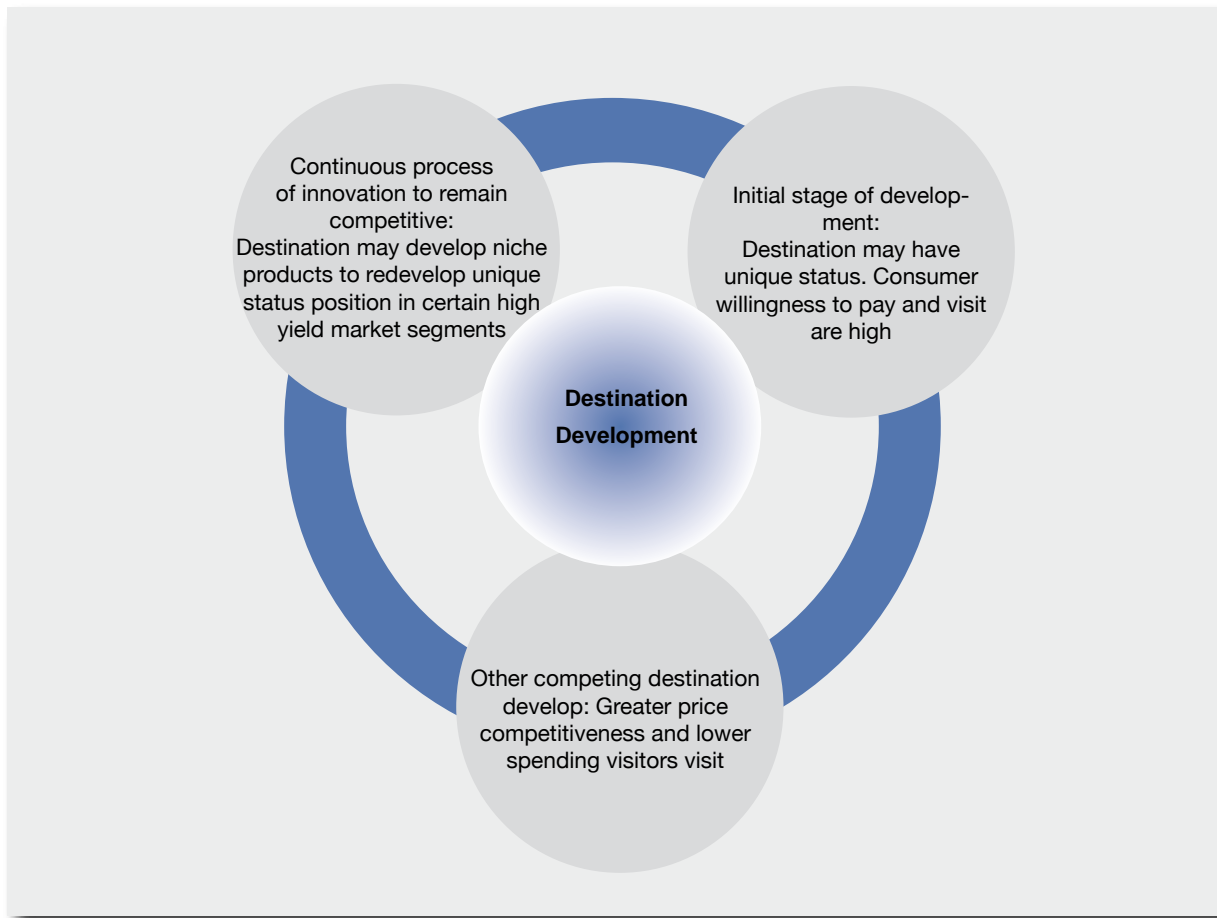
## 5.6

### Knowledge management in tourism

One of the underlying premises behind tourism is the creation of experiences and products, which is heavily dependent upon innovation to keep the product lifecycle in a constant state of development (see Figure 5.4). To achieve this, the generation of new knowledge performs a critical part in the innovation process so that tourism remains competitive. However, there are a number of problems for the tourism sector, characterised as a slow adopter of new ideas and knowledge and dominated by SMEs.



Figure 5.4 A destination development cycle model



We live in an age where high quality information and its management is vital to conduct business effectively. In this respect, the development of Knowledge Management (KM) has become significant because of the need for organizations to share knowledge, rather than hoard it, in order to remain competitive. At a destination level, sharing of information will enable the destination to adapt, survive and remain competitive. Cooperation is vital in a business that spans many interdependent sectors of the economy, if world class visitor experiences are to be created through the supply chain.

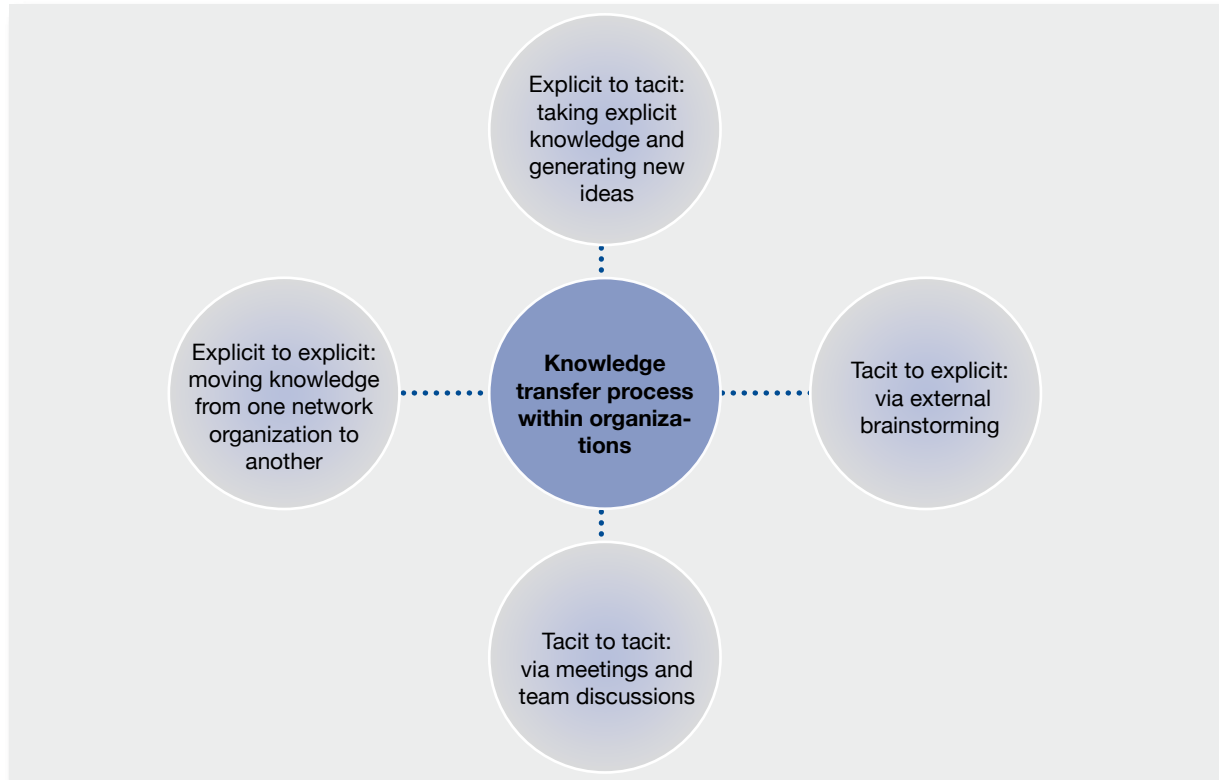
In this context collaboration, partnership working and joined up thinking across the tourism sector are important. Through these networks, organizations can distribute and transfer knowledge and begin to share and act upon the knowledge for competitive advantage. This is demonstrated by OECD (2001: 8) which argued that *"policies which engage human capital, innovation, and entrepreneurship in the growth process alongside policies to mobilise labour and increase investment, are likely to bear fruit over the long-term"*. Greater cooperation and collaboration is necessary to harness the potential of technology, recognise the shortened product lifecycles and to learn how to respond quicker through continuous innovation through partnership working to share knowledge and expertise.

In practical terms, Knowledge Management means that tourism organizations need to be able to harness two types of knowledge within and between organizations:

- Tacit Knowledge, which is often not written down, is experience-based and not communicated so not formalised.
- Explicit Knowledge, which is found in documents, data and written forms.

Understanding how knowledge may be transferred most effectively in tourism is important. It can be a structured or unstructured process to transmit and encourage assimilation of knowledge, research and new ideas and to ensure these are acted upon. Nonaka (1991) noted four ways in which knowledge transfers, as shown in Figure 5.5.

**Figure 5.5** How knowledge transfers within organizations



From these different transmission routes, organizations then develop the ideas and innovations individually or in collaboration through the stakeholders who are involved in the process to create products and innovations for the tourism sector.

Case Study 5.2 illustrates the measures being taken by the research centre CICtourGUNE to facilitate knowledge transfer for a technology based future.

#### **Case Study 5.2** CICtourGUNE: knowledge transfer for a technology-based future

CICtourGUNE, a Cooperative Research Centre in Tourism situated in the Basque Country (Spain), serves as a scientific-technological hub for innovation, strategically designed to generate knowledge excellence in tourism and mobility in three distinct research areas, Tourism Systems and Media, Human Mobility and Technology, and Tourism and Environments. Each research area is focused on gaining a better understanding of the tourism phenomenon through new methods of measuring and modelling tourism information based on technological developments, industry trends, and consumer and service provider needs.

Over the past two decades, dramatic changes in tourist behaviour, destination management, and development and implementation of new technologies have led to a significant shift in tourism and mobility, and the dynamics of public-private partnerships (PPPs) involved. Tangled in an intricate and tightly woven network system, tourism stakeholders are finding this collaborative space challenging to access, as the mobility of goods, information, particularly mass media, and people, play a critical role in the emergence of new market segments, activities and technologies.

Possibly, the most noticeable outcome, is the rise of contemporary tourism services, highly information-intensive, employing new information communication technologies (ICTs) geared toward offering more personalized tourism products.

Destinations' competitiveness is increasingly dependent on the quality of the landscape, urban fabric, new sustainable designs, balance of aesthetics, quality of the human experience (comfort), and perhaps the most crucial, the ability to effectively harness and communicate competitive advantage to the market. Attaining a competitive advantage is no easy feat, and rests heavily on the competencies of involved parties to openly and receptively collaborate in building and diffusing new knowledge and technologies. CICtourGUNE is committed to supporting the travel and tourism industry through open innovation and proactive PPP cooperation.

Source: CICtourGUNE

[www.tourgune.org](http://www.tourgune.org)

## 5.7 Innovation and cooperative behaviour in tourism



The tourism sector is acknowledged as one where improvements in its labour productivity are possible, as it has a high ratio of staff to clients. Low levels of productivity are often attributed as one of the causes of low levels of competitiveness, compounded by poor awareness of and involvement in the process of innovation, especially in the SME sector. Whilst organizations such as OECD (2006) argue that innovation should now be a matter of routine for many businesses, it is recognised that innovation is critical in view of the accelerated speed of product lifecycles and the need to constantly improve the product offering and level of experience offered to visitors.

Innovation is a process which allows businesses and organizations to perform their activities and functions in new ways that will enable them to become more efficient, profitable and competitive and ensure the continual improvement of the visitor experience. The main areas for industrial innovation include:

- Product innovations.
- Process innovations (e.g. new ways of delivering services).
- Market innovations (i.e. new ways of communicating with the customer such as social media) and logistical innovations (i.e. innovations in supply chain delivery of services).





To address the limited levels of innovative behaviour typical of the tourism sector is not an insurmountable problem. Most innovation which occurs in tourism is not technological; it comprises a change in behaviour by businesses – a culture shift (Sundbo et al, 2007). One of the principal factors which affects the culture of innovation in a country is the attitude, support structures and approach of the State. International research suggests that fostering innovation, to promote competitiveness and improved business performance, requires leadership. Such leadership will help champion the notion of innovation and create a focal point for increasing adaptation and implementation of innovation-fostering initiatives. Case Study 5.3 demonstrates government / public sector involvement in the promotion of innovation in businesses.

### Case Study 5.3 Scottish Enterprise's Tourism Innovation Programme

Scottish Enterprise is Scotland's principal economic development agency with a responsibility for tourism business development (running alongside its smaller partner organization that covers the Highlands and Islands of Scotland – Highlands and Islands Enterprise). It has had a major commitment and focus on driving the level of innovation within the tourism sector to improve Scotland's competitive position as a destination. It has a distinct innovation programme for tourism which is one of the most comprehensive approaches to tourism innovation in the world.

By 2008, over 3,800 individuals from around 2,600 companies have participated in the Tourism Innovation Approach which includes events and business development programmes, such as the annual Tourism Innovation Development Day, Innovation Toolkit workshops, Innovation Learning Journeys and the highly successful Tourism Innovation Development Awards. The net impacts delivered by the programme so far are considerable – nearly £15 million in turnover for the industry, generating over 190 new jobs in the sector with additional Gross Value Add (GVA) estimated to be £6.1 million – ten times the actual cost of the Innovation Programme to the public purse.

It is also estimated that the programme will continue to reap dividends over with net GVA expected to reach around £12 million, helping to create around 510 new jobs in the sector as many of the new experiences are just being launched to market.

Source: Franchetti and Page (2009).

[www.scottish-enterprise.com](http://www.scottish-enterprise.com)

## 5.8 Small business development and tourism product development

The small and medium-sized enterprise (SME) sector has been widely recognised as the backbone of the tourism sector and SMEs complement the activities of the large global chains. There is a commitment in most countries that, through the support of entrepreneurship and entrepreneurial behaviour, new SMEs will develop to support employment growth and economic development and thereby the competitive position of the destination. Such interventions may involve the removal of perceived barriers to innovation or business development through supporting a general growth in the capacity of the sector. For example, between 2000 and 2008, the ECI Africa Tourism Enterprise Programme, a public-private partnership, has assisted businesses to support the creation of 43,000 new jobs to invest in new capacity and to grow the productive base of the tourism sector. Some forms of intervention have also been designed to improve the informal and unsophisticated forms of management among the SME sector, reflecting the low entry barriers to this form of business activity. The public sector interventions have also sought to improve the low levels of value added in some sectors, illustrating the need for

professional education and training to communicate the concepts of the customer journey and visitor experience.

OECD (2008) suggested that SMEs comprise upwards of 70% of the businesses in the tourism sector but pose significant problems for productivity due to their small size and access to resources such as finance and capital. They also suffer, historically, from low levels of innovation and high levels of staff turnover as discussed in Chapter 9. However, where they are nurtured with appropriate levels of public sector support they can be highly successful innovators. Therefore, SMEs have a critical role to play in increasing destination competitiveness. In the case of Italy, the state has taken these arguments on innovation as a tool to drive tourism productivity and developed a new approach towards tourism in the public sector with innovation at the heart of service delivery (see Case Study 5.4 below).

The EU has also developed a comprehensive framework for stimulating tourism development among the SME sector with its Operational Programme Competitiveness and Economic Growth among the new accession countries in Eastern Europe and the Baltic states. One of the key tools which such policy interventions have encouraged are the greater use of technology to connect market products globally, and much of the best practice research on SMEs in tourism has been developed by OECD. In addition, other areas which policy interventions have encouraged SMEs to cooperate and network (see Chapter 5) to gain competitive advantages, are through clustering and cooperation to create new products and experiences. For example, in Cyprus, SMEs employing less than 10 people dominate 95% of the tourism sector, illustrating why these measures to improve their competitiveness are vital to destination development.

Case Study 5.4 illustrates some of the required conditions for the competitiveness of SMEs.

#### **Case Study 5.4 Competitive conditions and performance of the Italian hotel sector**

Recent research carried out for the Italian Ministry of Finance has aimed to identify competition/Business Models (BM) within the Italian hotel sector, to orientate the industrial policy towards the SMEs.

The research focused on the competitive conditions and performance of the Italian hotel sector with the aim to define, on one side, the highly competitive business models (BMs) and their representativeness in terms of number of enterprises, and on the other, the declining BMs which do not seem to be able to face the competition in the market anymore. Furthermore, the analysis identified the drivers for growth and success which seem essentially connected to the capacity of relating to the market, to qualitative development and to organization and coordination.

These drivers, particularly crucial for the enterprises set in the area 'Opportunities of growth', may be pinpointed as follows:

- The improvement in products and services quality.
- The differentiation of customers and the enlargement of market portfolio by means of a positive relationship with distribution channels and intermediation, as a proof of an increased attention and improved forecasting skills on customers' trends.
- The push towards aggregation and local coordination, which is bound to strengthen location factors, as well as commercial or 'theme' aggregation (e.g. bikers' hotels).
- Managerial organization and organization of work, both relying on a higher specialisation and implying the overcoming of a strictly family management.
- The improvement of services offered, which in the case of hotels (more than for other types of companies) may be interpreted as an enrichment of activities obtained with no need for high investments (that could not easily be made by these firms), as it is for customised services.

In conclusion, the main conditions that hotel BMs should take advantage of for competitive growth in the Italian context can be highlighted as follows:

- Interaction with the destination and district.
- Development of services to introduce a distinctive USP.
- Enlargement of the customer portfolio.
- Organization of the distribution network.
- Development of managerial skills.

The results obtained represent the starting point in order to develop adequate strategies to support competitiveness in the SMEs of the Italian hotel sector.

Source: Ciset-University of Venice.

[www.venus.unive.it/ciset](http://www.venus.unive.it/ciset)

This chapter concludes with a commentary from Association of British Travel Agents (ABTA), which summaries some of the key issues for destination competitiveness.

*Nikki White, Head of Destinations and Sustainability, ABTA:  
Destination Development – Competitiveness*

The issue of destination competitiveness is of heightened concern at this time of post-recession recovery. Whilst markets are slowly recovering, consumers are applying a wider range of criteria in the process of choosing their travel destinations. Aside from additional and uncontrollable factors which impact consumer confidence in travel such as crisis situations or market volatility, the ability for destinations to appear competitive in the eyes of the consumer is fundamental to their success.

Essential to the concept of destination marketing is the ability for destinations to be able to select their target markets and develop their products in accordance with the consumer trends of that target market. To remain competitive, destinations should ensure their marketing and products align with an appropriate target audience. Furthermore, basing assessments of competitiveness only on volume often gives false impressions of success and it is the long-term sustainability of destination appeal that will often be the true indicator of success.



The tourism consumer can be difficult to predict with an insatiable appetite for new and exotic experiences. These demands need to be balanced with economic factors such as price and a sense of value for money. The challenge for established destinations therefore, is to pursue integrate innovation in a manner which allows businesses to adapt to changes in consumer demand, compete with emerging destinations and reinvest in product offerings in order to assure their future competitiveness.

As highlighted, benchmarking is an important tool in many areas of tourism delivery; a tool that provides the ability to see how

performance tracks against market trends or competitors and for pitching performance against year-by-year performance indicators. Benchmarking systems in relation to the core aspects of tourism delivery are now commonplace and international standards in relation to health and safety and quality have been embraced by many players in the tourism supply chain. Similarly, more and more suppliers are embracing sustainable tourism certification schemes. Tools such as ISO9001, ISO14001 or the Travelife Sustainability System rank amongst the most widely taken up and all of these can have a positive impact on the overall competitiveness of the destination.

However, successful destination benchmarking of competitiveness and its associated organizations face several challenges. Firstly, this needs to be driven by destination management authorities which should secure buy-in from suppliers in their destinations. Secondly, for benchmarking to provide meaningful comparisons, multiple destinations need to be involved and all stakeholders need to agree on the method of measurements. ABTA's experience has shown that the development of

industry wide performance indicators across multiple destinations is challenging. Integral to the success of any such initiatives is ensuring that the governance structure that helps to shape such development is both robust and inclusive.

Tourism, by virtue of its global nature, will always be subject to extraneous local and global issues that impact on market trends relating to travel. For destinations considering their competitiveness, this approach has to be long-sighted and robust, an approach that can ride out the highs and lows of the tourism rollercoaster and which preserves destination appeal for years to come whilst maintaining the product offer.

It is well observed in this chapter that the tourism product needs to evolve and change to adapt, not just to attract and retain visitors, but to balance economic growth with shifts in the social and environmental needs of the destination.

[www.abta.co.uk](http://www.abta.co.uk)

## 5.9 Other sources of UNWTO information

- World Tourism Organization (1998), *Introduction to Tourism*, UNWTO Madrid.
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- World Tourism Organization (2005), *Tourism's Potential as a Sustainable Development Strategy*, UNWTO Madrid. (Includes section on SME Business Development and Competitiveness).



- World Tourism Organization (2005), *Microfinance and Poverty Alleviation*. UNWTO, Madrid. (Includes sections on:
  - SMEs and the three approaches to poverty reduction through tourism
  - SMEs and the fragmented structure of tourism
  - Financing tourism SMEs and the role of microcredit).



# 6

# Innovation in Destination Management



## 6.1 Introduction

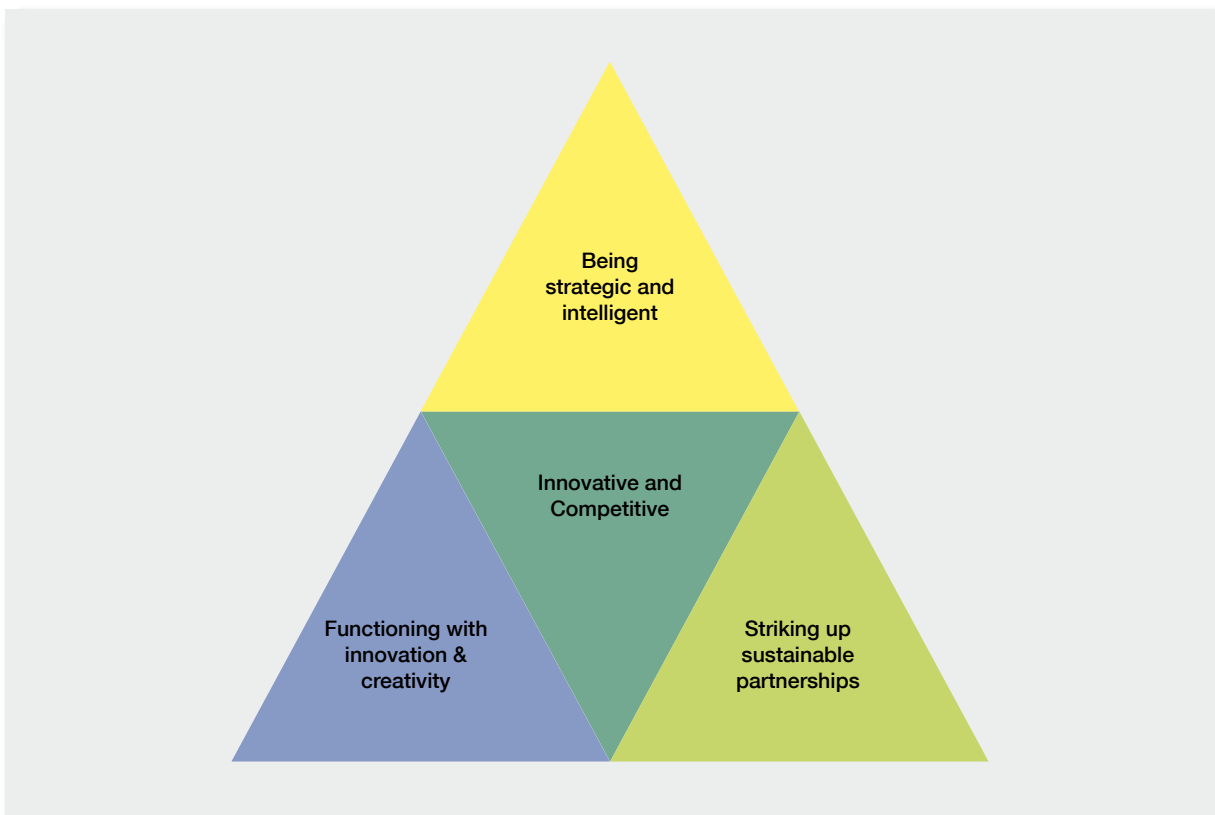
As indicated in Chapter 5, as tourism has expanded and become increasingly competitive, destination management organizations have had to become more focused and specialized to stay ahead of the pack.

The following chapter provides an overview of three key factors that characterize innovative and successful tourism destinations (see Figure 6.1). These are:

- Being strategic and intelligent, outlining a model for strategic planning.
- Striking up active and sustainable partnerships, illustrating some of the primary and secondary activities of destination management.
- Functioning with innovation and creativity, in particular achieving the best return on investment and impact on the market place.

As with Chapter 5, this chapter draws on UNWTO (2007b) *A Practical Guide to Tourism Destination Management* and synthesises some of the key concepts found in this publication. *The Practical Guide to Tourism Destination Management* demonstrates how concepts of destination management may be translated into practice, with models, guidelines and snapshot case studies.

**Figure 6.1** Factors that characterize innovative and successful tourism destinations



The principles summarized in Figure 6.1 are illustrated in greater detail by the following commentary from Antonio Bernabé García of Turespaña.

*Commentary from Antonio Bernabé García, Director General of Tourism Institute of Spain (Turespaña) under the Ministry of Industry, Tourism and Trade:  
 Strategic areas of tourism policy to improve the competitiveness of Spain as a destination*

The last decade has seen a considerable change of trends in international tourism and the new global environment requires businesses and destinations to react to the changes that affect supply and tourism demand. We have offered both standardized products in traditional markets as well as specialized products designed to compete globally to conquer the new consumer: a demanding tourist, with many motivations, a keen user of technology and more conscious about the preservation of the environment.

The use of ICT is taking a leading role in communicating with our customers and potential customers. In Spain, 80% of tourists who visit us are internet users, 6 out of 10 searches online to find information about travel and destinations and 40% of e-commerce is for travel related sales.

Furthermore, environmental sustainability has emerged as a key competitive factor reflected by institutional and social commitment in the fight against climate change, to reduce the ecological footprint and ensure the preservation of our natural and cultural heritage.

DMOs have not been oblivious to these changes and that is why the Government of Spain, through Turespaña, has implemented numerous measures to advance the improvement of the main keys to success for Destination Quality Management as discussed in this chapter of the publication:

- Knowledge, innovation and technological development
- A new marketing strategy to reposition Spain as a destination, and
- Environmental sustainability applied to businesses and destinations.



**Knowledge, innovation and technological development**

Numerous initiatives have been implemented in this context to provide ourselves with more and better knowledge and use this know so that companies and destinations can take better decisions in their product strategies and marketing. This is being undertaken through cooperation and sharing of all knowledge generated by universities, research institutes, associations and government. We are driving technological development and innovation by encouraging the creation of innovative tourism clusters of public-private partnerships. To date more than 350 companies, 72 associations, 35 universities, 27 technical institutes and centers and 78 public administrations and are working in network and sharing their projects and best practices through [www.thinktur.es](http://www.thinktur.es) platform.

**New marketing strategy**

Aware that only the most competitive destinations can compete and be better positioned for leadership in the new globalized environment, Turespaña has opted for the improvement of the positioning of our country's image abroad. Based on analysis of the attributes of our brand, we have developed a new marketing strategy, under the slogan "I need Spain". This has been a quantum leap in how we



communicate in international markets. We have used innovative creativity which can transmit the diversity of experiences offered by our country. The new strategy is based on a comprehensive communication system that includes all forms of media, offline and on-line. Major social networks play an important role.



In addition, we have given further impetus to joint marketing activities with other public and private organizations with 440 agree-

ments for the international promotion of Spanish destinations. We have also strengthened efforts to promote our Spanish tourist offices abroad, and have undertaken 3,500 activities to promote Spanish tourist destinations and products with the participation of more than 200,000 professionals and journalists and 80 million end users in international markets reached.

### Environmental quality and sustainability

As the third factor that determines the success of destination management, we have emphasized the efforts undertaken in terms of sustainability, especially in the Mediterranean coastal region and the Balearic and Canary islands. We have opted for the implementation of large-scale retraining for mature tourist destinations and the financing of projects for modernizing tourist infrastructure. This will lay the foundations for a new operating model that will redirect the management of our destinations towards greater responsibility for the sector, involving all.

The Government of Spain is firmly committed to the tourism sector in this country and runs its policy in line with the factors shown in Figure 6.1 of this chapter. The programs listed here are some examples of how Turespaña strategy is linked to the development and improvement of these strategic pillars. However, the success of tourism policy is implemented through active participation of all the actors that make up the resort. A true public-private partnership will have a strong commitment to investors and a clear commitment to knowledge, innovation and sustainability within the framework of a new work culture capable of generating more income, more and better jobs, a reduction of environmental impacts and improved quality of life of the population.

## 6.2 Being strategic and intelligent



Innovative DMOs invest in knowledge and intelligence and operate and organize in accordance with a clearly defined destination management strategy, i.e. a sustainable “game plan” for growing market share.

### 6.2.1 Being intelligent

Successful and innovative DMOs invest in information and knowledge management systems that inform strategic decisions and operations. Such knowledge and intelligence includes:

- Consumer and market research and knowledge to gain a thorough understanding of market segments, profiles, needs and strategies for reaching and converting them to customers. Such research should focus both on existing (i.e. current visitors) and potential travellers in source markets.
- The objective should be to:
  - segment markets into specific user groups, allowing for more targeted and appropriate promotion, and;
  - to guide product development and delivery to suit visitor needs and usage patterns
- Performance measurement to track and evaluate market performance and returns and adapt strategies accordingly. Performance measurement should address the strategic objectives of the destination i.e. measuring how well the destination succeeds in addressing its strategic targets.
- This means that performance should not only be measured in terms of numbers but also revenues, length of stay, seasonality, spread of tourism, return on investment and other factors as required by the objectives.
- Trend analysis and monitoring to follow the latest trends in the broader market environment and to capitalize on these e.g. environmental issues, technological improvements, economic changes, etc.
- The macro environment is in a constant state of flux and DMOs need to monitor trends and be proactive in responding to changing economics, environmental challenges, socio-political and personal safety situations, technological innovations, etc.

Case Study 6.1 demonstrates the research undertaken by the Hungarian National Tourist Office in the development of their Year of Cultural Tourism in 2009 to test the effectiveness of the programme.

#### Case Study 6.1 Researching the Year of Cultural Tourism, Hungary

The Hungarian National Tourist Office (HNTO) is the national destination management organization responsible for the promotion of Hungary as a tourist destination. Their fields of activity cover national, regional, local and city promotion. HNTO has been focussing its domestic marketing communications on a single selected theme and tourist product each year since 2006. Theme years lend themselves to concentrating resources, to engage in joint action with independent partners and also to promote the effectiveness of presenting offers to the market by collecting them under an ‘umbrella’. 2009 was the Year of Cultural Tourism.

The HNTO selected the theme for the campaign year in cooperation with travel trade professionals. The purpose of the theme year is to arouse public interest in the cultural heritage of Hungary and its tourism offering and to increase the number of guest nights and hence tourism receipts.

Initial research was conducted on the awareness of the Hungarian public of cultural tourism, their attitudes and travel habits before the theme year. The results of the survey supported a hypothesis that the general and personal attitudes of the Hungarian public were favourable towards domestic cultural tourism and travel habits also reflected these positive sentiments. Nevertheless, there was still scope for improvement to increase domestic demand for cultural tourism in Hungary by generating interest among target groups whose domestic trips were not typically culturally motivated.

A representative study repeated after the theme year offered evidence of the effectiveness of the theme year. Key findings include:

- All in all, more than half (55%) of the respondents had heard about the Year of Cultural Tourism 2009 and/or had firsthand experience with it in some form.
- Most of the respondents (67%) heard about the program series on TV, from brochures and leaflets (39%) and the press, which followed closely as a source (37%). A supplement to daily papers and magazines, called '*Itthon Otthon Van*' (*You are at home here*), proved to be the most recognised publication of the Year of Cultural Tourism 2009, followed by a publication of discount accommodation offers and the leaflets of the Buildings Inside and Outside series.
- As a result of the program series, 43% of those familiar with the campaign improved their judgement of Hungary as a destination (14% of these respondents had had a poor opinion about Hungary as a tourist destination, and changed their opinion for the better due to the theme year).
- 41% of those familiar with the campaign participated in actions announced as part of the Year of Cultural Tourism 2009 program series.
- 21% of respondents familiar with the campaign and having web access visited the [kultura.itthon.hu](http://kultura.itthon.hu) website in 2009.
- In 2009, one in five respondents who went on a domestic trip said their choice of a destination was influenced by the Year of Cultural Tourism 2009 campaign or its elements, i.e. their decision to travel was a direct response.
- Attitudes and travel habits relating to cultural tourism have changed favourably since the previous study.

Source: Hungarian National Tourist Office

[www.gotohungary.com](http://www.gotohungary.com)

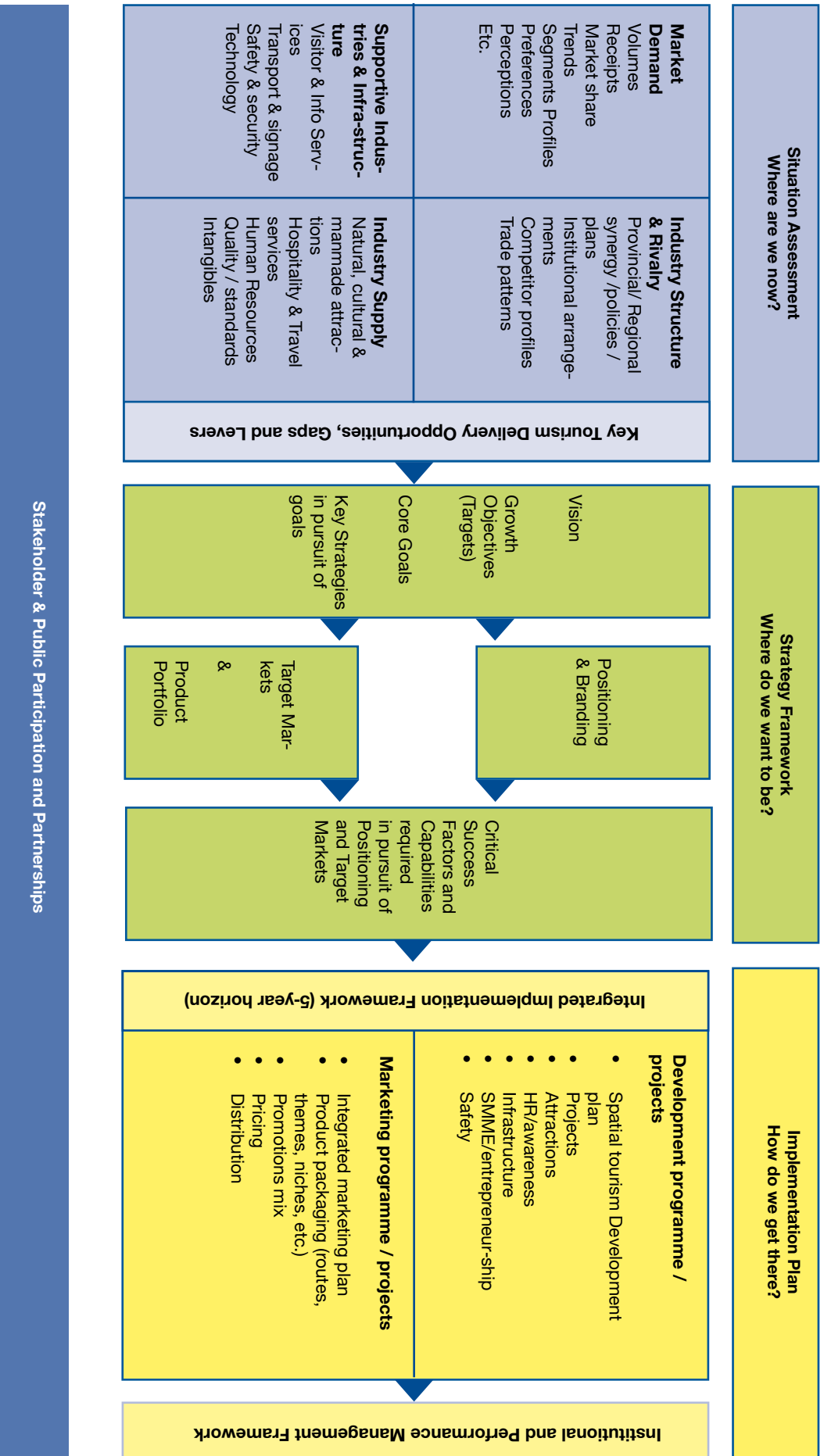


## 6.2.2 Being strategic

The following systems framework in Figure 6.2 summarises the strategic planning model that could be used for devising a strategy for effectively managing the destination.

- Situation assessment (**Where are we now?**) regarding the tourism competitiveness of the destination, including:
  - A macro-environmental appraisal
  - A market analysis and assessment
  - An audit and assessment of tourism resources and services
  - An assessment of supportive infrastructure and services
  - An analysis and assessment of the industry structure and rivalry including benchmarking and comparison with current and future competitors
  - Based on the above, a summarised assessment of key tourism challenges, delivery gaps, opportunities and levers for tourism growth
- A strategic framework (**Where would we like to be?**) for future tourism growth based on the findings of the situation analysis, including:
  - A tourism vision, core goals, growth objectives and targets
  - A distinctive positioning and branding strategy to differentiate the destination from competitor destinations
  - A target market strategy to identify and profile the most appropriate and lucrative market segments, their profiles and preferences
  - A suitable product portfolio and development strategy to match the needs of target markets
  - An assessment of critical success factors and destination capabilities required in support of the positioning strategy and target markets.
- An integrated, multi-year Implementation Plan (**How do we get there?**) for addressing the critical capabilities factors with specific programmes and projects, budget indicators and monitoring mechanisms to implement the strategic framework, for example to:
  - A tourism development programme and implementation plan relating to e.g. spatial nodes and routes, critical infrastructure, tourism information systems, new product development and packaging, investment promotion, human resource development and awareness, SMME development, support infrastructure and services, safety and security, etc.
  - A tourism marketing programme and implementation plan that supports the brand and focuses on attracting target markets through an integrated marketing mix, i.e. product packaging, distribution channels (travel trade, Internet, visitor network, etc.) and promotional activities (PR and media, advertising, promotions, etc.)
- Institutional and performance management arrangements (**How do we organise ourselves to get there and measure success?**) including a suitable organizational system for the future management and execution of tourism in the destination, that:
  - Is based on the findings the strategy and implementation plan
  - Complements other initiatives and structures e.g. national and regional / provincial tourism institutional policies and frameworks
  - Is based on the public/private partnerships
  - Monitoring and evaluation mechanisms to measure and evaluate strategic performance
  - Cooperative mechanisms with other complimentary sectors and industries such as arts, heritage, events, business promotion, etc.

Figure 6.2 A framework for destination strategy development



Source: UNWTO, 2007b: 24 *A Practical Guide to Tourism Destination Management*

## 6.3 Striking up active and sustainable partnerships



Successful tourism destinations recognize the importance of the tourism destination value chain, which comprises a wide range of primary and support services for delivering a seamless and enjoyable tourism experience.

This also implies harnessing the energies and resources of a range of partners across the destination value chain (see also Chapter 8).

### 6.3.1 Destination Value Chain

The DMO plays a key role in coordinating and tracking the activities of the wide variety of service providers involved in maximising visitor value.

Figure 6.3 outlines the different elements of the destination value chain. While the individual elements are important it is useful to look at them here, as a whole, to give an overview of the activities in which destination managers should be involved. Both these primary and foundation activities are critical to ensure an excellent visitor experience and are discussed in the following sections.



### 6.3.2 Primary Activities

Primary activities directly involve the packaging, promotion and delivery of the tourism experience to the visitor. The public and private sector tourism industries consider these primary activities their core business and the missions and objectives of tourism product and service suppliers, intermediaries (agents/operators) and destination marketing organizations are largely tied to these primary activities which include:

- **Product development:** this is of key importance to ensuring constant rejuvenation of the destination offering.
- **Destination and product packaging:** the intangible tourism product should be packaged as conveniently, attractively and accessibly as possible.
- **Promotion:** the destination needs to be promoted to the marketplace either directly to the consumer or to the intermediaries (travel agents and tour operators) using a range of promotional methods.
- **Distribution and sales:** generic and commercial information should be distributed through the most appropriate channels.
- **In and outbound logistics:** ease and speed of access, especially for long-haul destinations, is increasingly having an influence on destination choice.
- **Destination operations and services:** the largest part of the visitor experience happens at the destination and this has a determining effect on the enjoyment levels and value experienced by the visitor.
- **Aftercare:** client care and follow-up is essential to establish loyalty and positive attitudes among clients.

Case study 6.2 below demonstrates the importance of establishing DMOs to enhance opportunities for destination positioning and promotion.

#### **Case Study 6.2 Tourism Consortium in Barcelona: regional structuring in order to increase the competitiveness of tourism destinations**

The general aim of the Provincial Council Barcelona of Barcelona is to promote the social and economic development of the municipalities in the province of Barcelona through the tourism sector, while ensuring that a harmonious balance is maintained between this development and the socio-cultural and natural environments in which it takes place.

The creation of the Tourism Consortium in Barcelona province, sponsored by the Delegation of Tourism of the Province of Barcelona is an example of structuring in the region in order to increase the competitiveness of tourist destinations and provide an opportunity for cooperative promotion and positioning by tourism authorities.

The Delegation of Tourism of the Provincial Council of Barcelona has been actively involved in the 16 consortia of tourist promotion of the province, which comprises in total more than 200 municipalities and business organizations in the field of tourism. This involvement has taken place with the aim of working towards the establishment and improvement of the overall tourism product in addition to providing technical and financial support, support services and advice to improve quality and to stimulate sustainable economic development.

The Consortium was created in response to the Development Plan for Sustainable Tourism in the Province of Barcelona, (1997) drawn up by the Barcelona Provincial Council, which conducted the first detailed analysis of tourism development in the province. From this work strategic lines of action were established. The primary objective of the Plan was to ensure that tourism in the province was competitive and able to occupy a prominent place within the wider tourism market of Catalonia. To achieve this, two important aspects in terms of planning were taken into account: tourism businesses and the tourist destination.

Not all the destinations had destination management organizations that could bring together different stakeholder interests and differing tourism products and as a result it was difficult to carry out the actions that would lead to an increase in competitiveness. Indeed, the presence or absence of a body responsible for tourism management in the destinations has been instrumental in the development of tourism policy in the areas where the Plan has been implemented.

Where there was no organization to bring together different tourism stakeholders, a promotional consortium was

created. Once constituted, the consortia were recognized by local law and could acquire finance by agencies that receive government aid and became a benchmark for competitiveness in the development of tourist destinations across the country.

Source: Oficina de Promoción Turística de la Diputación de Barcelona

[www.turismepropbarcelona.cat](http://www.turismepropbarcelona.cat)

### 6.3.3 Support Activities

Support activities are those where value delivery is indirect and supports the visitor experience e.g. infrastructure, planning, human resources development, technology and related industries such as construction, retail, etc.

The efficient delivery of these activities and their performance is a fundamental foundation for developing a tourism destination. Ensuring that these activities are in place requires strong leadership from the DMO. Such delivery can only occur within the framework of public/ private partnerships and strategic alliances and effective institutional coordination among the various players in the value chain.

These activities are summarised as follows:

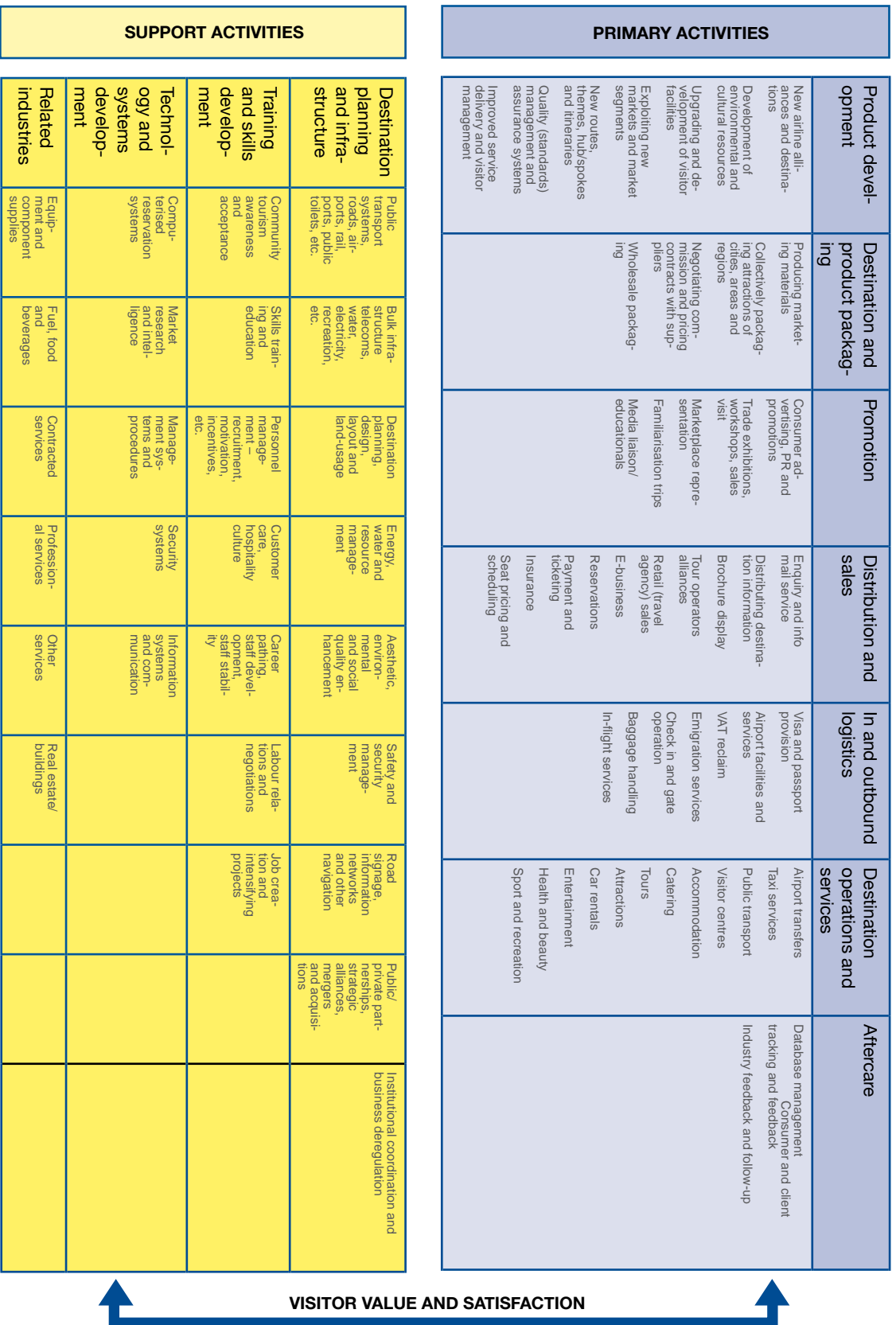
- **Destination planning and infrastructure:** the physical image, environmental integrity and infrastructure of the destination are key determinants of the quality of the visitor's experience. The industry will not be able to function without appropriate infrastructure such as an operational transportation network (e.g. public transport, roads, airports) as well as bulk infrastructure such as telecommunications, water, electricity, recreation and access to communication channels.



- **Training and skills development:** tourism is a service industry and the quality of the visitor experience is largely determined by the quality of service and personal interaction experienced at the destination.
- **Technology and systems development:** technology is increasingly becoming a driving force in support of the value chain. Global reservations and distribution systems are key levers of competitive advantage for airlines, hotels, car rental companies, etc. Operational and management information systems are also of major importance.
- **Related industries and buying local produce:** primary tourism industry activities are underpinned by a wide range of related enterprises that supply services to the sector. These are an integral part of the tourism "cluster" and the success of the value chain is highly dependent upon the effective provision of these services and products. These include equipment and component supplies, fuel, food and drink, contracted services, professional services, real estate/buildings, etc.



Figure 6.3 The destination value chain



Source: UNWTO, 2007b: 22, *A Practical Guide to Tourism Destination Management*

### 6.3.4 Destination partnerships across the value chain

The value chain analysis demonstrates the wide range of stakeholders involved in delivering the tourism experience. DMOs have to develop strong partnerships as a precondition for destination success.

Partnerships that are associated with the primary activities in the destination value chain are:

- **Product development:** partnerships with custodians and owners of attractions, land and other resources to engage them in planning and developing such resources for tourism purposes.
- **Product packaging:** partnerships across the various tiers of destination management organizations (i.e. local, regional and national tourism authorities to establish circuits and routes, etc and package attractions.
- **Promotion:** public-private marketing partnerships with the government and private sector pooling funds (e.g. membership fees, voluntary levies, etc.).
- **Distribution and sales:** information distribution and sales partnerships with tour operators, internet distribution systems and service providers, brochure management services, professional conference organizers, professional associations, related government departments (e.g. Foreign Affairs, Trade), etc.
- **In and outbound logistics:** promotional and service agreements and cooperative partnerships with emigration services, airport companies, scheduled and charter airline operators, road and public transport authorities etc.
- **Destination operations:** DMOs need to partner with private and public services providers to promote and ensure quality standards, value for money and efficiency of services.



The issue of destination quality management is well documented in the Handbook of Quality in Destination Management (Switzerland) and some key principles from this publication are outlined in Case Study 6.3 below.

#### Case Study 6.3 Key principles for Destination Quality Management (DQM)

Concrete aims of a strategic DQM are to:

- Make a significant contribution to securing the long-term future of tourism
- Convey the feeling of being welcome and pampered at a high quality level
- Give better value for money and improving international competitive position
- Increase visitor loyalty for the destination
- Re-position the destination

- Win new guests and improving the loyalty of existing clients

Successful DQM has the following benefits:

- Advances professionalism and closes gaps in the choice of attractions on offer
- Brings about the development of instruments useful to the service providers
- Encourages and firmly establishes cooperation of market players within the destination
- Assists in bringing out innovative creativity
- Sensitizes the population to tourism matters
- Improves cost effectiveness and competitiveness by systematically focusing on quality.
- Results in the visitor being enthusiastic and coming back
- Results in more turnover, overnight stays and increased frequency due to more attractive offers and better image (e.g. word of mouth)

DQM works best if there is close cooperation with all the important stakeholders within a destination (accommodations, transport companies, attractions, entertainment locations, service providers, shopping businesses, local government and others). This means that DQM has to be defined as a long term project, based on the following fundamental prerequisites:

- Basic commitment: all decision makers and all important service providers commit to quality and performance optimisation
- Personal attitude: stamina and motivation, being goal-oriented and working as member of a team are required of all parties involved
- Timing: the project launch timed well and powerfully
- Structure: the project organization must be clear from the start (project leader, competences etc.)
- Finance: additional funds required (e.g. project finance "DQM" and finance of individual measures to increase quality and hospitality)

Source: Lucerne University of Applied Sciences and Arts – Institute of Tourism

[www.unilu.ch](http://www.unilu.ch)

Partnerships that are associated with the secondary activities in the destination value chain are:

- **Destination planning and infrastructure:** national, regional and local government authorities are key partners as they deliver the required roads, communication, water, sanitation, safety and security and other services required to develop and operate tourism destinations.
- **Human resources development:** DMOs should proactively engage in training, skills development and research partnerships with universities, colleges and other academic institutions. Practical working relationships should also be fostered with skills training authorities, hospitality and training schools and other institutions involved in hospitality and tourism capacity building programs.
- **Technology and systems development:** relationships and partnerships with e-Marketing experts, web-development specialists, Internet Service Providers, telecommunications operators, mobile phone operators and other communication technology specialists are becoming increasingly important and valuable.
- **Related industries:** leading DMOs have realized that many large corporations that are not directly part of tourism benefit from the industry through brand exposure, direct visitor purchases, visitor supplier purchases, local facilities improvement etc. These could include agriculture, manufacturing, property brokers, retail services, etc. Such corporations need to be brought into the tourism fold as partners, e.g. as members of local tourism authorities, through sponsorships, as directors of tourism boards, etc.

## 6.4 Functioning with innovation and creativity



Innovative DMOs have long realised that success is not only determined by huge tourism budgets. Achieving the best return on investment and impact in the marketplace requires smart, effective and efficient destination management. Some key success factors in this regard include:

- Developing an emotionally powerful destination positioning and brand.
- Making best use of powerful technologies.
- Performance measurement, evaluation and adapting strategies accordingly.
- Efficient and flexible structure to be tailored to strategy.

### 6.4.1 Developing an emotionally powerful positioning and brand

As with products, creating a unique identity has become more critical than ever for destinations and it has in many respects become the basis for survival and growth within a globally competitive marketplace.

Destination competitiveness is increasingly being fought over minds and emotions rather than physical features and price. The destination brand communicates and signals competitive positioning. Since DMOs are mandated to manage the destination's image, effective branding could be an extremely valuable and powerful tool in their hands.



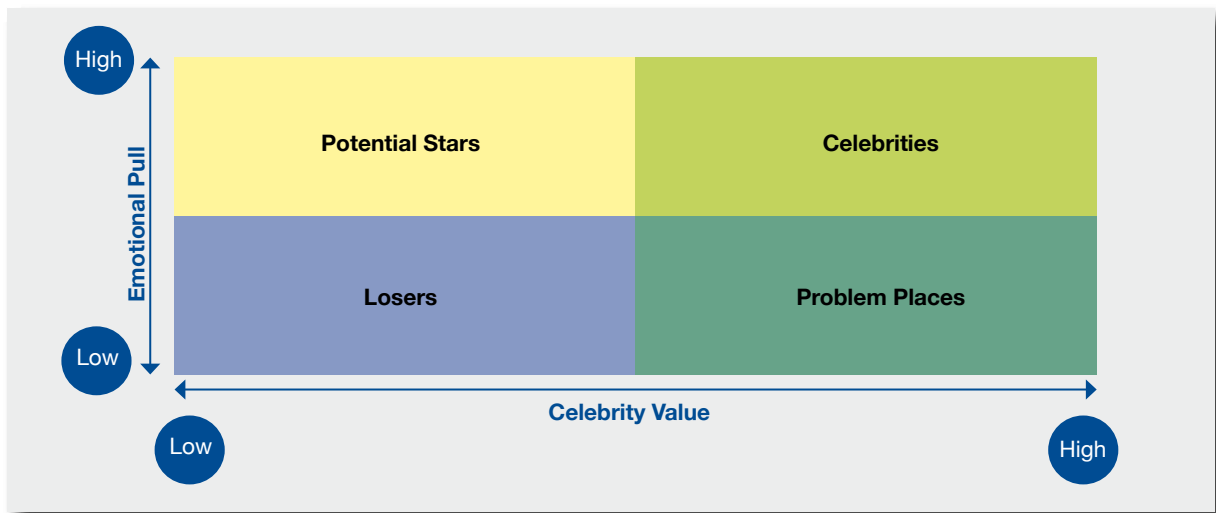
A brand could be defined as a unique combination of product characteristics and added values, both tangible and non-tangible. The characteristics have a relevance that is inextricably linked to the destination and brand awareness may be conscious or intuitive.

The brand is not only a trademark (logo, strapline or icon), but an experience and image that signals a value system and positioning. In short, it is a PROMISE. It establishes the kind of experience that the visitor can expect from the destination.

On any positioning map, brand winners are those places which are rich in emotional meaning, have great conversation value and hold high anticipation for potential visitors. Rich, strong destination brands sing a song of difference and have a sense of being somewhere worth visiting (Morgan et al, 2002).

Figure 6.4 below outlines a conceptual framework for understanding destination brand winners and losers.

Figure 6.4 Brand winners and losers



Source: UNWTO, 2007b: 43, *A Practical Guide to Tourism Destination Management*

### 6.4.2 Making best use of powerful technologies

Technological advances affect the entire destination value chain. Examples of recent technologies that have had a major impact on the travel and tourism value chain include:

- Environmentally-friendly technologies such as solar and wind power, environment-friendly design and construction materials and methods, water saving systems, etc.
- Fast, quiet and energy efficient rail transport systems to connect markets with key destinations.
- Computerized and globally networked emigration and security systems.
- Hugely improved passenger boarding and other airport pedestrianization systems.
- Electronic visitor information systems, touch-screen technologies, mobile phone visitor support systems, visitor debit cards and other on-the ground information channels.
- Improved payment and foreign exchange services.



However, two technologies have revolutionized tourism during the past decade and have allowed some destinations to achieve major competitive advantages. These are:

- Information Communication Technologies (ICTs), in particular the internet and mobile phone networks as distribution and communication systems. Innovative destination managers regard new technologies as central aspects of their strategies, allowing them to be highly targeted and cost effective in managing, marketing and selling their destinations. Chapter 7 deals with this aspect in more detail.
- The huge growth in budget airlines has tipped the travel-cost scales in favour of the destination, allowing tourists to have more holidays, easier connection and spending money on activities, accommodation and cuisine.

While implementing and capitalising on some of these innovative technologies are often not within the direct control of tourism destination managers, innovative destinations strive to influence and lobby the relevant partners to invest in these.

### **6.4.3 Performance measurement, evaluation and adapting strategies accordingly**

“If you can’t measure it, you can’t manage it”, is one of the most well-known management adages, which is highly relevant to destination management. Unfortunately the majority of destination management organizations are fairly poor at measuring tourism performance.

The most innovative destination managers invest in a variety of measurement instruments to track value and obtain the best return on investment. These include:

- Direct and indirect tourism impact assessment to measure and monitor the economic and employment contribution of tourism, the ultimate being a full-blown satellite account.
- Market evaluation and segmentation, including market profiling, trend analysis and yield assessment (e.g. visitor spend, length of stay, etc.).
- Measuring return on investment of specific expenditures e.g. attendance of tourism shows, special promotions, advertising campaigns, etc.
- Product performance and investment measurement, including construction values, financing levels, etc.

Once innovative DMOs have secured valid and reliable performance information and market intelligence they apply it effectively to improve their destinations competitiveness. Effective usage of performance information and measurement statistics requires the ability to think strategically and think ahead.

### **6.4.4 Efficient and flexible structure to be tailored to strategy**

Bloated bureaucracies are often detrimental to the fast-changing tourism environment. Innovative DMOs are increasingly expected to keep pace with their private sector partners. This requires nimble and credible organizational structures, incorporating the following principles:

- Structure should follow strategy. Unless DMOs are guided by clear and goal driven strategies, structures are often undefined and bloated. Innovative tourism organizations are structured to fulfil

strategic objectives and strategies.

- Flat and networked organizational structures are more effective than hierarchical ones. Decisions are taken faster in such organizations and teamwork is more positive and effective. This is difficult to achieve in public sector functions of government and is one of the main reasons for governments establishing tourism agencies.
- Good corporate governance is paramount in innovative DMOs. Clear management and directorship roles, effective risk management, delegations of authority and constructive internal auditing systems are extremely important to the smooth, flexible and transparent management of destinations.



## 6.5 Future issues for destination marketing

The following commentary is provided by the President of the Global Interface Tourism Group and raises some of the future issues faced for the marketing of destinations.

### *Commentary from Gaël de La Porte du Theil, President of Global Interface Tourism Group: Future issues for destination marketing*

Supply and demand has changed in nature in recent years. For some time it was dominated by no more than 50 major destinations fighting for the favour of holidaymakers from no more than 20 major markets in Europe, North America and Northeast Asia. The number of tourist destinations today has increased dramatically while market demand stands at 900 million tourists globally. However, a less optimistic scenario due to the increased (environmental) cost of air travel may result in a “war” between destinations, making it even harder to lure smaller numbers of international travellers.

Nevertheless, the emerging economies in Africa, Asia and South America are increasing the number of source markets and it is of interest to exploit these opportunities and capture new customers. In short, the supply of destinations and exploding global demand is now, more than ever, geographically diversified, sociologically segmented and technologically complex.

The successful promotion of destinations



should be spread over an increasing number of source markets. Marketing investment can be enhanced by pooling resources and outsourcing destination marketing to private contracts.

Naturally, a desire for the common good is the prime motivator driving the strategic marketing of destinations. However, policy makers are under increasing pressure from industry to increase yield and from taxpayers to demonstrate good management of public funds. National Tourist Organizations (NTOs) are under pressure from their stakeholders (public and private) to achieve a better return on investments. At the same time, the cost of

establishing offices abroad is rising. What is more, consumers are changing the way they make decisions about travel and this will require more diverse skills from sales and marketing teams. There needs to be a shift from destination marketing which is geographically static and often burdened by issues inherent in institutions (political, structural, managerial) towards tactical marketing, which is uninhibited, opportunistic, high yield and fully globalized.

In this new world market intelligence, flexibility and creativity is the key to successful market-

ing. Already, a handful of international corporate network marketers of destinations share the design and implementation of global marketing of “destination brands” worldwide. Global Interface Tourism is one of them. These competing networks that are the interface between marketing destinations and markets have no choice to keep and win customers but to engage in a race for technological innovation and training and relationship management.

[www.interfacetourism.com](http://www.interfacetourism.com)

## 6.6 Other sources of UNWTO information

- World Tourism Organization (1997), *Towards new forms of Public-Private sector partnership: The changing role, structure and activities of National Tourism Administrations (NTAs)*, UNWTO, Madrid.
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The UNWTO World Tourism Barometer offers a unique overview of short-term international tourism trends. It is developed by UNWTO with the aim to provide all those directly or indirectly involved in tourism with adequate up-to-date statistics and analysis in a timely fashion. The UNWTO World Tourism Barometer is updated three times per year.

Available in English, French and Spanish in print and PDF version.  
 For more information visit [www.unwto.org/infoshop](http://www.unwto.org/infoshop)

**UNWTO World Tourism Barometer**  
 Connected to Tourism, Travel and the Millennium Development Goals  
 Volume 8 - No. 1 - June 2010

**Recovery confirmed, but growth remains uneven**  
 In the first four months of 2010 the expected rebound of international tourism materialised, according to the arrivals, receipts and expenditure data available from over 120 destination countries worldwide included in this issue of the UNWTO World Tourism Barometer.  
 Growth in international tourist arrivals through April is estimated at 7%. This confirms the recovery trend beginning in the last quarter of 2009, despite the challenging conditions of recent months. But it has been an uneven recovery, with emerging economies (+9%), and specifically destinations in Asia and the Middle East, surging ahead while advanced economies (+5%) lag somewhat behind, with many destinations showing sluggish (if any) growth.

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**UNWTO Panel of Tourism Experts  
 Confidence picks up in line with the economy**  
 After 20 months with scores at the debit line - below the neutral 100 - the more than 350 specialists from around 100 countries and territories who constitute UNWTO's Panel of Tourism Experts gave a rating of 114 to their evaluation of world tourism performance during the first four months of 2010. In the context of UNWTO's World Tourism Barometer Confidence Index, this is the first positive score since the period January-April 2009 - 14, before the world was faced with the housing and stock market collapses and the global economic crisis.  
 Expectations for the current May through August period, meanwhile, are even more optimistic, with prospects for the period rated higher, at 119, than for the previous six four-month periods. (Continued on page 16)

**UNWTO Panel of Tourism Experts**

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**Industry trends**  
 This section covers issues related to different classes of the tourism sector such as transport and accommodation. For that purpose, the UNWTO World Tourism Barometer counts on the regular collaboration of UNWTO's Affiliate Members, comprising private sector representatives, educational institutions, tourism associations and local tourism authorities. The Affiliate Members are key players in the promotion of public-private partnerships that support UNWTO's overall aims - promoting responsible, sustainable and universally accessible tourism and contributing to economic development and international understanding, with particular attention paid to the interests of developing countries (for further information see the UNWTO website at [www.unwto.org/affiliates](http://www.unwto.org/affiliates)).  
 The Barometer is also pleased to count on the participation of Delegates to the sections dedicated to the hospitality industry. The objective for future editions is to broaden the scope of the In focus section and expand the collaboration to other organisations and sectors, such as the meetings industry, the cruise sector, etc.

**UNWTO Affiliate Members**  
 Mmamfani Marake  
 Chief Executive Officer (CEO) of the Tourism Business Council of South Africa (TBCCA)  
 - [www.tbcca.travel](http://www.tbcca.travel)

The Tourism Business Council of South Africa, TBCCA, is the official umbrella body for organised business in the South African Travel and Tourism industry. The council mandate is to provide a voice for organised business, and also to grow the tourism economy to the benefit of all South Africans.  
 Since its inception in 1996, this member-based organisation has successfully helped to lobby and guide the growth and development of the South African travel and tourism private sector through a period of unprecedented growth.

**1. What sectors have been most affected by the global economic crisis over the past year in South Africa?**  
 Overall the global economic crisis had an impact across all sectors of the South African economy - in not view the most affected sectors have been manufacturing, the motor industry, mining and tourism.  
 In the tourism market, the outbound travel market came under a lot of pressure in 2009. In some months it was reported that airline sales were down by about 10%, as compared to previous years. Closely linked to this was the corporate travel market, which saw a drastic decline in sales, as companies closed their offices or technological advances in communication and decreased or even cut back completely on travel expenditure.  
 Accommodation, car rental and other related businesses were also affected - although the domestic tourism market provided a bit of a buffer for the most part. Many of the employees found it difficult to secure work, specifically the emerging entrepreneurs and smaller businesses.

**2. What measures has the TBCCA taken to support its members at this time? Which measures are proving to be most effective?**

- The TBCCA has endeavoured to keep members informed about emerging trends and new industry developments around issues that are likely to affect them.
- Given that the TBCCA is mainly made up of industry associations in the various spheres of tourism, its role has been to strengthen the relationship between the private sector and government. This is a critical element

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