

CBM2015-00091

EXHIBIT 2040

PART 6



Dimensions of Travel and Tourism



Learning Objectives

After reading and studying this chapter, you should be able to:

- 1** Identify at least ten travel motivators.
- 2** List and discuss eight social and economic changes that have led to increased travel.
- 3** Explain the role of local, state, and federal governments in travel and tourism.
- 4** List the four criteria used to establish the status of an individual as a traveler or a tourist.
- 5** Define the terms *traveler* and *tourist*.
- 6** Identify the three segments of the travel industry.
- 7** Discuss the size and scope of international travel.
- 8** Identify the nations that are the world's leading travel destinations.
- 9** Identify the nations whose citizens spend the most on international travel.
- 10** Discuss the conditions and documents that make international travel possible.
- 11** Identify the nations that send the most visitors to the United States.

- 12 Describe the importance of domestic travel to the U.S. economy.
- 13 Define and describe the economic, cultural, social, and environmental impacts of tourism.
- 14 Identify several nations, states, areas, and localities that rely on tourism for jobs and income.

▶ Introduction

Earlier chapters have pointed out the close relationships that four areas significant to the hospitality industry have had to one another: economic progress, the development of roads and transportation, the scope of hospitality facilities, and the extent of travel. We have indicated that those nations with the most advanced economies have had the most highly developed transportation networks and the greatest numbers of travelers. We have shown that hospitality enterprises develop as a direct consequence of the development of transportation and that as transportation modes change, so too do the locations of hospitality operations. We have discussed the foodservice and lodging industries in detail and described characteristic types of operations in each.

In this chapter and the two that follow, we will turn our attention from the specifics of food, beverage, and lodging operations to the larger industry of which hospitality operations are a part: travel and tourism. In the first of these, we will discuss the importance of travel and tourism to various nations and states, and then take a close look at the economic, social, cultural, and environmental impact of travel and tourism on them. In the second chapter, we will describe travel services. In the third chapter, we will describe recreation and entertainment facilities to which people travel for a major nonbusiness purpose: pleasure.

▶ Travel Motivators

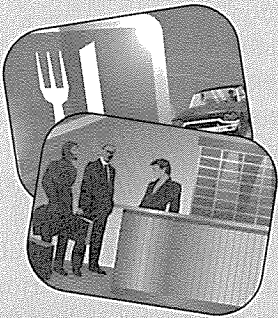
People travel for many reasons. The list below includes just a few of the many possibilities.

- Convention attendance
- Visiting family or friends
- Business

Health problems
 Climate
 Rest and relaxation
 Theme parks
 Exhibits
 Concerts
 Sports events
 Sightseeing
 Education
 Visiting the birthplace of parents or grandparents
 Weddings
 Funerals
 “Getting away”

Some of these would have been unknown before the twentieth century. In the 1600s and 1700s, for example, very few people would have had the time or the money just to travel because they wanted to go to a warmer climate, and no one would have traveled to ski or to visit a theme park: ski slopes and theme parks were not developed until the twentieth century.

► Americans Need Vacations ◀



A recent survey by Hilton Hotels appears to prove that American workers need vacations: of those surveyed, 20 percent reported calling in sick at least once last year just to get a day of relaxation! And nearly 80 percent preferred the idea of a two-week vacation to an opportunity to work two additional weeks for additional pay.

In another survey, Americans reported that their top choices among domestic vacation destinations include Florida, California, Colorado, Arizona, and Hawaii. For foreign destinations, top choices include Canada, the Bahamas, England, France, and Australia.

The results of various surveys are making it quite clear that in the 90s, Americans consider free time among their most valuable commodities.

Adapted from an article in the Boston Sunday Globe, July 23, 1995.

In recent years, a number of important social and economic changes have led to increased travel. These include the following.

► **Early Retirement**

The retirement age for a large part of the population is earlier than it used to be. The social security system in the United States grants retirement benefits as early as age sixty-two, and many retirement programs are linked to years of service rather than age. In some retirement programs, particularly government programs, it is possible to retire at age fifty-five with substantial benefits after working twenty-five or thirty years. Early retirement leads to greater numbers of travelers as the retirees set out to see the world.

► **Longer Life Span**

The average American or Canadian can now expect to live well into their seventies, and many will live considerably longer. This is in contrast to conditions a few generations ago, when the average life span was considerably less. A growing population of people over sixty provides a larger base of travelers—many of whom can afford extended periods of travel.

► **Shorter Workweek**

In the first third of the twentieth century, the six-day week was standard for most workers. Today, the five-day week is standard, and a four-day week is not uncommon. The resulting longer weekends, combined with faster and easier transportation, enable many workers to take weekend trips. This may include driving to visit friends and relatives, attending weddings and receptions, and traveling to various places and events that people did not have time to attend only a few years ago.

► **More Leisure Time**

Workers have greater amounts of leisure time today than ever before. American, Canadian, and west European workers have more vacation

time than any groups of workers in history. Most receive a minimum of two to four weeks of vacation each year, and many work for organizations that offer additional vacation time for those with greater numbers of years of service. Some of the leisure time available to Americans is in the form of holidays, many of which are now scheduled to fall on Mondays and Fridays. These create three- and four-day weekends that make it possible for people to get away. One example is the addition of Martin Luther King Day, celebrated on a Monday in mid January. This has created a long weekend that has had a major impact on travel destinations. In the northeastern United States, for example, it has turned a relatively quiet weekend into a record weekend for the ski areas.

► **Greater Disposable Income**

Many families have more disposable income available than ever before. Higher wages and two-earner households account for much of this increase. This makes it possible for consumers to spend more for goods and services, and travel appears to be one of the services that consumers want most.

► **Greater Mobility**

Improved roads and better transportation make travel easier and more comfortable each year. The U.S. interstate highway system is now virtually complete, making travel faster between points distant from one another. Most people in the United States are near a major airport or one that provides service to a major airport.

► **Smaller Families**

The average size of American families has decreased significantly, making it easier and cheaper for the average family to travel: with fewer family members, travel costs less.

► **Change in Consumer Spending Patterns**

The growth in public and private retirement programs has prompted a "live now" attitude and a feeling that the future will take care of itself.



Improved roads and better transportation make travel easier and more comfortable each year. (Photo courtesy of San Francisco Convention and Visitors Bureau.)

Many people are not as concerned as their parents were with saving for retirement, and they are more willing to spend their growing incomes on travel. Significantly, travel has become a major element in the lifestyle of many people.

► Government Role in Travel and Tourism

In many countries, the national government plays an important role in travel and tourism. Some national governments own and operate airlines as well as national rail systems. Some also own and operate hotels, motels, and other tourist facilities. In addition, most national governments establish tourism goals, gather statistical data, regulate tourist facilities, and advertise internationally to promote tourism.

In the United States, the national government has taken a much more limited role. Until recently, the official government agency promoting travel and tourism was the United States Travel and Tourism Administration. However, funding for the agency was eliminated. In its

place, Congress established a thirty-six-person National Tourism Board, with its members appointed by the president. Congress did not provide the board with funding, so there are serious questions about what it can accomplish.

Statistical data concerning travel in the United States is gathered by the Bureau of the Census and by several other agencies. However, most people interested in obtaining travel-related data about the United States tend to rely on information from private agencies. The principal private organization providing data in this area is the U.S. Travel Data Center, based in Washington, D.C.

In the United States, the responsibility for promoting and regulating travel and tourism in each state falls to state governments. All state governments have offices charged with that responsibility, but their names and the departments to which they report vary from one state to another. In some, there is an independent state travel department; in others, the office responsible for travel and tourism is part of a larger department—commerce or transportation, for example.

At the local level, most U.S. cities and regional areas have chambers of commerce that promote tourism in those communities where tourism is important. City governments frequently have convention and visitor's bureaus that promote travel to the city. They receive inquiries that they refer to hotels and motels for follow-up. They provide such services to meeting planners as orientations to the city and introductions to convention hall managers, hotel convention managers, and other suppliers of hospitality services. These bureaus frequently act as housing coordinators for groups that come to the city, referring delegates to hotel properties. In some instances, convention and visitor's bureaus are funded by a tax added to hotel bills in the city. This is not the only approach to funding these bureaus, however. In other cases, their operating costs are met by some combination of funds contributed by tourism-related businesses and matching funds from state or local government.

► Definitions of Traveler and Tourist

Most people would agree that a traveler is someone who goes from one place to another beyond his normal commuting distance, and a tourist is a person who travels for pleasure. However, when one examines those definitions critically, it becomes apparent that categorizing a specific person as a traveler or a tourist is not as easy as it first appears.

There are four criteria that have been used to establish the status of an individual as a traveler or tourist.

1. Distance
2. Residence
3. Purpose
4. Length of stay

Various governments, states, and organizations concerned with travel and tourism have tended to develop their own definitions of travelers and tourists based on these four criteria. These definitions are important because they are used to count and categorize travelers. Unfortunately, governments, states, and organizations still disagree on both the definitions of traveler and tourist and on the importance of each of the four criteria in those definitions.

The question of who should be considered a traveler is particularly thorny. Should someone who is going to work on a special assignment twenty miles beyond his normal commuting distance be considered a traveler? What about someone who is going shopping in a city fifteen miles from home? And what about someone who visits a friend in a nearby town and returns home the same day? Is she a traveler? Should a person who goes from New Haven, Connecticut, to New York City to see a baseball game and returns home the same day be considered a traveler? If he or she should stay overnight in New York, does that change his or her status?

To be counted as a traveler by the U.S. Bureau of the Census, a person must travel to a place at least one hundred miles away from home and return. The U.S. Travel Data Center uses a broader definition: a traveler is "any resident of the United States regardless of nationality who travels to a place 100 miles or more away from home within the United States or who stays away from home one or more nights in paid accommodations and who returns home within twelve months, except for commuting to and from work or attending school."¹ Of the fifty state governments within the United States, a majority have now adopted this U.S. Travel Data Center definition, although some are using a distance of 50 rather than one hundred miles.

Because travel and tourism are important to the economic health of so many nations of the world, even the United Nations has become

¹*The Economic Review of Travel in America* (Washington, D.C.: U.S. Travel Data Center, 1995), p. 3.

involved in establishing definitions. In 1993, the United Nations Statistical Commission adopted “Recommendations on Tourism Statistics,” proposed by the World Tourism Organization. Included in the document are definitions aimed at establishing some uniform approaches to collecting data.

Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, or other purposes.² All travelers engaged in tourism are described as visitors, and visitors are separated into two groups—domestic visitors and international visitors.

In everyday usage, the terms *traveler* and *tourist* tend to be used interchangeably; the two terms are quickly becoming synonyms for one another. In this chapter, our definition of the word **travelers** will be the same as that of the U.S. Travel Data Center, explained above, and the words **traveler** and **tourist** will be used interchangeably.

► Make-Up of the Travel Industry

The travel industry is made up of firms and people who serve the needs of travelers. Professor Chuck Gee, a well-known authority in the field, divides the **travel industry** into three segments.³

1. Direct providers of travel services
2. Support services
3. Tourism development

► Direct Providers of Travel Services

Direct providers of travel services are those firms and people who are in direct contact with travelers and who provide the services necessary for their travel. They include

Airlines
Bus companies

²There are some exceptions, including migrants, students traveling to and from school, crews, and temporary workers.

³Chuck Y. Gee et al., *The Travel Industry*, 2d ed. (New York: Van Nostrand Reinhold, 1989), pp. 7–9.

- Camps
- Car rental companies
- Credit card companies
- Cruise lines
- Entertainment and recreation centers
- Hotels/motels
- National and state parks
- Railroads
- Rental companies specializing in campers and recreational vehicles
- Restaurants
- Shops selling goods and services to travelers/tourists
- Travel agents

This is not a complete list of all the direct providers of travel services. However, it does offer a good cross section of firms whose primary business activity is to provide a travel service. It is important to emphasize that this segment of the travel industry is not restricted to transportation, lodging, and foodservice. It includes any firm that provides a travel service directly to the traveler: travel agents who make travel arrangements; shops that sell souvenirs to travelers; tour guides; entertainers who provide music and cultural activities for tourists; businesses that supply rental bicycles, rowboats, or sailboats for tourists; and many, many others.

► Support Services

Support services is a segment of the travel industry that includes the firms and individuals who provide services and supplies to the direct providers. These firms and individuals depend on the travel market for all of their business or for a large part of it. They provide the necessary goods and services that make it possible for direct providers to perform travel services.

A list of these support service firms includes purveyors of food and beverages to hotels and restaurants; laundries that supply the linen for lodging properties; firms and individuals who supply travel mementos to gift shops; employment agencies that specialize in providing hospitality workers; management firms that run hospitality operations; foodservice firms that provide food for airline passengers; and many, many others.

► Tourism Development

Tourism development is a term used to identify the individuals and organizations that have impact, direct or indirect, on direct providers, support services, and individual travelers. This category includes those with an interest in travel and tourism but who would not be classified as direct providers, support services, or travelers. Examples of individuals and organizations in tourism development include

1. Organizations associated with direct providers. These include the American Society of Travel Agents, the American Hotel & Motel Association, the National Restaurant Association, the International Air Transport Association, and the Cruise Lines International Association. Each of these organizations represents its respective hospitality or travel industry and consists of member firms from those or allied industries. They provide a voice for their industries to the U.S. Congress and to the public, they provide information about their industries to their members, and in some cases, they make policy decisions relating to the sales of their services, the business or professional practices of their members, or both. For example, the International Air

In the United States, the responsibility for promoting and regulating travel and tourism falls to each state and is usually overseen by the department of commerce, transportation, or tourism. This includes advertising (as shown right) in print, television, and radio to contribute to the development of tourism within the state. (Photo courtesy of Virginia Department of Economic Development-Tourism Group.)



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Transportation Association establishes international airfares for member airlines.

2. Government agencies, including the National Tourism Board, as well as various state and local travel offices. These government organizations promote travel and tourism to their countries, states, and localities and are important components of the travel industry.

3. Private agencies that promote travel and tourism and gather statistical data. One example is the World Tourism Organization (WTO)—a private organization located in Madrid, Spain. The WTO promotes international tourism, gathers statistical data on world tourism, and is an official consultant to the United Nations. Another important private organization is the World Travel and Tourism Council (WTTC), located in Brussels, Belgium. The WTTC is the newest of the international organizations and has recently published a study of world tourism.

4. Schools, colleges, and universities—public, private, and proprietary—that prepare individuals for careers in hospitality and tourism. Numerous public and private institutions train cooks, chefs, desk clerks, and travel agents, among many others. In addition, more than eight hundred two- and four-year colleges offer majors in foodservice, lodging, or tourism. Among the first colleges to develop such programs were Cornell University, Michigan State University, and Pennsylvania State University. One of the first to develop a culinary program was the Culinary Institute of America in Hyde Park, New York, which offers a program that has won national and international acclaim. The oldest of the four-year colleges offering a comprehensive program in travel industry management is the University of Hawaii.

The travel industry is made up of a broad range of private and government firms and agencies. It is a collection of organizations serving the needs of travelers. Many firms in the travel industry have little in common except their dependence on travelers for their primary business.

► The Size and Scope of the Travel Industry

Travel is the world's largest industry. In 1994, the WTTC estimated that world spending on domestic and international tourism reached \$3.4 trillion. This represents about 11 percent of the total amount of money spent at the retail level on goods and services. Worldwide, travel and tourism employs more than 204 million people.

Table 11.1 **Growth of World Tourism**

International Tourist	
Year	Arrivals
1950	25,282,000
1960	69,320,000
1970	165,787,000
1980	284,282,000
1990	455,673,000
1994	528,461,000 ¹

1 Preliminary estimates.
Source: *World Tourism Organization*.

Table 11.2 **Annual Increase in World Tourism**

Period	Average Annual Increase in International Arrivals
1950–1960	10.6%
1960–1970	9.1%
1970–1980	5.5%
1980–1993	4.6%
1950–1993	7.3%

Source: *World Tourism Organization*.

► The Scope of International Travel

International travel is travel between countries. There has been continued growth in the number of people traveling internationally, as shown in tables 11.1 and 11.2.⁴ The data in tables 11.1 and 11.2 includes international arrivals only. The many millions of travelers who travel within their own native countries are not included.

Some will note that these two tables appear to offer conflicting information. Table 11.1 shows a sizable increase in the number of arrivals over the years, while table 11.2 indicates a decline in the percentage of increase in international tourism for each of the periods shown. For example, between 1950 and 1960, the increase in interna-

⁴The data in this chapter is the latest available as this revision is prepared. The presentation of data is always delayed by at least two years because of the time required to collect, tabulate, analyze, and publish it.

tional tourist arrivals was 44,038,000 (69,320,000 minus 25,282,000), and the percentage increase per year for that period was 10.6 percent. Yet between 1970 and 1980, the increase in international tourist arrivals was 118,495,000 (284,282,000 minus 165,787,000), but there was only a 5.5 percent annual increase for that period. The reason for this is that the base numbers used to calculate the annual percentage increases were larger in the latter period, and this results in a smaller percentage increase. For example, an increase of 500 in the number of visitors to an area from 1,000 to 1,500 would be a 50 percent increase. Yet that same increase of 500 in the number of visitors the next year from 1,500 to 2,000 is only a 33 percent increase.

For the purposes of this chapter, it is important to note that there has been a significant and steady increase in international travel. One of the primary reasons is the decreased cost of transportation relative to income, making transportation more affordable for great numbers of people. Others include greater periods of vacation time and greater numbers of holidays in many countries.

► World's Leading Tourist Destinations

The world's leading tourist destinations are shown in table 11.3. A destination, as used in this table, is a country that receives visitors, regardless of whether they come by plane, ship, train, or automobile.

Table 11.3 **World's Leading Tourist Destinations, 1993**

Rank	Country	Number of Arrivals
1	France	60,100,000
2	U.S.A.	45,793,000
3	Spain	40,085,000
4	Italy	26,379,000
5	Hungary	22,804,000
6	United Kingdom	19,154,000
7	Austria	18,257,000
8	Poland	17,000,000
9	Mexico	16,440,000
10	Canada	15,105,000

Source: *World Tourism Organization.*

France receives more international arrivals than any other country. One of the reasons for this is France's central location in western Europe. Residents of the countries of western Europe frequently travel from one country to another, and France is both an excellent destination and a country that travelers must pass through when traveling to other countries by automobile. France's central location means that many visitors counted in the statistics include people who are passing through France on their way to Germany, Italy, or other destinations.

Second on the list is the United States. Discussion of travel to the United States is found later in this chapter.

The third leading travel destination is Spain. Its sunny, warm climate and its relatively low prices make it a very popular travel destination, particularly for those residents of colder climates. It is thus perhaps the leading vacation country for European travelers. The Spanish government has made a consistent effort to keep the monetary rate of exchange very favorable for visitors in order to attract as many tourists as possible.

Italy, the fourth leading tourist destination, is important historically, particularly because the Vatican is located there, and there is much else to see in Rome, as well as in the rest of the country. Many tours of Europe start or end in Rome.

In nations that are high on the list of tourist destinations, there are many jobs created to provide food, lodging, and other travel services for tourists. The jobs created by tourism are important to the economies of these nations, as will be discussed in greater detail later in this chapter.

► World's Leading Spenders on International Tourism

Table 11.4 shows the amount spent on international trips by residents of countries ranked as the top ten in spending for international travel.

The United States leads the list of international spenders. Discussion of U.S. spending abroad is found later in the chapter. Germany is second on the list. The Germans have always been frequent travelers. A primary reason for this is the economic prosperity of Germany and the high standard of living in that country. In addition, German workers typically have considerable time for travel. On average, they receive ten holidays and six weeks of paid vacation.

Third on the list is Japan. Japan has become a leading economic power by exporting automobiles, televisions, cameras, computers,

Table 11.4 **World's Leading International Travel Spender Nations, 1993**

Rank	Country	Amount Spent ¹
1	U.S.A.	\$41,260,000,000
2	Germany	37,514,000,000
3	Japan	26,860,000,000
4	United Kingdom	17,431,000,000
5	Italy	13,053,000,000
6	France	12,805,000,000
7	Canada	10,629,000,000
8	Netherlands	8,974,000,000
9	Austria	8,180,000,000
10	Taiwan	7,585,000,000

1 Excludes international transportation.
Source: World Tourism Organization.

radios, and many other products. Japan has become a significant member of the world community, and its citizens are leading international travelers. The average Japanese worker now receives more vacation time than the average American, and the Japanese government actively encourages its citizens to travel abroad.

It should be noted that the list of leading tourist spenders is made up of the most developed nations. None of the so-called *underdeveloped nations* are included. This has been the pattern historically.

Current trends suggest that travel will continue to increase. Recent political changes in eastern European nations have resulted in many who were formerly prohibited from traveling by their governments now becoming part of the world's growing number of travelers. In addition, these former Eastern-bloc countries are becoming attractive destinations for growing numbers of international travelers.

The world is fast developing a global economy. As nations become more and more dependent on one another, travel will increase.

► **Conditions and Documents Required for International Travel**

Before international travel can take place, nations must recognize each other through formal, diplomatic channels; certain specific agreements and arrangements must have been made, and the travelers themselves must have proper documentation.

Diplomatic Recognition

The first requirement for international tourist travel is diplomatic recognition between countries. This recognition can take two forms.

1. **De jure recognition.** The government of one country recognizes that the party in power in another country is that country's legitimate government.

2. **De facto recognition.** The government of one country does not acknowledge the legitimacy of the party governing another country but acknowledges, at least, that the party does govern.

When discussions between two nations result in diplomatic recognition, government officials from each take up residence in the other and additional negotiations begin to establish the procedures and routines for travel. Without diplomatic recognition, there is no suitable way to negotiate procedures for travel between nations, and travel between them is normally prohibited.

The procedures for travel are negotiated by diplomatic officials known as consuls or ambassadors. They serve as the official links between nations. Diplomats work out detailed procedures for travel between nations and for assistance and protection to travelers. Diplomats also negotiate agreements that facilitate travel, such as landing rights for aircraft.

International travelers must have appropriate documentation. The basic document needed for visits to most nations is the **passport**. Passports are issued by the government of a nation to its citizens. A passport provides specific data about the individual to whom it is issued, including name, date of birth, residence, occupation, and citizenship. It also has a photograph of the passport holder.

In addition to the passport, many nations require a **visa**. A visa is either an endorsement on the passport or a separate document showing that the passport holder has received permission from the government of the country he intends to visit to enter that country. Visas are usually obtained by applying to a consulate of the country to be visited well in advance of the intended dates of travel.

Passports and visas are stamped by immigration authorities as visitors enter a country. These official stamps show the date and port or border of entry and indicate the permissible length of stay for the passport holder. Permission to stay in a country is normally granted for only a limited period of time.

United States citizens need only a passport to visit most western European countries; one does not need to obtain a visa. Passports are

not required for U.S. citizens to visit Canada, Mexico, or most Caribbean nations. Valid identification and proof of citizenship are required, however. For some countries, a driver's license is sufficient; for others, further proof is needed—a birth certificate, for example. A visa is required to visit most eastern European, Middle Eastern, Asian, and African countries. In many South American countries, visas are required for some travelers and not for others. There, visas are normally required for business travelers and for those staying three months or more.

Additional travel requirements exist for many parts of the world. Typical of these are vaccination certificates proving immunity to certain infectious diseases that travelers are likely to encounter in the country being visited. Cholera vaccinations are commonly required in many African nations, including Angola, Chad, Ghana, and Liberia. Cholera vaccinations are also required in many parts of the Middle East, the Pacific region, and South America. Yellow fever vaccinations are required in Bolivia, Brazil, Colombia, Ecuador, and Peru, and malaria vaccinations are required in several nations during those times of the year when the risk of contracting the disease is great.

Proof of financial ability—a return ticket or a stated amount of cash—and other documentation are also frequently required. For example, to enter Ecuador, a tourist must have a ticket to leave and proof of sufficient funds. A passport is required, and a visa is necessary for a stay of three months or more. An American traveling to El Salvador must have both passport and visa along with a photograph and a notarized letter from the traveler's employer. Presumably, these strict travel requirements result from past difficulties.

Governments frequently prohibit citizens from visiting nations at war, those where the safety of visitors may be at risk, or those that have not been officially recognized. For many years, U.S. citizens were prohibited from visiting China because that nation did not have diplomatic relations with the United States.

Some countries restrict the amount of money their citizens can take from the country. Citizens of Indonesia, Israel, and Malaysia have been restricted in this way, for example. Some countries, including India and Burma, have prohibited tourists from taking any local currencies out of the country.

Governments sometimes prohibit some citizens of other nations from entering. Most do not allow criminals, suspected terrorists, and similar undesirables to enter, for example.

Most nations restrict the types and quantities of goods that visitors can bring with them. For example, pork products, alcohol, and porno-

graphic materials are prohibited by Saudi Arabia. Many nations limit the amounts of alcohol, tobacco, and perfume that can be brought in.

Some countries require that departing travelers obtain exit permits. When travelers return home from abroad, governments commonly require that they show passports and any other travel documents to a government official at entry. Most also restrict both the type and value of goods that citizens can bring home. United States citizens must declare all articles purchased abroad and currently in their possession, as well as the price paid for each. However, individuals are permitted to declare orally goods up to a total value of \$400, the maximum that can be imported duty-free. There are some exceptions in which greater amounts from some specific places are permitted. If the value of goods exceeds the permissible limit, travelers are charged an import tax known as a duty. Travelers are not permitted to bring goods intended for resale into the United States without the proper permits.

Officials also verify that travelers entering a country are not bringing prohibited goods. In the United States, prohibited goods include illegal drugs, explosives, firearms, and certain plants, animals, and related items.

► Travel to and from the United States

United States citizens have always been leading world travelers. Americans spend more on international travel than any other nationality (\$41.3 billion annually), as illustrated in table 11.4. Perhaps the most significant reasons for this are

1. The United States has a large, prosperous group of middle-class citizens who can afford to travel internationally.
2. Many Americans have roots in other countries. This leads many to visit the homeland of their ancestors.
3. Travel is an integral part of the American heritage. Compared to citizens of other nations, Americans tend to move more frequently from one town or city to another. Because many Americans have relatives in other parts of the country, they tend to travel distances to see them.
4. International travel is easier for Americans than for the citizens of many other countries. The United States government has relatively few travel restrictions, making it possible for most Americans to travel freely outside the country. The amount of money Americans can

take along when traveling outside the country is not restricted. Neither is the amount of time they can spend outside the country or their frequency of travel.

5. English is the most widely spoken of the international languages, making it possible for Americans to travel without having to know other languages. In many countries, English is nearly a universal second language, required in schools and used by many. Employees in hotels, restaurants, airline offices, and other travel services throughout the world speak English.

The United States is also the leading country for tourism receipts (\$56.5 billion), as illustrated in table 11.5.

The United States is a vast country with innumerable sights and attractions for foreign visitors. The many features they enjoy include such imposing cities as New York and Chicago, with their tall buildings and cultural diversity; the impressive scenery in the national parks; excellent facilities for such sports activities as golf and skiing; and places of special interest such as Disney World, historic Williamsburg, and Sea World.

It is interesting to note which countries send the most visitors to the United States (see tables 11.6 and 11.7). The greatest number of foreign visitors to the United States come from Canada and Mexico. The proximity of these two countries to the United States is the obvious reason for the large number of Canadian and Mexican visitors. For most, it is both easy and inexpensive to drive across the American border when compared with the distance and cost associated with overseas travel.

Table 11.5 **World's Top International Tourism Earners, 1993**

Rank	Country	Amount Spent ¹
1	United States	\$56,501,000,000
2	France	23,410,000,000
3	Italy	20,521,000,000
4	Spain	19,425,000,000
5	Austria	13,566,000,000
6	United Kingdom	13,451,000,000
7	Germany	10,509,000,000
8	Hong Kong	7,562,000,000
9	Switzerland	7,001,000,000
10	Canada	5,897,000,000

1 Excluding international transportation.

Source: World Tourism Organization.

Table 11.6 **Foreign Visitor Arrivals in the United States, 1993**

Origin	Number
Canada	17,306,883
Mexico	9,824,000
Overseas	18,661,819
Western Europe	8,297,055
Eastern Europe	233,405
Asia	5,165,147
Middle East	418,703
Africa	168,969
Oceania	609,435
South America	2,026,391
Central America	544,602
Caribbean	1,098,110
All Countries	45,793,000

Source: "United States Travel and Tourism Administration," in Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994-1995* (New York: Child & Waters, 1995), p. 70.

Table 11.7 **Overseas-Visitor Arrivals in the United States, 1993**

Country	Number
Japan	3,542,546
United Kingdom	2,999,301
Germany	1,826,757
France	844,644
Italy	555,758
Brazil	555,102
China	504,407 ¹
Australia	448,507
Venezuela	444,355

¹ Mostly from Taiwan.
Source: "United States Travel and Tourism Administration," in Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994-1995* (New York: Child & Waters, 1995), p. 70.

The pattern of travel to the United States from overseas has changed in recent years. Table 11.7 shows where the most overseas visitors to the United States originate.

In recent years, the Japanese have traveled to the United States in very large numbers and now lead the list of overseas visitors. This is indicative of both the role of Japan in the world economy and the importance of the United States as an importer of Japanese goods. Americans have very strong economic ties to Japan. The Japanese have

invested heavily in the United States, and Americans purchase more goods and services from Japan than from any other single country. The Japanese people come to the United States for many reasons, not the least of which is to play golf, a sport they have embraced with a passion. Golf is a very expensive sport in Japan and is therefore available to only a relatively few people there.

The United Kingdom is second in the number of visitors. Britain has always accounted for many travelers to the United States. A major reason for this appears to be a common heritage and language. America also received large numbers of immigrants from the United Kingdom in past centuries, so many Americans can trace their family roots there.

► Travel within the United States

The scope of travel/tourism in the United States is truly impressive. According to the *Travel Industry World Yearbook*, total spending for tourism services in the United States was estimated at \$726 Billion for 1993.⁵ This represents over 11 percent of the gross domestic product of the United States.

Table 11.8 reveals some interesting information about travel patterns in the United States. Several observations can be drawn from this data. Nearly all travelers in the United States use family automobiles, trucks, recreational vehicles (RVs), or airplanes to reach their destinations. Seventy-five percent of all travel over one hundred miles is by automobile, and 21 percent is by airplane. Ninety-six percent of all trips taken use these two modes of transportation. Trains and buses are rarely used for long-distance travel. It appears that their primary use is for commuting to and from work.

The major reason that people travel long distances within the United States is to visit friends and relatives—37 percent of all trips. Most of the trips over one hundred miles—93 percent—involve at least one overnight stay, and a large number of overnight stays are at the homes of friends and relatives.

Thus, the statistics confirm the importance of the family automobile to the traveling public. This is in contrast to many other nations, particularly the less developed nations, in which comparatively few people own automobiles, roads are poor, and train, bus, and bicycle are still the primary means of transportation.

⁵Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994–1995* (New York: Child & Waters, 1995), page 15.

Table 11.8 **U.S. Trip Profile—1993 Adult Travelers**

Mode of Transportation	% Of Trips
Auto/truck/RV	75
Airplane	21
Bus	2
Train	1
Other	1
Trip Duration	
0 Nights	7
1 Night	11
2 or 3 Nights	43
4 to 9 Nights	30
10 Nights or more	7
Type of Lodging	
Friends' and relatives' homes	37
Hotel or motel	49
Rented cabin or condo	3
Owned cabin or condo	4
Camper, trailer, RV	4
Other	4
No overnight stay	7

Source: Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994–1995* (New York: Child & Waters, 1995), p. 20.

► The Impact of Tourism

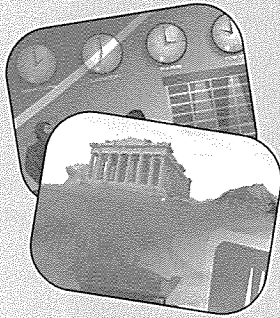
Tourism affects every nation and many localities within those nations. For some, tourism has a major impact on the economy, the culture, the society, and the environment. The effects can be both positive and negative and are greater in some countries and areas than others. Let us examine these in more detail.

► The Economic Impact of Tourism

The **economic impact** of tourism is a term used to refer to the increased level of economic activity in an area that results from tourism. It is generally measured in additional jobs and income to an area.

Travelers and tourists purchase goods and services. They spend money for transportation, lodging, food, drink, and entertainment. They

► Lots of Help for Those Traveling by Car ◀



Those traveling by car can now find lots of help in various computer programs from Rand McNally, the American Automobile Association, and DeLorme Mapping, among others. These programs are designed to help travelers do their own routing, and the programs are complete with ideas for attractions along the way as well as lodging facilities and restaurants.

One program, Precision Mapping 2.0, comes with a CD-ROM that allows users to find any of 17 million streets and road segments in the United States. Users can create their own maps, plan their own itineraries, and determine distances between various points they intend to visit.

Other programs under development will enable users to map their vacations, select lodgings along the route, and book reservations over the Internet. Soon, those with laptops, portable printers, and cellular telephones will be able to change their plans en route by canceling existing reservations, booking new reservations, and printing updated maps showing their revised routes.

Adapted from an article in the Boston Sunday Globe, June 4, 1995.

also purchase other goods and services in the areas they visit. The money they spend comes from outside the area and is brought to the area by tourists in the form of cash, traveler's checks, and credit cards. It is "new" money; that is, money not generated from internal economic activity but brought to the area by tourists. It is money that would not get into the local economy without travel and tourism.

The direct or immediate effect of this additional spending is likely to be an increase in the number of jobs in the area and an increase in the income of many local citizens. For example, in an area being developed for tourism, new hotels, motels, and other lodging establishments must be built to accommodate travelers. This creates construction jobs. Once the facilities are built, staff must be hired to operate them. Wages are paid to employees, and these wages are spent in the area to purchase housing, food, clothing, and many other goods and services. Retail establishments selling these items receive income that they would not have had if the hotels, motels, and other lodging facilities had not been built. In addition, the lodging properties must purchase various supplies, including food, beverages, linens,

and a host of other items. If these goods are bought locally, the food purveyors and suppliers of other goods gain income they would not have had otherwise.

Besides these immediate effects, there are also very important “ripple” effects. The additional income going to local businesses as a result of tourism enables the owners of these enterprises to hire more employees to handle the extra business. The new employees also spend their wages in the locality, so more jobs are created and more income is generated as a secondary effect of the original new spending. And the cycle does not stop there. There may be third, fourth, and additional rounds of new jobs created as these new employees spend their money locally. Where there was only one restaurant in the area, for example, there may now be several, catering to the tourists, the growing and more prosperous local population, or both.

The total economic impact on an area is the sum of this increased economic activity. It may be greater than the original amount spent or it may be less, depending on how much of the original new money is spent locally and how much of it is spent outside the area. For example, suppose that a new hotel hires workers who commute from a dis-



Tourism affects the economic development of any region to which tourists travel, generally increasing the region's jobs and income. For example, tourism to Guadelupe spawned shopping areas and recreational activities. (Photo courtesy of Joe Petrouck.)

tance away, and that the hotel also purchases its goods and services from firms outside the local area. Under these circumstances, the economic impact on the immediate area would be limited, because very little of the new money would be spent there. This was the case in Atlantic City, New Jersey. The legalization of casino gaming led to the construction of many new hotels, but the economic impact in the immediate area was minimal. There were three principal reasons for this.

1. Gamblers tended not to leave the casino hotels and consequently spent very little in other Atlantic City businesses.
2. Comparatively few casino hotel employees established residence in Atlantic City, so they tended to shop for goods and services outside the city.
3. A major portion of the goods and services purchased by the casino hotels were from vendors located outside the city.

The economic impact of tourism varies considerably from one part of the country to another and from one location to another. The economic impact of travel and tourism is high in some areas and low in others. For example, tourism is the most important industry in the state of Florida. In one recent year, \$51.6 billion was spent by tourists in that state. This spending directly and indirectly created about 1.1 million jobs, which accounted for 18 percent of the state's civilian labor force. The economic impact of tourism is high in Florida because most of the wages paid to workers are spent in the state, and a large proportion of the goods and services purchased by the travel industry come from Florida businesses. By contrast, in Bermuda, the economic impact of tourism is relatively low even though tourism is also the most important industry, accounting for about 60 percent of the jobs. The impact is lower than in Florida because Bermuda grows relatively little food and manufactures very few products for the travel industry. Although employees do spend their wages in the local community, hotels, shops, and other businesses must purchase food and other goods from suppliers outside Bermuda. In both Florida and Bermuda, tourism is the most important economic activity. The economic benefits from tourism are greater in Florida because the direct and indirect economic impacts are greater.

Another important economic benefit is the increased government income from taxes. Every state in the United States imposes taxes on tourists. Most have sales taxes on rooms and meals. These are frequently higher than the sales taxes imposed on other goods and ser-

vices. For example, the state of New Hampshire has an 8 percent tax on rooms and meals, yet it has no sales tax on other goods and services sold in the state. New York City imposes special sales taxes on hotel rooms. A traveler staying in a New York hotel may be charged as much as 15 percent in state and city taxes for hotel accommodations.

Finally, the foreign exchange earned as a result of tourism is a major economic benefit to many nations. A nation needs foreign exchange to pay for goods and services imported from abroad, and tourism is one of the principal means of earning it.

► The Cultural Impact of Tourism

Tourism can have a significant impact on the culture of a nation—the customary beliefs, social forms, and daily life of a racial, religious, or social group. Culture manifests itself in art, dance, religion, food, drink, and other aspects of a society. Tourism may help preserve native culture, but at the same time it will speed the process of cultural change.

Tourism helps preserve a culture when large numbers of people travel to observe that culture. Music and dance, religious rites and other ceremonial activities are performed for tourists and thus become profitable. The repetition of these performances and the income they provide offers an incentive to preserve the culture. It is said that traditional ceremonies still performed on several Caribbean and South Sea islands would have disappeared if tourists had not been drawn to the islands to see them.

One reason travelers go to other countries is to sample the local food and drink. Irish stew, German sauerbraten, Italian cannelloni, and Japanese sukiyaki and sashimi are dishes served in the traditional way for tourists. Many are convinced that these dishes somehow have different and more authentic flavors in their homelands.

Travelers also go to other countries to see the remains of past civilizations. The Roman Colosseum and the excavated ruins of Pompeii, for example, attract large numbers of visitors, and the money spent by tourists helps to preserve them.

Over the long term, tourism may bring about changes in the culture of a region or a country. Two important areas that may be affected are food and clothing.

Food

Tourists bring their social and cultural attitudes and values with them when they visit other countries. They may be eager to sample the food



Tourism impacts culture in two ways. For example, it may help to preserve art or dance in performance or cuisine in preparation, but it may also influence changes in a culture through contact with travelers and the devaluation of once sacred rituals through commerce. Shown above are the Lion Dancers at the Merlion Festival, held on the last day of the Merlion Week. (Photo courtesy of Singapore Tourist Promotion Board, all copyrights reserved.)

of the countries they visit, but they commonly look for foods as well, seeking those similar to foods served at home. Hotels and restaurants willingly accommodate them. The local residents discover these “foreign” foods and begin to try them, and some of these foods eventually become part of the local culture. For example, imported frozen foods and American whiskey are now popular throughout the Caribbean. This was not the case before Americans began to visit in large numbers.

Fast-food hamburger chains are now spreading throughout the world. McDonald’s is now all over the world, and Burger King has expanded into China. There are American-style restaurants in Japan. Eventually, the American foods served in these restaurants will be included in the diets of those countries, and their cultures will have been altered. It is said that the many Puerto Rican dishes have all but disappeared from the diets of those living on that island. The Puerto

Rican diet now clearly resembles that of the American mainland. San Juan has many fast-food restaurants offering typical American mainland cuisine.

Clothing

Tourism also can change the manner in which local populations dress. Tourists wear clothing that is popular at home. Local shops begin to sell clothing that will appeal to tourists, and it is noticed by the local residents, some of whom begin to adopt it. As it becomes more popular with local residents, more traditional clothing may become less common. It may be replaced gradually by the new styles from abroad. A classic example of this has taken place in Russia, where Levis and other jeans have become very popular and command high prices.

► The Social Impact of Tourism

Tourism can also have dramatic—and often negative—effects on the social climate in a country. It can affect the way the host society feels about citizens of other countries, and it can affect the behavior of citizens of the host country. These changes manifest themselves in many ways, including

1. Resentment
2. Family problems
3. Social problems
4. Crime and violence

Resentment

Tourists going to poor, less-developed countries sometimes create feelings of resentment and jealousy among the local population. They do this by being demanding—sometimes demeaning—and by seeming to spend excessive amounts of money.

Local workers see tourists check into first-class and luxury hotels. The rates paid by these tourists are usually high by local standards. The room rate charged for one night in some of these properties may be the equivalent of several weeks' wages for a local worker. Some tourists can be very demanding, requiring instant service or a special service that may not be readily available in the area. Other tourists can be demeaning, talking to the hotel staff as if they were inferior. The

considerable amount of money spent by the tourists can create jealousy. Tourists sometimes appear to spend money as if it meant very little. Native workers with lower standards of living become jealous of the more affluent tourists and develop a dislike for them.

If the behavior of tourists is grossly inappropriate, local workers are likely to become resentful and react by being impolite. These feelings are transferred to the local population, as workers go home and discuss events with family and friends. Americans have poor reputations in some countries because some American tourists have behaved inappropriately and insultingly. Thus, local residents have assumed that all Americans are like the unpleasant ones they have seen at the hotels.

This problem is not restricted to other nations: it can be seen within the United States. For example, tourists from large cities, such as New York, who go to rural areas in New England may appear to local residents to “throw money around.” Given the cost of living in major cities, they are accustomed to spending more for goods and services, but they appear to be spending more than the local population feels these goods and services are worth. The prices of goods and services generally rise in response to this. In reality, prices in the rural areas may be considerably cheaper than in large cities, such that tourists do not feel they are paying too much. Nevertheless, the native population resents them for driving up prices, crowding the highways, polluting the area, and generally “acting superior”; and although local residents typically are willing to take their money, they resent the presence of the outsiders.

Family Problems

Tourism can affect the family relationships of local residents when one or more members of the family work in the tourist industry. Several years ago, a study of Hawaiian families showed that the divorce rate of workers involved in tourism was rapidly rising. The study concluded that women who dressed in native Hawaiian costumes to greet and entertain tourists sometimes faced jealousy from their husbands, who accused the women of carrying on with the tourists. In addition, many of the women began to earn higher wages than their husbands, which led to further problems.

Social Problems

Tourism obviously creates the need for work in hotels, restaurants, and other businesses catering to the traveler. Many of these workers are

drawn from the local population, but some may come from other areas and settle among the local population. Communities that have always been of a single culture find that people of different backgrounds, beliefs, values, and lifestyles are now living in their neighborhoods. The new residents act differently, go to different churches, may speak a different language, and even eat different foods. Past social patterns are upset and cultural collision occurs. If the new residents are accepted by the community, the dissimilar cultures can exist peaceably together. If not, there may be conflict.

Crime and Violence

When areas grow in population as a result of tourism, negative changes can take place. A once peaceful, rural community may become a busy town or a small city. Tourists, who tend to carry larger amounts of money than they would when not traveling, become targets for amateur and professional thieves. Houses and stores are broken into; a larger police force is required; and local residents who had never found it necessary to lock their homes and cars find an urgent need to do so.

► The Environmental Impact of Tourism

The impact of tourism on the environment can be positive or negative, depending on the specific area and one's personal views. On the one hand, everyone would agree that some tourist areas such as Atlantic City, Miami Beach, or Waikiki do not now have the natural beauty that existed prior to development. On the other hand, many would argue that resort areas such as Bermuda, Nassau, or Maui are nicer, cleaner, and more charming than they were prior to their development for tourism.

Some people feel that more people in an area and such changes as new roads, hotels, and restaurants are harmful to the environment. To them, all tourism is harmful to the environment. The general arguments for both the positive and negative points of view are as follows.

The Positive

Development of all kinds has a tendency to destroy natural as well as historical and cultural elements in an area. One cannot develop an area without building new roads, creating hotels and other structures, and

installing power lines for electric power. In the process, some historical or cultural symbols may be destroyed. Many countries and areas lack the incentive or the economic means to undertake large-scale projects for the conservation of beautiful scenery, rare and interesting natural environments, or historically important sites. The local population may have little use for “unspoiled nature” and will develop these areas in ways that will bring in the most money—whether it be for factories, mining, or some other kind of business.

Tourism changes all that. It encourages the restoration of ancient monuments and archaeological treasures. It provides a reason for the preservation of historical buildings and the creation of museums. The Roman Colosseum would not be preserved if there were no tourists to see it; the same can be said for the Acropolis in Greece—probably the best known “ruins” in the world. Natural scenery and historical sites as well as traditional towns become economic assets. In fact, some attractions may be more beautiful than the natural land—golf courses and parks, for example.

Tourism provides not only the incentive but the economic means to preserve the environment. It discourages the development of heavy industry and other unsound uses of the land.

The Negative

The benefits of tourism are overshadowed by its side effects. The development of tourism often brings large numbers of people, accustomed to relatively high standards of amenities, to a previously secluded natural or cultural environment. Tourism necessitates the development of roads, airports, foodservice, lodging facilities, and shops.

In the process, many tourist sights are inevitably transformed. At best, their natural attractiveness will be lost as they become regulated tourist attractions with parking lots, food outlets, and bathrooms. At worst, major and often irreversible environmental damage will be caused by a rush to build tourist facilities on the most attractive sites. In many instances, the natural environment is lost forever.

Crowds of tourists litter the area and damage the fragile environment. Local water, sewage, and other facilities become overburdened, causing pollution and unclean air. In the long run, tourism, like any other industry, contributes to environmental destruction.

Most people find that both points of view are somewhat off the mark. Perhaps the most compelling argument falls somewhere between these two extremes. If there is to be development—if an area is to have economic progress—tourism is one of the very best alterna-

tives. If properly controlled and regulated, tourism can be the least damaging of any form of economic development and can actually improve the environment of an area. The key to preserving the environment and allowing for economic progress is in controlling the rate of growth, attending to the necessary support (water, sewage, roads), and developing a plan that will preserve the best environmental assets of the area. This usually requires government involvement in tourism planning.

► **The Importance of Tourism (to Nations, States, Areas, and Communities)**

Tourism is more important to some nations, states, areas, and communities than to others. In many nonindustrialized nations, for example, tourism is the single most important source of income and economic activity. This is true of Spain and most of the Caribbean islands, where tourism produces about 43 percent of the income for the region. Leading the list of income generators in the Caribbean are the Bahamas, Puerto Rico, Dominican Republic, the U.S. Virgin Islands, and Jamaica. Taken together, these five account for over one half of the tourist-generated dollars in the region.

The economic importance of tourism is not limited to nonindustrialized nations. Some industrialized countries also rely heavily on tourism to provide foreign exchange. France is now the world's leading travel destination and receives about 10 percent of all international tourists. The United States is a close second. Countries such as Canada, Italy, and the United Kingdom also rely heavily on tourism.

Within the United States, tourism is very important to some states and less so to others. Those states in which tourism is particularly important—where large numbers of tourists visit the state or where more than 20 percent of the jobs in the state can be traced directly or indirectly to tourism—are frequently labeled destination states. Heading the list of destination states is California. More tourist dollars go to California than to any other state. Other destination states include Florida, New York, Texas, New Jersey, Hawaii, New Hampshire, Vermont, Nevada, Colorado, Arizona, Maine, and South Carolina, among others. In some of the destination states, tourism is the leading industry, accounting for more jobs than any other industry in the state. This is true in Hawaii, Florida, Vermont, Maine, and Nevada.

For many states, tourism is not the leading or even the second leading industry but is still a major factor in the economy, accounting

for 10 to 20 percent of total employment. This is true in Virginia, West Virginia, Georgia, Tennessee, Louisiana, Michigan, Missouri, Illinois, Wisconsin, Minnesota, North Dakota, Montana, Utah, Idaho, Oregon, Washington, Alaska, Massachusetts, Connecticut, and others.

In some areas and many local communities, tourism is the only significant industry. In these places, most jobs and income can be traced directly or indirectly to tourist dollars. This is true for such destinations as Cape Cod, Bar Harbor, the White Mountains of New Hampshire, the Catskills, the Poconos, Atlantic City, Myrtle Beach, Orlando (Disney World), White Sulphur Springs, Sea Island, Great Smokey Mountains National Park, New Orleans, Hot Springs, the Black Hills, Yellowstone, Scottsdale, Sante Fe, Las Vegas, Sun Valley, Yosemite, and Vail.

It would be impossible to list all of the areas in the United States where tourism is the only significant industry. Hundreds of smaller areas, such as Boothbay Harbor, Maine, or Long Beach Island, New Jersey, are not well known outside their regions but rely heavily on tourism for employment and income.

To many, tourism is the industry of the future. As more people have greater amounts of leisure time, the number of people traveling will increase. As transportation becomes cheaper, faster, and more comfortable, travelers will venture farther and farther from home. As disposable income increases, travel will become even more a part of our lifestyle. As the population lives longer and the quality of medical care enables more people to be healthy and mobile for greater numbers of years, more older people will travel. These and other changes in society, mentioned at the beginning of this chapter, insure that travel and tourism will continue to be a leading growth industry.

► Summary

In this chapter, the dimensions of travel and tourism are explored. The motivators for travel and changes in society that have caused people to travel more frequently are listed. The government role in travel and tourism is examined, and major government and private travel organizations are identified. The terms *traveler* and *tourist* are discussed, and definitions are provided for each. The composition of the travel industry—direct providers, support services, and tourism development—is explained. The size and scope of international and domestic travel are examined. Conditions and documents necessary for travel are described, as are the economic, cultural, social, and environmental impacts of

tourism. Finally, the importance of tourism to nations, states, areas, and communities is discussed.

**Key Terms**

De Facto Recognition	Tourism Development
De Jure Recognition	Tourist
Direct Providers of Travel Services	Traveler
Passport	Travel Industry
Support Services	Visa

**Questions**

1. List at least ten motivators for travel.
2. Describe eight social and economic changes that have led to more frequent travel.
3. How does the role of the U.S. government in travel and tourism compare to that of other nations?
4. What organization publishes most U.S. travel data?
5. List the four criteria used to determine a person's status as a traveler.
6. How does the U.S. Bureau of the Census define *traveler*?
7. How does the definition of a traveler from the U.S. Bureau of the Census differ from that of the United States Travel Data Center?
8. Define *tourism*.
9. List ten examples of direct providers of tourist services.
10. What kinds of firms would be classified as support services to the travel industry?
11. Give one example of each of the four types of organizations or agencies classified as tourism development.
12. How much money is spent on world domestic and international travel and tourism?
13. List the countries that are the top three international tourist destinations.
14. The citizens of which five countries are classified as the top five spenders on international tourism.
15. Distinguish between de jure and de facto diplomatic recognition.

16. What basic document is required for Americans to visit most European countries? Canada? the Caribbean islands?
17. What is a visa?
18. List the five nations that earn the largest amounts from international tourist spending.
19. From which two countries do the largest number of foreign tourists come to the United States? What accounts for these large numbers?
20. From which countries do the largest number of overseas visitors to the United States come?
21. How much is spent on domestic travel in the United States?
22. Which mode of transportation accounts for the greatest share of domestic travel?
23. What is the primary reason for domestic travel?
24. What does the phrase “economic impact of tourism” mean?
25. Identify three major benefits that national governments derive from tourism.
26. In what primary way does tourism preserve the culture of a nation?
27. In what ways can tourism affect human relations in a society?
28. The chapter describes the points of view of those favoring and those opposing tourism. Summarize each in one short paragraph. Do you accept either? Why?
29. List five destination states for tourists.
30. List ten areas or localities where tourism is the only significant industry.



1. You are discussing a possible career in the travel industry with a friend. He states that he does not believe the industry will grow significantly in the coming years, and thus would not be a wise choice for a career. What is your response?
2. You are planning a trip to Mexico. What information do you need to obtain about entering the country?
3. Select a nearby area that caters to tourists and assess the environmental impact of tourism on the area. Has it been positive, negative, or mixed? Respond in an essay of suitable length, including as much factual information as possible to defend your position.



T w e l v e

Travel Services



Learning Objectives

After reading and studying this chapter, you should be able to:

- 1** Define the term *travel intermediary*.
- 2** Define the term *package* as used in the travel business.
- 3** List the advantages and disadvantages of purchasing travel packages over making travel arrangements independently.
- 4** Describe the contents of each of the following types of packages:
(a) all-inclusive; (b) fly/cruise; (c) fly/cruise/hotel; (d) fly/drive;
(e) motor coach; (f) accommodations; (g) accommodations and meals; (h) family vacation; (i) events; (j) special-interest; (k) affinity group; (l) incentive; (m) convention and meeting.
- 5** Explain the advantages and disadvantages of making travel arrangements directly with a supplier of travel services.
- 6** Describe the typical packages provided by (a) airlines; (b) bus companies; (c) cruise lines; (d) hotel companies; (e) railroads.
- 7** Identify the percentage of travel agency business going to each of the following: airlines, cruise lines, hotels, car rentals.
- 8** Identify the number of travel agencies in the United States and the dollar sales of the average agency.

- 9 Explain the importance of travel agents to the suppliers of travel services.
- 10 List the prerequisites for a travel agency to sell travel tickets.
- 11 Define the terms *travel wholesaler* and *tour operator*.
- 12 Define the term *specialty channeler*.
- 13 Identify and explain the role of each of the following specialty channelers in selling travel: (a) hotel representatives; (b) state and local tourists offices; (c) corporate travel offices; (d) incentive travel firms; (e) convention and meeting planners.

► Introduction

In the previous chapter, the dimensions of travel and tourism were explored. The travel industry was shown to consist of direct providers of travel, support services, and tourism development. Data were supplied to show that international and domestic travel has increased steadily over the years, such that the travel industry is now the world's largest industry, accounting for more than one in every ten dollars spent at the retail level.

Mass travel—extensive long-distance travel by the middle class as well as by the wealthy—really began shortly after World War II. Prior to that time, the middle class generally had neither the time nor the money for long-distance travel, except for job-related purposes, immigration, or some urgent purpose. For many Americans, serving with the armed forces during a war provided the single opportunity for travel that they would have in their entire lives.

Long-distance travel for pleasure was highly unusual for most Americans. After World War II, however, more people had greater amounts of free time to travel. They had automobiles that could be used for travel, and they were earning higher wages that gave them the disposable income for travel. Airlines evolved into a major means of public transportation, making it possible for virtually everyone to travel long distances at relatively low prices. The age of large-scale selling of travel to the public began after World War II.

In this chapter, we will provide a broad description of the travel business. We will identify the two basic options for those intending to travel and then examine the roles of travel agencies, travel wholesalers, travel specialists, and other related organizations in developing travel packages and making arrangements for travelers.

Once an individual has made the decision to travel, there are two possible options for making the necessary arrangements: she may either seek the help of an individual or firm in the business of making travel arrangements, or she may take the do-it-yourself approach.

If the traveler elects the do-it-yourself approach, he must make direct contact with the supplier or suppliers of the services required and attend to all the necessary arrangements. The traveler must obtain detailed information about fares, schedules, and dates directly from suppliers.

The difficulties associated with making these arrangements have led many travelers to take the other approach; that is, having all arrangements made by a travel professional known as an intermediary. The term **travel intermediary** refers to a person or firm that makes travel arrangements for individuals or groups. When the arrangements are made by an intermediary, the traveler need only call or visit the intermediary, discuss the various options, then leave the detailed arrangements to this professional.

One of the more familiar travel intermediaries is the travel agent. A **travel agent** is one who is in the business of making travel arrangements for others. When travelers use the services of a travel agent, travel arrangements can be tailored to their particular needs and desires. Specialized itineraries can be prepared for them. The travel agent inquires into their needs and makes specific reservations for airlines, hotels, transfers, rental cars, or other requirements. If specialized travel arrangements are not required, the travel agent may recommend a common alternative: a travel package. **Travel package** is a term used to describe two or more travel services bundled together and sold at one price.

Travel packages are among the most important elements in the travel business. Travel agents typically find that sales of travel packages represent approximately 18 percent of annual bookings. Approximately 32 percent of Americans traveling to foreign overseas destinations book packages. Because of the important role they play in the travel business, it is useful to examine various types of packages and the firms that develop them.

► Travel Packages

There are many different kinds of travel packages. Some are group packages, arranged so that a given number of travelers are together for the duration of a trip. Others are individual packages that enable a

traveler to travel independently without regard to others who select the same package. In some instances, the independent package requires that the individual travel at specified times; thus, the air transportation may be arranged along with others taking the tour. In other instances, the independent tour does not require a specific departure or return date. Travelers choose those dates for themselves and travel entirely independently of others taking the same package.

Packages can be very different from one another. Some packages are vacation packages to specific locations—a hotel on a Caribbean island, for example. Others are packages with travel to several locations—London, Paris, Rome, and Berlin, for example. Packages may last for only a few days or for a week or longer, and they vary in price according to the quality of the package and the length of time involved.

Some packages provide deluxe accommodations; others include accommodations in properties of lower quality. Some packages are geared to specific activities—golf, for example.

Some packages include all the necessities: travel, accommodations, meals, tips, transfers, sports, and entertainment. Others include only a few: accommodations and a rental car, for example. The firm that assembles the package makes judgments about the combination of services it believes are most appealing and can best be sold to potential customers.

The following are characteristic types of packages sold to travelers.

► All-Inclusive Packages

As the name implies, **all-inclusive packages** provide most or all of the necessary elements of travel. They generally include transportation, accommodations, meals, transfers (ground transportation between an airport and a hotel or similar lodging property), entertainment, sightseeing, sports, taxes, and gratuities. However, they do vary considerably. Some offer all meals; others offer a specified number of meals. Some include admission to special events; others do not. Other specifics in the travel package may also vary.

► Fly/Cruise Packages

Fly/cruise packages include air transportation to and from a point of departure, transfers, and a cruise. Fly/cruise packages are almost always all-inclusive, meaning that the package price includes the cost of airfare, accommodations, all meals, and entertainment. Gratuities and sightseeing are typically extra.

A page from a brochure featuring all-inclusive vacation packages, detailing accommodations, foodservice, activities, and other points of interest. A myriad of travel packages are available, offering travelers savings through volume sales and the convenience of having most of the important arrangements made. (Photo courtesy of Club Med Sales, Inc., all rights reserved.)

Located on the southeast Atlantic coast of St. Lucia on 95 acres, five minutes from Hewanorra International Airport. The pastel pink, marble-trimmed central atrium leads to a large swimming pool, open-air cocktail lounge, boutique, theater and modern nightclub. Tiny Maria Island dots the horizon. For ages 2 and over.

Accommodations

Air-conditioned, double occupancy rooms in four-story beach and garden-front lodgings with a private balcony overlooking the ocean. Each has oversized twin beds and a private bathroom with shower. Connecting rooms (request upon arrival) and single rooms (extra charge; request when reserving) are subject to availability.

Restaurants

At the main dining room in the village center, enjoy lavish buffets at breakfast, lunch and dinner. For quiet, intimate dinners served at your table for two or more, visit the open-air Club House for French cuisine, and the new Cadi's Pub for classic American favorites.

Sports and Activities*

- 🏊 Scuba diving; beginners to experts; near the Pitons (departure is a five-minute bus ride from the village); intensive program
- 🐎 Horseback riding; English and Western; intensive English horseback riding program for all levels of skill
- 🏄 Windsurfing; experienced boardsailors only; advanced training program
- 🎾 Tennis; 8 composition courts (all night-lit); clubhouse with showers
- 🎪 Circus workshops
- 🏋️ Fitness center
- 🧘 Aerobics/Calisthenics
- 🏊 Water exercises
- 🏌️ Practice golf



- 🏹 Archery
- 🏐 Volleyball/Basketball
- ⚽ Soccer
- 🏓 Softball
- 🏓 Ping-pong
- 🎱 Bocce ball
- 🚤 All-day snorkeling picnics and boat rides
- 🎭 Nightly entertainment and dancing

Beyond the village*

Castries, Soufriere (hot sulfur springs), island helicopter tour, the Grenadine Islands, Martinique, snorkeling excursion, sunset cruise.

Especially for kids

Scuba experience in the pool from age 4-12. Carriage, pony and horseback rides, according to age and ability, with intensive program from age 8*. Go-cart racetrack, complete with traffic lights, road signs and individually-timed races. Kids-only circus instruction and equipment, complete with flying trapeze, trampoline and more, from age 4. Snorkeling, tennis and practice golf for age 6. Basketball, softball and volleyball on smaller courts.

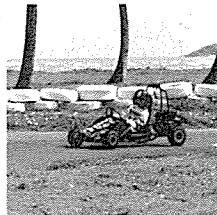
Open-air Petit Club (2-3 years) with air-conditioned nap room, Mini Clubs (4-7 years), and Kids Club (8-11 years), open from 9:00 am - 9:00 pm. Wading pool.

Highlights

- Dramatic Windward island setting
- Plenty for every member of the family
- Unique children's program with scuba diving, horseback riding, go carting, circus school and more, plus kids free!

Kids Free — Youngsters 2-5 years are invited to St. Lucia absolutely free of charge! Please refer to page 1 for dates and details.

*Extra charge for horseback riding, scuba certifications, and excursions. Refer to the "General Sports Information" section in the back of the main brochure for more information about our sports programs.



ST. LUCIA

VILLAGE FACTS

Address:
Club Med-St. Lucia
P.O. Box 246
Vieux Fort
St. Lucia
West Indies

Telephone:
(809) 45-46-546

Telex:
341 6324

Fax:
(809) 45-46-017
Incoming calls/telexes/
faxes reach our switchboard;
messages are posted.

Transfers:
Airport: Hewanorra (UVF)
approx. 28 miles from village;
10 minutes by transfer;
approx. \$5 one way taxi fare
plus \$2 per extra person

Alternate airport: Yige (SLU),
approx. 28 miles from
village, 1 hour; approx. \$45
one-way taxi fare

Time difference:
EDT all year

Currency:
Eastern Caribbean dollar

National language:
English and Creole

**Languages spoken in
the village:**
English and French

**Form of payment in the
village:**
Traveler's Checks
American Express
Visa
MasterCard
Cash

Laundry:
Washers, dryers, irons and
ironing boards available

Voltage:
220 volts; adapters and
converters are necessary

Car rental:
At village and at airport

**Medical assistance at
the village:**
Infirmary/2 Nurses

**Medical assistance
outside the village:**
Doctor
Hospital 10 minutes from
village

Climate:
Tropical*

	High	Low
November	85	71
December	83	70
January	82	69
February	83	69
March	84	69
April	87	71

*average daily highs and lows

▶ **Fly/Cruise/Hotel Packages**

Fly/cruise/hotel packages normally include air transportation, a cruise, and a specified number of nights at a hotel. These packages are typically offered by cruise-line companies (such as Cunard), which own resort hotels in the general vicinity of the ship's point of departure.

► **Fly/Drive Packages**

Fly/drive packages typically include airfare and rental car only. They are intended for travelers who prefer to make their own travel plans. Fly/drive packages are usually prepared by airlines in partnership with rental car companies.

► **Motor Coach Packages**

Motor coach packages are special purpose bus tours for those interested in shopping, sightseeing, or attending a particular sports event, for example. They are planned by motor coach operators and other tour companies. If a particular tour is to take more than one day, it will normally include accommodations, meals, and entertainment.

► **Accommodations Packages**

Accommodations packages usually include only lodging. They are really just discounts on room rates. Some are only available for particular seasons or on specified dates. Others are limited to particular numbers of nights. Many international airlines offer very attractive accommodations packages for use in major cities abroad. Accommodations packages sometimes include such additional features as continental breakfasts, transit passes, or theater tickets.

► **Accommodations and Meals Packages**

Accommodations and meals packages include hotel accommodations and meals. They vary considerably. Some include three meals per day; others include certain specified meals: full English breakfast daily, or dinner the second night, for example. Some include free access to sports facilities, such as golf courses and tennis courts. Others offer discounts on sporting activities. Some also offer sightseeing and other entertainment.

► **Family Vacation Packages**

Family vacation packages always include accommodations at specific destinations and attractions that appeal particularly to families:

Disney World, Sea World, or Busch Gardens, for example. They normally include other appealing features, as well: some type of child care for part of the vacation, for example, so that adults can have time for themselves. These packages are typically designed to provide value to families.

► Events Packages

Events packages are special packages that focus on particular events or performances: football games, festivals, theater, art exhibits, and so on. The possibilities are endless. These packages usually include transportation and admissions to the event or performance, and they may include such other features as accommodations, meals, and rental cars.

► Special-Interest Packages

Special-interest packages are designed for groups of people who share a particular interest, such as a sport or a particular hobby. The common interests around which these packages are developed include golf or tennis, photography, wine, fall foliage, and many others.

► Affinity Group Packages

Affinity groups are groups of people who share a common bond. They may be students in the same college, alumni of one university, members of a social club, a religious organization, or a fraternity or a sorority. They may all be in the same profession: doctors, dentists, or lawyers, for example. **Affinity group packages** enable the group to share a common experience. It can be a tour, a vacation at a particular resort, a cruise, or any other activity that appeals to the group.

► Incentive Packages

An **incentive package** is a vacation package sponsored by a corporation and offered to employees as a reward for superior performance—high-volume sales of a product or service, or some other achievement beyond the norm. Some companies offer all-inclusive vacations to

Hawaii, for example. Any type of package can be used as an incentive package as long as it provides incentive for employees to improve performance.

► **Convention and Meeting Packages**

Convention and meeting packages are typically offered by hotels and sponsoring organizations. They frequently include accommodations, meals, sightseeing, and other activities.

Packages have several advantages over individual travel arrangements. They are typically less expensive, because the person or firm preparing the package purchases the travel arrangements in quantity and is able to pass on savings to the traveler. For example, an intermediary putting together a vacation package to London, England, for forty-five people might be able to obtain rooms and meals at a particular hotel for 70 percent of the normal price. The hotel manager may be glad to sell these rooms at that price, because he is assured of selling a large number of rooms, and the cost of providing food for these guests might be less than for regular customers. In addition, the hotel does not have to pay a travel agency commission because the commission is paid to the travel agent by the intermediary.

It is also possible to purchase airline seats at a discount. Some of the savings that result from making these arrangements at discounts are passed on to the purchaser of the package, and sufficient profit is left for the intermediary making the arrangements. The total price of the package is considerably less than it would be for an individual to make the same arrangements on his own.

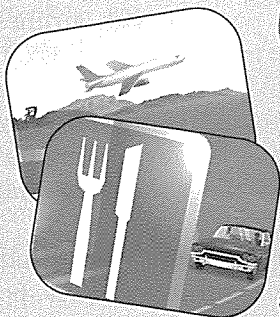
Another advantage of a package is that the traveler knows precisely what the trip will cost. All essentials of the trip are normally included in the price, and any extra charges are stated in the promotional materials.

Finally, if the travel is complicated, the tourist traveling on a package has to make only a very few decisions. Once the tour package has been selected, there are normally relatively few choices to be made. Many people prefer to travel without having to make important decisions about where to stay and what sights to see. Good packages assure the traveler that the important events and sights will be seen.

► **Package Developers**

Many suppliers of travel services develop travel packages. A list of these suppliers and the packages they develop includes the following.

► The Best Off-Season Packages ◀



Off season—when the crowds are gone—can be the best time to travel: package prices are the lowest and travel can be the easiest. The following are examples of fall packages that offer excellent values.

The Sabena Eurostar package, from Sabena Airlines, includes round trip airfare to Brussels, a one-way coach ticket on the Eurostar, a train traveling from Brussels to London through the channel tunnel, and a return flight to Brussels. The price is as low as \$499 per person. This package is available beginning November.

If you want to travel to Florida and beat the winter crush, the Sanibel Harbour Resort and Spa, in Fort Meyers, will provide two people with a room and breakfast for \$99 a night, Sunday through Thursday until December 15.

Orient Flexi-Pax Tours offers the Beijing Super Saver package. It includes round-trip airfare on United Airlines, a room for five nights, and daily buffet breakfast. Prices are only \$1,199 per person from San Francisco. Departures are scheduled through October.

CEI Tours International has developed a Mystical Ireland Package that begins with one night in Dublin. The next day, travelers head north for overnight visits to the coastal resorts of Bangor and Ballycastle and the lakeside town of Enniskillen. The package includes round-trip transportation from New York or Boston and covers seven nights' accommodations, daily Irish breakfast, most dinners, and sightseeing. Prices start at \$1,418. It is available in the fall, until October 20.

These are just a few of the many values in travel packages available to those who can travel in the fall, after the summer rush.

Adapted from articles in Travel Holiday, September and October, 1995.

► Airlines

Airlines create a large number of packages, the most popular of which are fly/drive packages and accommodation packages.

Fly/drive packages are designed for travelers who wish to be on their own. Airlines create these packages to provide incentives for trav-

elers to go to destinations served by the airlines. They frequently offer these packages on dates or days of the week when they are not normally fully booked.

Accommodations packages are also very popular with airlines. These are typically individual travel packages rather than group packages. Airlines work closely with hotels to provide accommodations at rates that may be below the normal room rates offered by the hotels. Hotel companies are willing to do this because when they establish links with the airlines, they obtain bookings they might not otherwise get.

Many accommodations packages offered by airlines do not include airfare, and some do not include meals or other normal expenses. For example, American Airlines offers accommodations packages to more than twenty Caribbean islands and has established package rates with several hotels on each of these islands. The basic package rate is very appealing but includes only the hotel room. Transfers to the hotel, taxes, airfare, food, drinks, entertainment, and activities are all extra. Many of the same hotels participating in the American Airlines package plan, however, do allow customers to opt for an all-inclusive rate that includes drinks and some activities.

Other packages offered by airlines are more extensive and may include airfare as well as other costs. For example, Northwest Airlines offers packages to Bangkok, Hong Kong, and Singapore that include airfare, hotels, land transportation, sightseeing, and entertainment.

The buyer of an airline package must look very closely at the specific contents of the package to determine if it includes the elements he or she is looking for.

► **Bus Companies**

Bus packages are increasingly popular, particularly with senior citizens. These packages are offered by bus companies that own or lease buses and by many other firms that contract with bus companies for required bus service.

Bus tours vary considerably in quality, length, price, and amenities. Some are as short as a few hours, while others may take days. One of the most popular tours is the gaming tour, a bus tour that takes potential gamblers to a casino and returns them to the point of departure. The casino hotels of Atlantic City, New Jersey, play host to many of these tours from the surrounding region—New York, Connecticut, Pennsylvania, Delaware, Washington, D.C., and other nearby areas.

Bus tours—which vary in quality, length, price, and amenities—are gaining in popularity. Each has a tour guide, who provides interesting and informative commentary about sights along the way, as this Tauck Tours guide is doing in the photograph right. (Photo courtesy of Tauck Tours.)



These tours frequently include bus fare, entertainment, and a number of quarters or gaming chips of sufficient value to make the cost of the tour very reasonable.

Extended bus tours are, by nature, all-inclusive tours because the people on the tour must be housed and fed. These bus tours, like other all-inclusive tours, vary in quality and in the amenities offered. At the economy level, bus tours will stay at budget lodging properties. Meals will offer few if any menu choices and travelers may be charged extra for admissions to events. At the luxury level, those on the tour will be accommodated at luxury hotels, will have a number of choices from the hotel menu, and will not pay for admissions to events.

One of the more interesting professions is that of a bus tour manager or tour guide. She meets the travelers at the point of embarkation and stays with them throughout the tour. Duties of the tour manager include confirming that all reservations for hotels, restaurants, and events are in order; assigning seats and establishing a seat rotation plan on the bus; keeping the tourists informed of sights along the way; keeping order on the tour; making sure baggage gets to hotel rooms and back on the bus; attending to illness and other emergencies; and attending to the myriad details of a bus tour and the countless needs of travelers. Tour managers typically are not paid high salaries, but they do receive tips at the end of the tour. In some cases, they also receive commissions from gift shops and other retail establishments when

buses stop at these places. Thus, many tour managers are able to earn comfortable incomes and live interesting lives.

Domestic bus tour companies generally price their package tours without airfare. International bus tour companies, however, have package prices that include airfare. For example, Cosmos, a European-based bus tour company, has various packages to Europe. Their twenty-seven day escorted budget tour of Europe can include airfare and offers transfers, tourist-class hotels, private baths, twenty-five continental breakfasts, twelve dinners, and visits to various sights. These and other bus tours are sold directly to the public as well as through travel agents.

► Cruise Lines

Major cruise lines prepare all-inclusive packages that include airfare, transfers to the ship, and the cost of the cruise. Included in the cruise are accommodations, meals, and entertainment. Passengers are required to



Carnival Cruise Line's 2,040-passenger SuperLiner Ecstasy passes the tip of Miami Beach as it heads from the Port of Miami to Caribbean ports of call. The 855-foot-long, \$275 million floating resort features a seven-deck-high atrium, twelve thousand-square-foot health spa, dazzling casino, state-of-the-art lounge, and an array of imaginatively themed public rooms reflecting a "visionary metropolis" motif. (Photo courtesy of Carnival Cruise Line.)

pay only for drinks, gratuities, and excursions from the ship. Most cruise lines are noted for the quality and quantity of their food. A typical day will include breakfast, lunch, mid-afternoon tea or snacks, dinner, and midnight buffet.

The cruise lines use a variety of airlines to transport passengers from their homes to the ship. Interestingly, the typical cruise price is usually the same from any city in the United States. This means that cruise passengers coming long distances pay the same as those coming from near the port of embarkation. Usually, cruise lines will deduct the airline portion of the package for those passengers who choose not to take advantage of the “free” air transportation.

Some cruise lines have packages that include one or more nights in a hotel before or after the cruise. These combinations are particularly attractive to those who wish to see the sights while they are in the vicinity of the port. Some offer packages that include a one-week cruise and a second week at a resort hotel owned by the cruise line.

Travel agents account for 95 percent of all cruise sales, virtually all of which are packages. The packages cruise lines create are obviously the most important element in their sales effort.

► Railroads

As mentioned in earlier chapters, rail travel was once the most important form of public transportation. In Europe and other parts of the world, it is still important, but in the United States, rail travel is used primarily for commuter service. Amtrak does issue a Discover America pass, but it is not what one would call a package because it does not contain features other than the train ride. In Europe, a Eurailpass enables travelers to see Europe relatively inexpensively. In several South American countries, trains are a relatively popular transportation mode for excursions, although the trains are not particularly modern or comfortable. Trains may be part of packages prepared by others, but railroad companies have not been leading developers of packages.

► Lodging Companies

Many of the companies operating hotels, motels, and other lodging properties create travel packages that are sold directly to customers as well as through travel agents. For example, Club Med, one of the largest chains of resort hotels, has developed all-inclusive packages for their

resorts around the world. These packages include transportation, transfers, taxes, gratuities, meals, entertainment, and accommodations. Recreation is also included in the package price, although the resorts charge extra for certain sports, such as golf, horseback riding, and deep-sea fishing. In contrast to cruise packages, the price of Club Med packages is not the same from all cities. Those who travel the farthest are charged more than those who come from nearby points. Interestingly, Club Med is now also in the cruise business and offers a cruise package aboard its Club Med 1, a motor-sailing vessel, advertised as the largest and most beautiful sailing ship in the world. The vessel has 191 outside staterooms.

Other accommodations packages offered by hotels vary significantly. Many hotels offer packages that include accommodations, all meals, and recreation. Some offer only accommodations and breakfast, plus specified entertainment. There are several all-inclusive resorts that offer packages with accommodations, meals, recreation, sports, gratuities, taxes, and even unlimited drinks at the bar. It is almost impossible to spend money at these resorts.

► **Tour Wholesalers and Tour Operators**

Tour wholesalers and tour operators are important developers of travel packages. As the name implies, a **tour wholesaler** prepares tours and other travel packages and distributes them through retail outlets. The wholesaler organizes the tour, prepares promotional material, and distributes it to travel agencies and other retail firms. Wholesalers may also conduct the tour. **Tour operators** traditionally have been individuals and firms that carry out ground arrangements—for bus tours or guides, for example.

One example of a tour wholesaler that prepares and operates tour packages throughout the world is Collette Travel Service, based in Pawtucket, Rhode Island. This company offers group tours and independent tours to Australia, Europe, Alaska, Africa, Asia, Hawaii, Canada, and the continental United States. The packages range from fly/drive vacations to escorted tours that include land and sea transportation, accommodations, a number of meals, and many of the tour sights. Airfare to the starting destination is additional and is arranged with TWA and other airlines. Collette relies heavily on travel agents to sell their tours.

Of course, when the wholesaler makes travel arrangements, there is a risk that all of the available space will not be sold. If tours are not

sufficiently popular, the wholesaler may lose money or may have to cancel the tour.

Any individual or firm can act as a wholesaler. There are virtually no government regulations or requirements for becoming a tour wholesaler. There are more than two thousand independent tour wholesalers and operators in the United States, although the largest forty account for the major share of the business. One of the major problems of dealing with tour wholesalers and operators is that some of the smaller ones are not well managed. Some have gone into bankruptcy, causing serious loss to customers, travel agents, and suppliers of travel services. In recent years, several large tour wholesalers have abruptly gone out of business, and the travel industry is addressing this problem. The U.S. Tour Operators Association, which represents many of the largest international tour operators, has established a bonding program that assures payment in the event of the failure of a travel wholesaler or tour operator.

In many instances, the tour wholesaler and tour operator are two separate firms. The wholesaler makes the travel arrangements for hotel accommodations, meals, and visits to sites along the way. He also prepares the promotional material and distributes it to travel agencies. The tour operator actually conducts the tour, providing the bus to meet travelers at their departing or arriving point and conducting the tour for the travel wholesaler.

There is an increasing degree of overlap in the functions of tour wholesalers and tour operators. Some tour wholesalers arrange all of the details for tours and also act as tour operators. Some tour operators act as tour wholesalers, preparing tour packages and promotional materials and distributing them to retail travel outlets. Thus, travel wholesaler and tour operator sometimes appear to be one and the same. In fact, travel wholesalers are often referred to as tour operators.

Frequently, travel agencies act as travel wholesalers. They do this by developing their own package tours and offering these both to their own customers and to those of other travel agencies. They make arrangements for airline travel, hotels, ground transportation, and all other features of the tour. One of the largest of these firms is American Express, which acts as both tour operator and travel agent.

► Travel Agents

The most important retail sellers of travel are travel agents. Interestingly, they are a relatively recent addition to the travel industry. The

first travel agent was Thomas Cook, a British publisher and lecturer on the evils and sins of alcohol. In 1841, he conceived of the idea of chartering railroad trains to bring his temperance supporters to meetings, and on July 5 of that year, he transported 570 passengers round-trip on a train from Leicester to Loughborough, England. The distance was twelve miles each way, and the reported cost to each passenger was one shilling.

The trip was very successful, and Cook's services were soon sought by others interested in group travel. By 1845, he was organizing relatively complex travel for individuals and groups over several railroad lines. In 1851, he organized tours to the exhibition in London, and in 1855, he organized similar tours to the Paris exhibition. Shortly thereafter, he opened an office in London.

Thomas Cook was the first man to organize and conduct an around-the-world tour, a feat he accomplished in 1872. His travel agency business continued to grow, becoming one of the world's



An office in a typical travel agency. The most important retail sales channel for travel sales in the United States, travel agents provide the majority of sales for the airline, international hotel, cruise-line, and packaged tour segments of the industry. With access to a wealth of information, travel agents can provide their clients with travel arrangements that best suit their needs and expectations. (Photo courtesy of American Society of Travel Agents.)

largest travel organizations. In 1994, parts of that organization were acquired by American Express, but the name Thomas Cook is still among the best known in the travel industry.

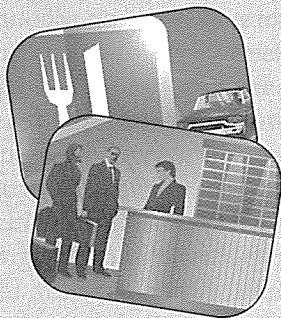
Travel agents are professionals with expertise in arranging travel for clients. Good travel agents, like good doctors, lawyers, or accountants, are highly trained individuals. They have extensive knowledge of travel destinations, accommodations, transportation, and all other aspects of travel. They are able to find the most direct or the least expensive travel route to any destination. They can determine which hotel in a given city is most convenient to a particular site. They can advise travelers about the best time of year to travel to specific destinations. They can advise customers about the proper type of clothing to pack for a specific destination at a particular time of year. They can tell clients whether or not a visa is required to visit a particular country. They can even advise clients on the best routes from the airports to their hotels.

Like other professionals, some travel agents have specialties. Some are particularly knowledgeable about travel in specific parts of the world—Africa, China, or Russia, for example. Others have extensive knowledge of particular types of vacations—cruises or bus tours, perhaps. All travel agents have access to information about the elements of travel, and all should be able to make appropriate travel arrangements for their clients.

Good travel agents have one very important trait in common—the ability to match customers with travel that is suitable. For example, assume that a customer goes to a travel agency looking for a vacation on a cruise ship. Each cruise line and cruise ship is different. Some cruise ships are more formal than others and require formal dress at meals. Some have music and entertainment that appeals to younger people, and others are more suitable for older adults. Some cruise ships sail at night and dock during the daytime at different ports. A good travel agent will be able to determine which cruise best suits the needs, desires, and budget of each individual. To be able to do so requires an understanding of the customer—the kinds of activities, entertainment, and food he or she prefers, as well as the most suitable shipboard environment, type of accommodation, size of ship, and price. Only by understanding both the customer and the cruise lines can the travel agent properly match the customer and the cruise. If the travel agent does a poor job of this, the customer will not be satisfied and will find the travel agent at fault.

Travel agents have immediate access to a wealth of travel information that would take customers long hours to find if they were attempt-

► Choosing the Options in Caribbean Accommodations ◀ That Are Right for You



When visiting the Caribbean, travelers have several options in accommodations. Choosing the right one may be the key to a successful vacation. Travel agents can best advise vacationers which accommodations are best for them.

All Inclusive Resorts First made popular by Club Med in the 1950s, all-inclusives now offer an even wider range of activities and amenities. At the new breed of “super inclusive” resorts, the daily rate usually includes an air-conditioned room, meals, drinks, airport transfers, and activities like tennis lessons, windsurfing, and snorkeling. Base prices are higher than standard resort prices, but they are excellent values for fun-loving guests prepared to take advantage of everything these resorts have to offer. Jamaica boasts the most all-inclusive resorts. They range from those that cater to couples only to those that accept singles only to those catering to families.

Family-Run Inns These intimate resorts provide the experience of an extended family in the Caribbean. Most do not offer room service but do offer a friendly house-party atmosphere imbued with the personality of the host. Sociability is important, as regulars arrive ready to mingle.

Classic Resorts Most of these properties provide the elegant island style of the 1960s but with updated amenities, and many cater to groups. Guests are not required to participate in activities unless they want to, and unlike all-inclusive resorts, they pay only for food and drink they purchase.

Villa Rentals For some, a Caribbean villa means peace, privacy, and independence—all with an ocean view. A two-bedroom house can provide ample room for two couples or a family and allow the occupants freedom to make their own schedules. Many villas come with privileges at tennis and golf facilities, and frequently, a complex will include the amenities of a full resort.

The travel agent is best able to match the needs of travelers with the type of accommodation suited for them, and there is no cost to the traveler. Travel agents receive their commissions from direct providers of travel services.

ing to make their own arrangements. For example, an individual intending to fly from Boston to San Francisco would have to spend considerable time on the telephone calling the airlines that fly out of Boston to determine if they fly to San Francisco. He would have to ask about flight schedules and fares from each of those airlines. If he were to require a hotel room in San Francisco, he might have to call someone in California who had access to the yellow pages for San Francisco to determine the names, addresses, and telephone numbers of local hotels. He would then have to call, fax, or write the hotels to inquire about reservations.

All of this information is readily available to travel agents through computers and publications on hand in their offices. Within moments, travel agents can determine which airlines fly to San Francisco, the schedules for all flights, and the availability and cost of seats on each flight. They can also advise the customer about which hotels are located in the city, their rates, and their locations, and they can easily determine the availability of rooms. All travel arrangements including air, hotel, rental car, and travel insurance can be made by travel agents in a very short period of time.

The travel agent performs all of these services at no cost to the client. This is because the income to a travel agent comes in the form of sales commissions paid by airlines, hotels, and other suppliers of travel services. This sales commission is normally a stipulated percentage of the price of the particular travel service arranged.

Frequently, travel agents can obtain travel and hotel reservations at lower prices than can a customer attempting to make individual travel arrangements. The agent's familiarity with rates and sales practices of airlines, hotels, rental cars, and other services makes it possible for her to find the lowest rates. Under most circumstances, travelers are wise to use the services of travel agents for travel that requires public transportation, accommodations, rental cars, or other travel services. Good travel agents have the expertise to advise clients on the best travel arrangements and can usually make these arrangements at equal or lower cost than arrangements made independently.

Travel agents gain their expertise in a variety of ways. Most have studied at post-secondary institutions—some at colleges and universities offering degree programs in travel and tourism, others at schools that offer shorter professional training programs for travel agents. They complete courses in travel agency management, geography, computer operation, ticketing, customer relations, and other professional subjects. However, coursework alone is normally not enough. Experience is a major element in the development of an expert travel agent.

Travel knowledge and expertise is gained on the job and by means of **familiarization trips**, commonly known as FAM trips. These are trips to resorts, cities, sights, and the like that are sponsored by airlines and by other travel suppliers at the destination. The cost of these trips is usually absorbed by the airlines and the sponsoring organizations. The organizations that sponsor FAM trips do so with the obvious objective of creating referrals and bookings from the travel agencies.

► The Number of Travel Agencies and Their Size

Although travel agencies have been in existence since the mid 1800s, when Thomas Cook started the first one, the number was comparatively small until after World War II, when the era of mass travel began. Since then, the increase in the number of travel agencies has kept pace with the growth of travel. Table 12.1 shows the growth in the number of travel agencies in the United States.

The total sales of all U.S. travel agencies in 1993 was estimated at \$93.5 billion, and a majority of agencies booked less than \$2 million in sales.¹

Airlines provide the largest share of income to travel agencies, as shown in table 12.2. In 1993 the total sales in a “typical” agency from airline tickets, hotel accommodations, and car rentals, for example was \$2.88 million. The average sales commission received from all sources was just over 9 percent of sales, which would mean that actual income to pay salaries, meet other expenses, and provide profit was

Table 12.1 **Number of U.S. Travel Agencies**

Year	Number of Travel Agencies ¹
1985	27,193
1987	30,169
1990	37,807
1993	42,709

¹ Including satellite ticket printer locations.

Source: “Airlines Reporting Corporation,” in Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994–1995* (New York: Child & Waters, 1995), p. 147.

¹ Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994–1995* (New York: Child & Waters, 1995), pp. 146–49.

Table 12.2 **U.S. Travel Agency Sales, 1993**

	\$ Billions	Percent of Total Sales
Airlines	\$55.9	60%
Cruise lines	14.0	15
Hotels	10.3	11
Car rental	6.6	7
Other sales	6.5	7
Totals	\$93.4	100%

Source: "Louis Harris Survey for Travel Weekly," in Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994-1995* (New York: Child & Waters, 1995), p. 149.

about \$260,000. This "typical" agency employed six full-time travel agents and two part-time agents, 84 percent of whom were women.

► Supplier Dependence on U.S. Travel Agents

Much of the travel industry is dependent on travel agencies for survival. Airlines, international hotels, cruise lines, and many firms that prepare tours rely heavily on travel agencies. Table 12.3 shows the importance of travel agents to the major segments of the travel industry.

The airlines rely on travel agents for 80 percent of domestic business and 85 percent of international business. Cruise lines are almost

Table 12.3 **Supplier Dependence on U.S. Travel Agents**

Supplier	Estimated % of Volume Booked by Travel Agents
Airlines	80 domestic 85 international
Hotels	25 domestic 85 international
Cruise lines	95
Rail	37
Bus	Less than 10
Rental cars	50
Packaged tours	90

Source: Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994-1995* (New York: Child & Waters, 1995), p. 131.

totally dependent on travel agencies, and some international hotels are very heavily agency dependent.

For the supplier of travel services, there are several critical reasons to promote the use of travel agencies. One of the most important is that travel agents act as one's sales representatives in all parts of the country. Table 12.1 shows that there are over forty-two thousand travel agencies in the United States. If the average travel agency has six employees, there are more than two hundred and fifty thousand salespeople working to sell travel. This is a powerful incentive to promote their use, particularly when one considers that agencies are paid only when the agents are successful in selling travel.

The use of travel agents is particularly important for suppliers of travel services that cannot afford to have sales representatives in all parts of their marketing areas. For example, a two hundred room resort hotel in the Caribbean obviously could not afford to maintain offices in all the major cities in the eastern United States.

Travel agencies are equally important for the larger suppliers of travel services. Travel agencies enable them, in effect, to expand the number of offices selling their services without increasing their overhead costs. For example, major airlines might be forced to consider having a sales office in every city of in the United States if there were no travel agents to represent them.

► Prerequisites for a Travel Agency to Sell Travel Tickets

One cannot open up a travel agency and sell airline, cruise line, or other travel tickets as easily as one can open other types of retail establishments. This is because the travel agency receives its income from the suppliers of transportation services, and most of these suppliers will not pay commissions to organizations that they have not approved or that have not been approved by a travel association.

Approval to sell tickets for transportation services is only given to a travel agency when it receives an appointment to one or more of the various conferences that represent travel services. The term *conference* does not mean a meeting, as one might think; it is a regulatory body that sets standards for travel agencies. The following are the most important conference approvals needed by travel agencies:

ARC	Airline Reporting Corporation
CLIA	Cruise Lines International Association
IATA	International Air Transport Association

Each conference has specific requirements that travel agencies must meet in order to gain approval and the right to sell the services offered by conference members. Conference requirements are very strict, because travel agents issue tickets and collect funds that must be turned over to the companies whose services they sell. Requirements for conference approval typically include the following:

1. The travel agency must have a manager with at least two years' experience and at least one employee with one year's experience as a travel agent.
2. The agency must have a net worth of about \$100,000 or a bond—a type of insurance policy—covering the normal amount of business expected for a period of time.
3. The agency must be clearly identifiable to the public and be open for business a given number of hours (typically at least thirty five) per week.
4. The agency must pay an application fee and annual fees to the conference, plus additional charges for blank ticket forms and for computer and other costs.

Each conference has its own requirements, but those listed above are representative. After receiving conference approval, travel agents can issue tickets and are entitled to commissions on the sale of tickets.

► Computer Use in Travel Agencies

Just a few years ago, travel agents used telephone, telex, and the mails to make all travel arrangements. A travel agent booking an airline seat looked up the airline schedule in a publication known as the *Official Airline Guide* and then called the airline to find out about seat availability.

Today, virtually all full-service travel agents make these travel arrangements using one of the computer programs that airlines have developed. American Airlines, with its Sabre system, has a greater number of network users for its program than any other system. United Airlines has the Apollo system, and TWA has a system called PARS. These programs make it possible for travel agents to determine which airlines fly between any two points and to obtain the schedule of flights between those two points for any given day. They enable the travel agent to determine seat availability for each flight and the prices for various classes of tickets. If a customer wants to reserve a seat, the

travel agent can make the reservation by computer. The computer prints the ticket in the travel agent's office, and it is issued to the customer. The entire transaction may take as little as five minutes.

New computer programs now available enable travel agents to obtain information about many hotels, motels, and resort properties. Agents can even obtain layouts and floor plans of properties as well as information about special features they offer. Telephone calls and the mail still have their place, of course, but fax machines and computers have largely replaced older methods of communication at travel agencies.

► Other Travel Specialists

In addition to the various direct providers, travel wholesalers, tour operators, and travel agents discussed above, there are a number of other specialists that assist travelers by making arrangements for some or all of their needs.

► Specialty Channelers

Specialty channelers are individuals or firms that represent either buyers or sellers of travel services. They make travel arrangements for the parties they represent and do so either directly with the travel supplier or through a travel agent. Because specialty channelers deal directly with travel customers, they can have great impact on where they go and how they get there. There are two types of specialty channelers.

The first type of specialty channelers that represent sellers of travel services include (1) hotel representatives and (2) state and local tourism offices.

Hotel Representatives

A *hotel representative*, usually called a *hotel rep*, is an individual or firm that represents hotels—usually a number of them in many different locations—and sells the services of those hotels directly to individuals, businesses, and groups. Hotel representatives are not employees of the hotels; they usually have contractual agreements with the hotels they represent, and they develop and book both individual and group business for those hotels.

Hotel representatives may be individuals, travel agencies, or other firms, and they are normally located in specific large metropolitan areas, such as New York, Chicago, and Los Angeles.

Hotel representatives seeking group business have detailed knowledge of the businesses and groups in their area that require hotel facilities for meetings and conventions. Many maintain close contact with travel agencies and thus provide a link between the hotels they represent and local travel agencies.

Hotel representatives are able to meet the needs of the businesses and groups they contact because they represent a great number of hotels in many areas. Thus, they have a number of varying service products to meet the specific needs of the businesses and groups they contact. Some hotels have a number of hotel representatives, such as one in each of several parts of the country. Their compensation comes in the form of retainers—fees paid to professionals for services rendered—and commissions for the business they book in the hotels.

State and Local Tourism Offices

All states have tourist offices that promote hotels, motels, and other travel services in their states. They advertise travel opportunities and attempt to connect potential customers with appropriate properties and organizations. They often have information offices located on highways that direct customers to appropriate travel destinations, properties, and businesses.

All states have tourist offices that promote hotels, motels, and other travel services in their states. They often have information offices to direct customers to appropriate travel destinations, properties, and businesses. (Photo courtesy of the Virginia Division of Tourism.)



Chambers of commerce perform similar functions for local areas. They advertise the local area and refer inquiries to specific properties and businesses. Most chambers of commerce have offices that provide information and assistance to travelers and refer them to local hotels, motels, and other properties.

Most cities with populations over 1 million have convention and visitors' bureaus. These bureaus typically focus their attention on attracting groups, businesses, conventions, tours, and the like to their cities. They frequently assist in convention arrangements and often act as housing coordinators for convention groups.

The second type of specialty channelers that represent buyers of travel services include (1) corporate travel offices, (2) incentive travel firms, and (3) convention and meeting planners.

Corporate Travel Offices

An example of a specialty channeler who represents the buyer of travel services is a corporate travel officer who makes travel arrangements for corporate personnel. Corporate travel officers may make the arrangements directly with suppliers of travel services or they may book through travel agencies. Corporate managers, sales personnel, and employees in various jobs with other titles account for a considerable amount of travel, and many corporations have established travel departments to make the necessary arrangements. These travel departments are generally not official travel agencies because they are not members of the various travel conferences and cannot receive commissions on their travel arrangements. Frequently, however, they make the same arrangements as travel agencies—booking transportation, accommodations, and other required travel services directly with the suppliers of those services. Some make travel arrangements through travel agencies in just the same way as other travel agency customers.

There are a number of reasons to explain why firms establish corporate travel offices. Sometimes they are set up to be a convenience for employees, providing a central office where travel arrangements can be made. Frequently they are established as a means for corporations to control travel costs. Travel departments have information indicating which personnel are permitted to travel at company expense, which may be permitted to travel first class, how much each is allowed for accommodations and meals, and various other related questions. It should be obvious that corporate travel departments have great influence over the airlines and hotels used by company employees.

Incentive Travel Firms

As part of programs aimed at encouraging personnel to work toward achieving company goals, many organizations provide rewards for employees who exceed specific targets. These are called *incentive programs* because employees are offered some incentive to perform above and beyond some norm. Sometimes the rewards offered are in the form of company-paid travel. Firms that specialize in developing—and sometimes administering—such programs are called *incentive travel firms*. They specialize in assembling incentive packages—transportation, accommodations, meals, and entertainment, for example.

Incentive travel firms are of two broad types: those that charge fees for their services and those that receive their fees in the form of commissions from the travel suppliers.

Those that charge fees are called *full-service incentive companies*. They are employed by corporations to establish incentive programs, prepare promotional material, supervise the operation of the programs, and make the travel arrangements. They make these travel arrangements either directly with the suppliers of travel services or through travel agencies.

The second type of incentive travel company does not charge fees but receives commissions directly from the travel suppliers. Travel agencies sometimes have incentive travel departments that specialize in making these travel arrangements. These departments typically do not establish the incentive programs or supervise their operation as a full-service company would. Instead, they limit their activity to providing advice to interested companies on establishing incentive programs and making the travel arrangements. Incentive travel firms of both types obviously have great influence over the travel arrangements of the incentive packages they book.

Convention and Meeting Planners

Convention and meeting planners are employees of or consultants to corporations, government agencies, or other large organizations. Their profession is planning and running conventions and meetings.

Convention and meeting planners organize meetings and conventions ranging from small board meetings to conventions attended by thousands of people. They typically attend to all of the planning details including budget, travel, accommodations, meeting programs, and billing. They supervise the meetings or conventions and ensure their success. Conventions and meetings account for more than \$50 billion

per year; thus, these individuals and firms have influence over large expenditures for travel. They make travel arrangements directly with travel suppliers or they work through travel agencies.

Given this broad description of the travel business, it should be apparent that the selling of travel is a major and growing industry in the world today. The roles of travel agents, travel wholesalers, tour operators, and other travel specialists are of greater importance than ever before both to the industry and to the economies of the communities and nations that are coming to rely heavily on the tourism dollar as a source of income.

► Summary

In this chapter, the individuals and businesses that sell travel services are examined. The term *travel package* is defined, and characteristic types of packages are identified and explained in detail. The advantages and disadvantages of travel packages are described. The terms *tour wholesaler*, *tour operator*, and *specialty channeler* are defined and their roles in travel are described.

The role of travel agents and their importance and significance are examined. The size and scope of the travel agency industry, supplier dependence on travel agents, requirements for a travel agency to sell transportation, and the importance of computers in modern travel agency operation are discussed in detail. Finally, the role of such specific specialty channelers as hotel representatives, state and local tourist offices, corporate travel offices, incentive travel firms, and convention and meeting planners are described.

► Key Terms

Accommodations and Meals Package	Fly/Drive Package
Accommodations Package	Hotel Representative
Affinity Group Package	Incentive Package
All-Inclusive Package	Incentive Travel Firm
Convention and Meeting Package	Motor Coach Package
Convention and Meeting Planner	Special-Interest Package
Corporate Travel Office	Specialty Channeler
Events Package	Tour Operator
Familiarization Trip	Tour Wholesaler
Family Vacation Package	Travel Agent
Fly/Cruise/Hotel Package	Travel Intermediary
Fly/Cruise Package	Travel Package

**Questions**

1. Define the term *travel intermediary*.
2. When did the era of mass travel begin?
3. What is a travel package?
4. List three advantages of purchasing a travel package over making arrangements directly with the providers of the travel services included in the package.
5. Describe each of the following characteristic types of packages, identifying the features normally included.
 - a. all-inclusive
 - b. fly/cruise
 - c. fly/cruise/hotel
 - d. fly/drive
 - e. motor coach
 - f. accommodations
 - g. accommodations and meals
 - h. family vacation
 - i. events
 - j. special-interest
 - k. affinity group
 - l. incentive
 - m. convention and meeting
6. What are the advantages to the traveler of making arrangements directly with the supplier of travel services rather than making arrangements indirectly through a travel agent? What are the advantages to the direct supplier?
7. List and describe the typical packages provided by
 - a. airlines
 - b. bus companies
 - c. cruise lines
 - d. hotels and motels
8. Who is generally considered to have been the world's first travel agent? For what purpose did he organize his first group tour?
9. When was the first round-the-world tour? Who arranged and conducted it?
10. List six reasons why it is advisable to use a travel agent to make travel arrangements.
11. What is the approximate number of travel agencies in the United States?

12. What is the total annual dollar sales of the “typical” travel agency?
13. Sales of tickets for which two modes of transportation provide the most income to travel agents?
14. What percentage of sales of international airlines are booked through travel agents? international hotels? cruise lines?
15. Why are conference appointments necessary for travel agencies? What are the typical requirements for a travel agent to obtain a conference appointment?
16. Name two computerized airline reservations systems used by travel agents.
17. Define the terms *tour wholesaler* and *tour operator* and distinguish between the two.
18. Define the term *specialty channeler*.
19. Define and explain the role of each of the following in the travel industry.
 - a. hotel representatives
 - b. state and local tourist offices
 - c. corporate travel offices
 - d. incentive travel firms
 - e. convention and meeting planners

**Moments
of Truth**

1. You are preparing family vacation packages for Disney World. Of the travel packages described in this chapter, which would you prepare to appeal to families coming from a distance away?
2. You have a friend interested in a job as a bus tour guide for a tour company in the United States. He tells you that he sees the job as relatively easy, because his primary job is to entertain the customers on the bus, and there is very little else he must do. Is he correct? If not, what other types of duties is he likely to have if he takes the job?
3. You are interested in going to Mexico for your vacation. What advantages do you see in making your travel arrangements through a travel agent rather than making them directly with the airline, hotel, and car rental firms?



Thirteen

Recreation, Entertainment, and Other Tourism Attractions



Learning Objectives

After reading and studying this chapter, you should be able to:

- 1** Distinguish between recreation and entertainment.
- 2** Identify the types of national parks operated by the United States National Park Service.
- 3** Distinguish between primitive, transient, and vacation camping.
- 4** List five different resort areas and identify the recreational activities for which they are noted.
- 5** Define the term *theme park* and list several well-known theme parks, identifying the theme commonly associated with each.
- 6** Define the term *entertainment area* and list several nationally known entertainment areas, citing the types of entertainment for which each is best known.
- 7** Distinguish between economy, standard, and luxury motor coach tours.
- 8** List ten kinds of performances, musical and nonmusical, that bring tourists to an area.

- 9 Identify several national and international fairs and festivals that take place each year.
- 10 List several annual parades and ceremonies that have positive economic impact on various tourist businesses.
- 11 Discuss the importance of legal gambling to the economies of some regions of the United States.
- 12 List ten forms of gambling that are legal in at least one state.
- 13 Identify five types of special events that have positive economic impact on the areas where they are held.
- 14 Specify the four principal features of cruises that tend to make them appealing to vacationers.
- 15 Describe how shopping serves as a tourist attraction for some areas.

► Introduction

Some of the major reasons for travel have been identified in earlier chapters: business, vacations, conventions, conferences, exhibits, concerts, theatrical performances, sports events, sightseeing, education, visiting the birthplace of parents or grandparents, and attending weddings or funerals are among the many thousands of possibilities. This chapter will focus on some of the major attractions that draw tourists to an area—recreation, entertainment, and other significant attractions that induce travel.

In recent years, a number of important social and economic changes have made it possible for greater numbers of people to travel. These include early retirement, longer life span, shorter workweek, more leisure time, increased disposable income, greater mobility, smaller families, and changes in spending patterns. In fact, as the figures in table 13.1 indicate, a total of 38 percent of U.S. travelers in 1993 were away from home for purposes of entertainment or outdoor recreation, and another 7 percent indicated that their trips were for combined business and pleasure. It is quite clear that recreation, entertainment, and other similar activities account for a major share of travel.

Given the definition of a **traveler**—“any resident of the United States regardless of nationality who travels to a place 100 miles or more away from home within the United States or who stays away from home one or more nights in paid accommodations and who

Table 13.1 **U.S. Trip Profile—1993 Adult Travelers**

Primary Purpose of Trip	
Visit friends, relatives	32%
Outdoor recreation	9%
Entertainment	29%
Business	17%
Conventions	2%
Combined business/pleasure	7%
Other	3%

Somerset R. Waters, Travel Industry World Yearbook: The Big Picture, 1994–1995 (New York: Child & Waters, 1995), p. 20.

returns home within twelve months, except for commuting to and from work or attending school"¹—it is clear that many travelers are contributing to the economic health of the areas to which they travel and the businesses they patronize while traveling.

A list of the activities that generate tourism—recreation, entertainment, and others—would be nearly endless. Think of the possibilities.

Visiting theme parks

Going to resort areas

Gaming

Attending performances—theater, concerts, dance,

Witnessing events—religious events, parades, patriotic ceremonies

Engaging in hobbies—photography, collecting

Going on cruises

Watching sporting events—football, baseball, various kinds of races (horse, dog, automobile, bicycles), the Olympic games

Visiting national, state, and local parks

Engaging in outdoor activities—golf, tennis, skiing, hiking, climbing, fishing, hunting, boating, swimming, surfing, snorkeling, water-skiing, beaching, sunning, taking various kinds of walks (bird-watching, nature walks)

Attending festivals

Camping, RVs

Taking tours to see landmarks, sights, museums, fall foliage

Shopping at major malls or discount shopping centers

¹*The Economic Review of Travel in America* (Washington, D.C.: U.S. Travel Data Center 1995), p. 3.

While there are no universally accepted definitions for the terms **recreation** and **entertainment**, it will be useful to attempt some differentiation at this point in the chapter.

Recreation is an interesting term meaning to create anew, to restore, or to refresh. The idea of activity is commonly linked to recreation; people often refer to recreational activities. Thus, recreation has to do with activities aimed at restoring or refreshing one's mind, body, or both, presumably after some sort of work. The annual vacations that working men and women look forward to each year are probably of a recreational nature for many, used to restore their minds and bodies in ways they find interesting.

By contrast, **entertainment** is a term commonly used to refer to something diverting or engaging, presumably something that will hold one's attention and occupy one's mind for some period. It does not normally suggest physical activity of the type that one associates with recreation. There may be some limited physical activity associated with reaching the entertainment, but once at the entertainment site, the individual is commonly said to be watching, seeing, viewing, or hearing—all verbs that tend to suggest something more passive than the real physical activity associated with such recreational activities as tennis or swimming, for example.

Because of the extent to which recreation and entertainment in the United States impact the travel and tourism industry (including the hospitality industry), a number of the better-known examples are examined below. We have chosen to make three lists—one for locations or activities associated with recreation, a second for those associated with entertainment, and a third for “others,” by which we mean some that could be described as either recreation or entertainment, both recreation and entertainment, or neither recreation nor entertainment. One possible example of this is a family trip to one of the largest shopping centers in the world, the West Edmonton Mall in Alberta, Canada.

► Recreation

There are a number of sites that people visit for the purpose of recreational activity. Among the most significant are the following.

► National and State Parks

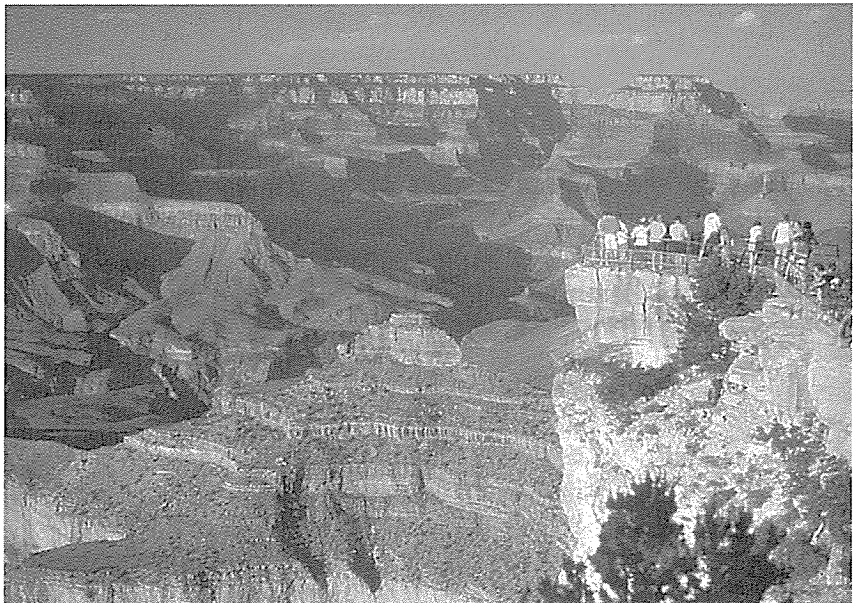
National and state parks have become very popular destinations for American travelers. The national park system, operated by the

National Park Service, part of the U.S. Department of the Interior, includes recreation parks, recreation areas, battlefields, historic sights, monuments, and memorials, and it brings to mind such well-known parks as Yellowstone, Glacier, Sequoia, and Grand Teton. The majority of the parks are entirely traditional, but some of the newer parks might best be described as innovative. One national park is actually underwater! The John Pennekamp Coral Reef Park, in Florida, offers an underwater lodge for tourists. Jules' Undersea Lodge, reached only by diving and passing through an airlock, is a bit small, with just two suites available for travelers. In 1993, the National Park Service reported two hundred, seventy-three million visits to the 367 sites in the national park system.

For 1991, the U.S. Forest Service, which operates 156 national forests and twenty grasslands in forty-two states and Puerto Rico, reported 279 million recreation visitor's days. Accumulated data for 1991 from the various state systems indicates a total of seven hundred, thirty-four million visits to the 5,256 state parks in that same year.

It is quite clear that people are visiting these parks in great numbers for various recreational and educational purposes: to experience the natural landscape; to see plants and animals in their natural environment; to view the Grand Canyon, Old Faithful, and other major sights; to learn about significant battles in the various wars fought in

National and state parks have become very popular destinations for American travelers. Grand Canyon National Park is one of the most popular. (Photo of Mather Point, Grand Canyon, Arizona, courtesy of the Arizona Office of Tourism.)



North America and other significant events from history. They are also taking advantage of the various recreational activities available in the parks, such as skiing, hiking, boating, fishing, swimming, skating, and so on.

Many of these parks have excellent facilities—hotels, motels, lodges, and campgrounds, as well as foodservice facilities of many kinds. The foodservice and lodging facilities are all licensed by the National Park Service. Some of the lodging facilities are quite modern, while others are somewhat rustic. For example, in Everglades National Park, the nation's only tropical national park, tourists are able to stay at the Flamingo Lodge, a relatively modern property, privately operated, with 102 rooms and twenty-four bungalows. Guests can take advantage of such activities as watching flocks of waterbirds, seeing alligators and crocodiles, and taking guided tours of the park, then return to the relative comfort of a modern inn. One hotel in Yosemite National Park offers an interesting contrast. Built in 1879, the Wawona Hotel was once a stagecoach inn. It is a two-story property with 105 rooms that is a national historic landmark. It is not modern: only half the rooms have private baths, and none have telephones or television.

People have found that the park systems provide excellent opportunities for recreational activities of all kinds. Many parks have developed various businesses outside their borders to meet the needs of the growing numbers of tourists. Hotels, motels, inns, lodges, and foodservice operations of all kinds abound near the parks, offering travelers sleeping accommodations and meals at a wide variety of rates and menu prices.

It is interesting that the number of visitors to some of the parks has grown to the extent that many are now concerned about the potential threats to the environment posed by too many visitors to the parks. In fact, in some of these parks, there are no new tourist facilities being developed in spite of growing demand in order to prevent further damage to the environment. Some existing tourist facilities in some of these parks are even being shut down to reduce the risk.

► Campgrounds

The national and state park systems offer excellent opportunities for camping. Camping has become an increasingly popular activity—particularly for families—partly because it is comparatively inexpensive. Camping is by no means restricted to national and state parks: there are many private campgrounds from coast to coast.

In general, there are three kinds of camping.

1. **Primitive camping** is normally associated with public lands—forests and large national parks. The areas set aside are normally unimproved and appeal only to dedicated backpackers who are willing to make the best of it for a very few nights. Those choosing to hike along the Appalachian Trail that runs from Maine to Georgia have no camping choice other than primitive.

2. **Transient camping** is for those who intend to remain for no more than a very few nights. The areas set aside for transient camping are somewhat improved, with electricity, bathing facilities, and toilets available. The campsites are more or less organized, and many are privately run. This type of camping is more likely to appeal to individuals who are put off by the rigors of primitive camping.

3. **Vacation camping** is for those who plan to spend a greater number of nights at a single site—from four or five nights to a period of several weeks or more. Vacation camps are improved, with electricity and bathroom facilities. Some even provide cabins that can be rented by the day or the week. Improved camps commonly have stores selling basic supplies and recreational facilities for such activities as baseball, volleyball, swimming, boating, and waterskiing, among others.

Camping has also led to the growth of tourism-related business in some areas. Many of those on camping trips patronize foodservice and lodging facilities of one type or another before, during, or after the camping activity. Some will stay overnight in a motel before setting out early in the morning on a trip into the wilderness; others will do so on their return. Many are especially eager to find foodservice facilities after several days of cooking over a campfire.

One interesting element in the growing popularity of camping has been the accompanying increase in the popularity of recreational vehicles, commonly known as RVs.

Recreational vehicles—wheeled vehicles with temporary living quarters—include motor homes, travel trailers, park trailers, truck campers, folding camping trailers, and van campers. They are a significant part of the American scene. About 8.5 million people in the United States own some form of recreational vehicle, and about twenty-five million people regularly use them on an average of about twenty-three days per year. About one out of ten families owns at least one RV.

When RVs first became popular in the early and mid 1970s, a large number of them were sold. However, gasoline prices increased signifi-

Recreation vehicles (RVs) are a significant part of the American scene. More than 8.5 million people own them, and over 25 million use them regularly. (Photo courtesy of Winnebago Industries, Inc.)



cantly in the late 1970s and early 1980s, when there was a recession, and interest rates on automobile loans were very high. This led to a dramatic drop in the number sold. In recent years, sales of RVs have not only recovered considerably but have begun to climb to new heights. Recreational vehicle sales and rentals have made this a \$14.5 billion industry in the United States today.

Recreational vehicles range in price from just a few thousand dollars to over \$100,000. There are many different types. These include fold-down trailers, very large trailers pulled behind automobiles and trucks, campers that fit into the back of pickup trucks, and self-motorized vacation vans of many sizes that are actually homes on wheels.

► Resort Areas

Resort areas are geographic areas that have become well known regionally, nationally, and, in some cases, internationally as centers for some recreational activity.

Like national and state parks, resort areas offer opportunities for recreational activities of various kinds. Some resort areas are noted for specific activities. Scottsdale in Arizona, Palm Springs in California, and both Hilton Head Island and Myrtle Beach in South Carolina have all earned strong reputations as golf resorts. Many communities on the Atlantic and Gulf coasts of Florida—Miami Beach, Daytona Beach, Panama Beach, for example—are known as beach resorts. Aspen and Vail in Colorado, Taos in New Mexico, the White Mountains in New

Hampshire, and Killington in Vermont are all known as ski resorts. Parts of Maine and Minnesota are well-known fishing areas, while Newport, Rhode Island and San Diego, California are noted for sailing.

In some cases, the reputations these areas enjoy have been very carefully developed and nurtured. In any event, their reputations have led to considerable tourist travel to these areas over the years, and this has generated considerable income for individuals and businesses.

► Entertainment

People enjoy entertaining experiences. Those experiences take various forms, and seeking some form of entertainment has long been one of the primary reasons for travel.

► Theme Parks

Of all the recent developments in tourism, perhaps the best known and most interesting may be the creation of that modern entertainment center known as the **theme park**. One of the first of these was Hershey Park, founded in the early years of this century by Milton S. Hershey, the founder of the Hershey Corporation, internationally known for chocolate products.

Water is the obvious unifying theme at Water Country USA. The “Malibu Pipeline,” pictured right, features double water flumes completely enclosed, sending riders “flying blind” through several twists, turns, and drops before plummeting into a waterfall and splash pool. (Photo courtesy of Busch Entertainment Corporation, copyright 1995, Water Country, USA.)



The term *theme park* refers to a tract of land on which a developer has created a series of exhibits, rides, and other elements that tend to be designed around some unifying idea: Knott's Berry Farm, in California, uses the old West as a theme; Busch Gardens, in Florida, uses wild animals; Disney World uses the cartoon characters created by Walt Disney. While theme parks have some such unifying theme, they commonly have other elements that are not related to the theme in any way. These may include exciting or entertaining rides, interesting and educational exhibits, or both. Knott's Berry Farm, for example, has 135 attractions, including roller-coasters. In addition to over three thousand wild animals, Busch Gardens has trained animal shows, reconstructed African villages, and various rides—roller-coasters, monorails, boats, miniature trains, and others. It also offers Broadway-style shows and a tour of an Anheuser-Busch brewery.

The term has come to be used rather loosely to refer to any number of operations that were once known as amusement parks. These lacked any kind of unifying theme and were usually little more than collections of assorted rides, with or without such accompanying elements as minor shows and exhibits. Many of these provided wonderful opportunities for a day's entertainment and brought substantial numbers of tourists to the various areas where they were located. Some of today's theme parks are really old style amusement parks with a new name.

Examples of some better-known theme parks include the following.

Opryland

Adjoining the legendary Opryland Hotel, near Nashville, Tennessee, the Opryland theme park features a major outdoor theater offering varied musical performances—country, jazz, rock, folk, and blues—in addition to a vast collection of rides of all types.

Sea World

In Orlando, Florida, near Disney World, Sea World offers indoor and outdoor exhibits of sea life, including sharks, sea turtles, and many others as well as shows featuring dolphins, sea lions, and whales.

Six Flags Great Adventure

Located in central New Jersey, this one thousand, seven hundred acre theme park offers over one hundred attractions, including carousels,

giant roller-coasters, and other exciting rides as well as vaudeville shows and a drive-through safari zoo.

Universal Studios

These popular parks in Los Angeles, California, and Orlando, Florida, offer thrill rides based on well-known motion pictures, such as *King Kong*, *Jaws*, *ET*, and *Back to the Future*. Other attractions include a theater offering screen tests to audience volunteers and a walk-through backlot featuring set locations for a New England village, a San Francisco street, and New York City's upper East Side.

Tivoli Gardens

Located in the center of Copenhagen, Denmark, this special park, considered by many to be the oldest in the world, features miniatures of such famous sites as the Eiffel Tower in Paris and Mount Rushmore National Monument in South Dakota. Tivoli is also a world-class amusement park with rides, games, and theaters for shows, plays, pantomimes, and concerts.

Among the very best known and most popular theme parks today are four created by the Disney organization—Disneyland, in Anaheim, California; Walt Disney World, near Orlando, Florida; Disneyland Paris, near Paris, France; and Tokyo Disneyland, near Tokyo, Japan.

Disneyland

Disneyland is the original Disney theme park, opened in 1955, by the late Walt Disney. Although smaller than the more recent Disney World in Florida, it is considered the archetype of modern theme parks and has been visited by over three hundred million people since it opened. Among the sixty attractions featured are Fantasyland, Pirates of the Caribbean, Frontierland, Adventureland, Sleeping Beauty's Castle, and Carnival of New Orleans. Several of these names were later used in Disney World. One of the more recent additions is Star Tours, an outer space Disneyland.

Disney World

Disney World is the largest and most famous theme park, or amusement park, in the world. It covers over twenty-seven thousand acres—

an area twice the size of the island of Manhattan. It really is three separate amusement parks—Magic Kingdom, EPCOT, and Disney-MGM Studios—linked by road and monorail.

Magic Kingdom is organized into six miniature villages: Adventureland, with a boat tour through the jungle; Fantasyland, which features the Walt Disney characters; Frontierland, with a traditional far West theme; Liberty Square, which features presidents of the United States; Main Street, U.S.A., a turn-of-the-century small town; and Tomorrowland, with a space adventure theme.

EPCOT, an acronym for Experimental Prototype Community Of Tomorrow, is based on a twenty-first century theme. It features “Window on the World”—recreations of famed elements of many nations—as well as theme pavilions sponsored by world-class industrial corporations, the world’s largest aquarium, and a huge eighteen story sphere which is universally recognized as the symbol of EPCOT.

Disney-MGM Studios, based on motion-picture themes, offers such varied features as film making, backstage studio tours, and ride-through attractions that transport visitors through such classic films as *The Wizard of Oz*, *Raiders of the Lost Ark*, *Alien*, and *Singing in the Rain*.

In addition to these parks, Disney World includes a seven thousand, five hundred acre forest reserve, two artificial lakes, three golf courses, camping facilities, every imaginable sport—tennis, sailing,

The eighteen-story sphere in Orlando, Florida, which is universally recognized as the symbol of EPCOT. (Photo courtesy of The Photo Works.)

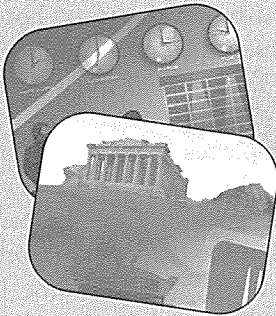


swimming, waterskiing, fishing, and horseback riding—plus a dozen hotels and innumerable foodservice operations.

Disneyland Paris and Tokyo Disneyland offer interesting comparisons to those in California and Florida. Disneyland Paris has had to address some difficulties new to the Disney organization: low attendance and employee unrest. These have given Disney new challenges to meet, but history suggests that innovative solutions will be found. By contrast, Tokyo Disneyland has been entirely successful, with over sixteen million visitors spending an average of \$85 each in 1993. It has known neither low attendance nor labor strife and continues to set new records each year.

Theme parks have become a major force in tourism worldwide in recent years. In the United States, theme parks attracted one hundred and forty million visitors in 1993, accounting for \$11.3 billion in revenues. Walt Disney World alone attracts over thirty million visitors to central Florida each year and is the major tourism attraction in the

► New Theme Park Thrills Range from Rides to Barney ◀



The latest trend in the theme park world is to develop thrills aimed at people of every age. Some—like “A Day in the Park With Barney” at Universal Studios in Orlando, Florida—are intended for younger children. This attraction features Barney in an enclosed, environmentally controlled park-like setting with brilliantly colored flowers and trees, indoor clouds, and special effects designed to appeal to children.

To attract teenagers and younger adults, Six Flags parks has constructed thrilling new Viper rides that vary in thrills from vertical loops to speeds greater than fifty-five miles per hour to sudden ten story drops and even upside down loops!

To reach a broader audience, Sea World of California, in San Diego, has developed a tropical adventure land called Shamu’s Happy Harbor, which has more than twenty interactive play and water attractions.

Because theme parks are anxious to attract return customers for new thrills, the trend toward new and innovative attractions is sure to continue.

Adapted from an article in the Boston Sunday Globe, July 23, 1995.

area. The success of so many existing theme parks has led developers to plan many more for coming years.

► Entertainment Areas

In a very real way, Orlando, Florida—with the Disney enterprises, Sea World, and various other features—has become an **entertainment area**. In fact, it is clearly the entertainment capital of Florida. Keeping in mind that Orlando is within two hours' drive of such additional tourism attractions as Cape Kennedy, Daytona Beach, and Cypress Gardens, it does not require too much imagination to think of Orlando as the entertainment capital of the Southeastern United States.

Another community that has achieved status as a well-known entertainment area is Branson, Missouri. A small but growing community in the Ozark Mountains of southwestern Missouri, Branson has become a focal point for musical entertainment. It is home to a number of nationally-known entertainers, many of whom have built and operate their own musical theaters. There are over twenty-five theaters in Branson that offer over forty live country music and variety shows daily to growing numbers of tourists. These tourists require the usual in lodging and foodservice, and there are now over ten thousand hotel rooms in Branson, along with growing numbers of the kinds of restaurants that cater to tourists. There are no signs that growth in the area is about to slow down.

In addition to Orlando and Branson, other places in America that can be regarded as entertainment areas include New York City, known for Broadway; Nashville, Tennessee, known the world over as the center for country music; and New Orleans, which has earned a strong reputation for performing arts, jazz, and sports. The Superdome in New Orleans is the largest enclosed stadium in the world.

Another city that many would list with entertainment areas is Las Vegas, Nevada. Las Vegas draws millions of tourists each year who go there to enjoy its many features. Some attend performances in the great showrooms featured in the famed Las Vegas hotels. The Hilton Las Vegas features the Moulin Rouge Revue, while Bally's Casino Resort, Caesar's Palace, and the Dunes Hotel all have huge showrooms that feature nationally-known performers. Others go for the golf: Las Vegas has some of America's finest golf courses. It is also well-known for its foodservice facilities—over seven hundred of them—that offer some of the finest food imaginable at some incredibly low prices. The area has over eighty-five thousand hotel rooms, over five thousand of

which are in the world's largest hotel, the MGM Grand Hotel. In addition, gambling has been legal in Las Vegas since 1931, so it has had many years to develop its reputation in that field. While some classify gambling as entertainment, that view is not universal. Thus, gambling will be discussed later in the chapter under "Other Tourism Attractions."

► Tour Destinations

Every nation of the world has its own special collection of unique sights for tourists to see. In the United States, tourists from abroad often go to Washington, D.C., to see many of the important government buildings that they have seen on television and in film over the years, such as the White House, the Capitol, and various others. Or they may go on a bus tour through northern California that includes a national park and several other sights. In France, tourists from abroad visiting Paris would be likely to see the collection of magnificent sights for which the city is famous—the Eiffel Tower, the Louvre museum, Notre Dame cathedral, the palace at Versailles, the Champs-Elysees, and many others. In England, tourists visiting London would be likely to see Buckingham Palace, Parliament and Big Ben, St. Paul's cathedral, Westminster Abbey, the Tower of London, and the British Museum. Similarly, in the minds of tourists, Egypt is always linked to the Sphinx and the great Pyramids, India to the Taj Mahal, China to the Great Wall, Japan to Mount Fuji; and Rio de Janeiro to Copacabana Beach. These all tend to be focal points for tourists and thus important locations for the development of businesses that cater to the tourists.

For many vacationers, tours are the preferred way, and to great numbers, motor coach tours (bus tours) are an entertaining and relaxing way to spend some time—any period from an hour or two to ten days or more. Some take very short trips—an interesting, educational, or enjoyable trip from a city center to some site twenty or more miles outside the city. Others take an overnight excursion that includes hotel accommodations—from home to a sports event in a city one hundred or more miles away. Still others go on longer motor coach tours—a ten-day trip with meals and lodging to see the leaves change color in the mountains of New England.

Tourists from abroad—both Americans visiting other lands and foreigners visiting America—commonly enjoy their first views of the sights from aboard bus tours. Sometimes these tours are just a few

hours long and introduce tourists to well-known sights in the center of a city—a tour of central London, New York City, or Chicago, for example. After this short introduction, tourists have time to decide for themselves which sights they will visit again to spend more time. Sometimes these tours are a full day, designed to take tourists on excursions from a city center to some important destination outside. Examples include bus tours from central London, England, to Windsor Castle and from San Diego, California, to Death Valley National Monument. Sometime these bus tours are several days long and can best be regarded as a package tour.

Because tour and vacation packages are grouped together, it is difficult to estimate the actual number of tours. The number is significant, however. There are more than two thousand tour operators in the United States today, and the largest share of the business is handled by the top forty. Motor coach tours are popular with citizens of all nations. Many Americans take motor coach tours that last for periods of one week or more. So do large numbers of foreign visitors, many of whom take motor coach tours that are conducted in languages other than English.

Essentially, there are three classes of motor coach tours: economy, standard, and luxury. The differences can be found in the level of quality evident in the various elements of the tours as well as in the amenities included in the price.

Economy bus tours include a seat on the bus—it may not be the most modern bus—and the basics required. If accommodations are included, they are likely to be in a budget motel. If there are meals, the fare is likely to be plain: extensive menu choices are unlikely, and so is gourmet cuisine. If the tour includes admissions to events, the tickets are not likely to be the best in the house.

Standard bus tours, by contrast, are likely to use more modern and comfortable buses. They are likely to have toilets on board. If lodging is included in the price, it is likely to be provided at a property somewhat above the level of a budget motel. Meals are likely to be tastier, with more menu choices available. Tickets to events are likely to be for better seats.

Luxury bus tours are quite different. Many offer the best of everything, and the prices are set accordingly. The motor coach will be as comfortable as any available anywhere. Lodging will be in luxury hotels and similar superior properties, and meals will be excellent. If there are tickets included, they will be for the best available seats. On luxury tours, everything is usually included in the tour price, so those on the tour have no need to pay for extras, except for personal needs.

People who go on luxury tours are often convinced that there is no more pleasurable way to travel.

While a great number of tours are planned or scheduled and offered on a recurring basis throughout the year, others are nonrecurring, having been arranged to meet a particular demand at a particular time, such as bus tours aimed at fans of a particular baseball team who want to see their team play in another city. The possibilities for these are endless, including, for example, motor coach tours to see Mardi Gras in New Orleans, the Rose Bowl Parade, or a college football game played away from home. All these are positive generators of tourism income for the cities or areas visited.

Another interesting variation on touring that tends to generate tourism income for an area is the automobile tour. Automobile tours are often individual family tours for the purpose of seeing sights, monuments, or anything else of interest to the particular family. Similar in many ways are the tours that high school groups take to Washington, D.C., and other places of historic interest or educational value. All these tend to be individually arranged by the schools or families intending to take the tours, so data on their number and duration tends to be limited. However, all these individualized tours also tend to be economic generators for the cities and regions visited, as the tourists spend their money on accommodations, meals, admissions, and gifts for family members and friends back home.

► Performances

There are literally millions of people who travel regularly or occasionally to the thousands of performances that take place in countries all over the world each week. There are performances of every conceivable type. Some are musical—concerts by groups ranging from rock groups performing in theaters, stadiums, and other large venues to symphony orchestras playing in well-known concert halls, such as Lincoln Center and Carnegie Hall in New York City, or Royal Albert Hall in London. Others are performances by individuals ranging from rock stars, folk singers, popular singers, and opera stars to instrumentalists and classical artists.

These kinds of musical performances are not the only type that serve as tourism attractions. People also travel to see plays, musicals, and operas in major cities and in many more rural resort areas. Other performances that bring tourists to an area include magicians, dancers of all kinds—folk, ballet, and tap, for example—acrobats, jugglers, and

circuses, including the famed Ringling Brothers Barnum & Bailey Circus. Some people will even travel great distances for lectures delivered by all sorts of people—retired military leaders, politicians, self-help artists, and various characters who have gained some high level of notoriety, assorted felons and con artists among them.

► Fairs and Festivals

Fairs and **festivals** constitute another class of entertaining activities that tend to increase tourism in all parts of the world. There are literally thousands of fairs held each year—especially in the summer months. In the United States, there are state fairs, county fairs, village fairs, Grange fairs, and church fairs. There are equivalents of many of these in countries around the world, and every few years there is even a world's fair in one nation or another.

Every year, there are dozens of state fairs. The Alaska state fair features some interesting activities, including wood splitting, ax throwing, bow sawing, potato digging, and water hauling. The Indiana state fair, by contrast, features farm animal competitions, including a work-horse show. The New Mexico state fair features a rodeo, with thousands of dollars in prize money awarded to winners, while the Big E, the regional fair for the six states of New England, features important local food products, including apples, clams, maple syrup and cranberries.

If there are thousands of fairs, there are even more festivals. There are festivals dedicated to film, dance, music, art, religious figures, ethnic pride, heritage, the old West, days gone by, assorted flowers and fruits, crafts, balloons, beer, wine, boats, seasons, and various fish and sea creatures, among others. There are so many festivals annually in New England alone that one list of them consumes six pages, single-spaced.²

Festivals range from those that are truly major, such as those that are internationally renowned and respected, to many that are minor and some that are a bit unusual, with every possibility in between. For example, there are major international film festivals annually in Sidney, Australia; Tokyo, Japan; Montreal, Toronto, and Vancouver, Canada;

²Kathy Kincade and Carl Landau, *Festivals of New England* (San Francisco: Landau Communications, 1989), pp. 1–6.

Venice, Italy; Edinburgh, Scotland; London, England; and San Sebastian, Spain. There are certainly other, less-known film festivals in other smaller cities as well. There are also such festivals as the annual oyster festival in Milford, Connecticut, and Log Days, in Skowhegan, Maine (a week-long salute to the logging industry and its influence on that part of the state).

Some of the more important examples of festivals held in the United States include

- The music festival at Tanglewood, in the Berkshires, featuring the Boston Symphony Orchestra, the Boston Pops Orchestra, and various guest orchestras, artists, and conductors from around the world.
- National Cherry Festival in Traverse City, Michigan, a week-long festival featuring cherries from the orchards of northwest Michigan served in every conceivable way, accompanied by parades, jazz and band competitions, sports events, and non-stop live musical entertainment.
- Dodge City Days, held annually in Dodge City, Kansas, the nineteenth-century shipping point for cattle on the old Santa Fe Trail, to celebrate the area's heritage from the old West.
- New York Film Festival, considered one of the finest, with showings in Alice Tully Hall, at Lincoln Center, of over thirty films selected by a prestigious jury.
- Mardi Gras, held in New Orleans, Louisiana, on Shrove Tuesday, the day before Ash Wednesday. It includes several parades—the Rex parade, the Zulu parade, and the Indian parade among them—with elaborate floats, magnificent costumes, and great revelry.

► Parades and Ceremonies

Major **parades** and various important **ceremonies** are also important factors in the tourism equation. Both can play significant roles in bringing tourism dollars to a community, supporting employment, and generating income for those in tourism-related businesses.

Some of the better-known parades held in the United States are the Thanksgiving Day parade in New York, sponsored by Macy's; several St. Patrick's Day parades held in Boston, New York, and other cities having large populations of citizens with Irish ancestry; the Columbus Day parade in New York; the Tournament of Roses, often called the

Rose Bowl parade, held in Pasadena, California, on New Year's Day; the Mummers' parade, held in Philadelphia, also on New Year's Day; the Inauguration Day parade held every four years in Washington, D. C. on the day the president is sworn into office; Memorial Day, Independence Day, and Veteran's Day parades held in major cities on those holidays; and the so-called Easter parade in New York, which is not a parade at all—just a mass of people milling about on Fifth Avenue on Easter Sunday. Each of these brings tourists from varying distances to the parade area. Once there, they will see the parade and seek the goods and services that tourism-related businesses provide.

There are important ceremonies held in areas across the country that also serve to attract tourism to those areas. Sometimes these ceremonies are held in conjunction with parades, especially in the case of patriotic national days such as Memorial Day and Independence Day. Sometime they have no relationship to parades. Religious ceremonies, for example, have always been positive forces for tourism. A visit by the Pope and a Billy Graham Crusade for Christ both offer excellent examples from the religious community. Commencement ceremonies offer an example from the academic world. These and many others help to enhance the role of tourism in a local economy.

► Sports Events

Sports events of all kinds are also great tourism builders. Such team sports as baseball and football, in particular, as well as basketball and hockey account for considerable travel by tourists. Individual sports, such as tennis and golf, and individual sports events such as the New York Marathon, the Boston Marathon, and others held across the country each year also attract tourists. Professional, collegiate and other amateur sports increase tourism in varying degrees for various sports. A substantial number of college and university football teams help the economies of their local communities by winning games and thus increasing the level of tourism activity in those communities.

The Olympic Games provide another example of sports events that increase tourism. Both Summer Olympics and Winter Olympics increase the level of tourism in the areas where the games are held, and there is always keen competition among cities wishing to host the games. Selection as the site for upcoming Olympic Games also leads to other economic activity in a region. It normally helps the construction industry in the region because new facilities, including stadiums, must be constructed to accommodate the athletes and the games.

► Other Tourism Attractions

In addition to recreation and entertainment, there are a number of other tourism attractions that do not lend themselves readily to being classified as one or the other. Any list of these would certainly include gambling, special events, cruising, and shopping.

► Gambling

Gambling in one form or another is legal in forty-eight of the fifty states—all but Hawaii and Utah. At present, thirty-five states operate state lotteries and other games of chance using such names as Lotto, Pick-3, Pick-4, Instant Winner, and so on. Taken together, these accounted for \$30 billion in revenues in 1992. One can add to that such other legal gambling as pari-mutuel betting on horse races, dog races, and jai alai; betting on professional sports; card games, such as blackjack and poker; bingo, including both charity and Native American; as well as roulette, wheels of fortune, various dice games, and slot machines. The total amount bet legally in the United States in one recent year was estimated at over \$300 billion. This is an enormous amount of money—considerably greater than the sum of the gross domestic products of several industrialized nations.

Some states operate lotteries while others permit racetracks for thoroughbred racing, harness racing, or dog racing. While some of these legal gambling activities have given rise to some limited increases in tourism in a few areas, none have had the same degree of impact on tourism as casino gambling.

Gaming—another term for casino gambling—is probably the fastest growing and most powerful force today in tourism within the United States. In the years since state and local governments and various Native American tribes realized the potential for easing all sorts of financial problems with income from legal gambling, casinos have begun to appear all across the country. In fact, it has been reported that more Americans visited casinos than ball parks in 1993³.

Until quite recently, casino gambling was restricted to one state—Nevada—and one city—Atlantic City, New Jersey. Now, however, casino gambling is well established in a number of states, includ-

³Somerset R. Waters, *Travel Industry World Yearbook: The Big Picture, 1994–1995* (New York: Child & Waters, 1995), p. 18.

ing Colorado, Connecticut, Iowa, Louisiana, Mississippi, and South Dakota. In many instances, the casinos are on Native American lands and operated by Native American tribes.

The casino in Foxwoods, Connecticut is an interesting example of this relatively new development: casinos run by Native American tribes. By 1995, over 150 Native American tribes were either operating some form of gambling or had plans to begin doing so in the near future.

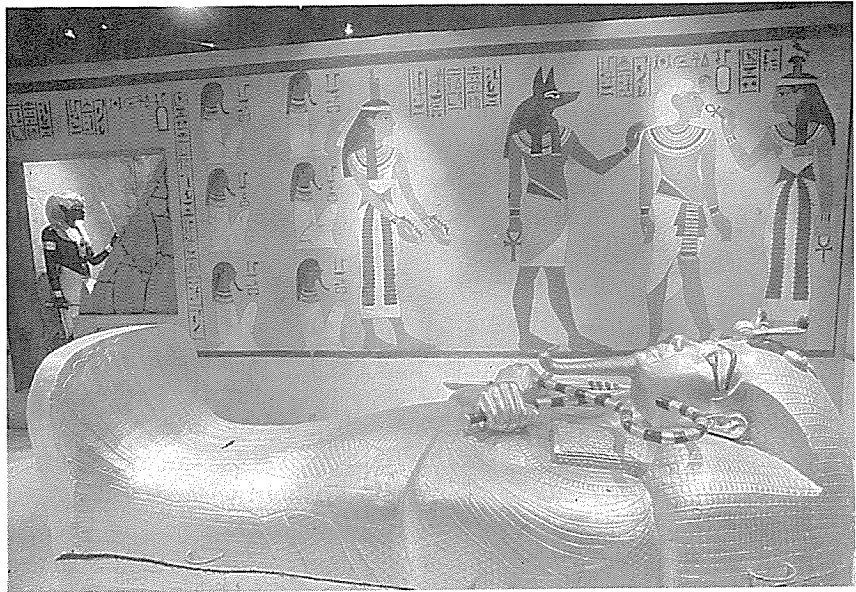
In addition to land-based locations, casino gambling is also found on the water. In some instances, it is conducted on riverboats and is known, obviously, as riverboat gambling, which is nothing more than casino gambling conducted on a boat. Riverboat gambling is available in Iowa, Missouri, Louisiana, Illinois, and Indiana. In Mississippi, casino gambling is conducted on barges that are permanently moored and do not have engines or other means of locomotion.

In spite of the growth in the numbers of sites where casino gambling is available, the best-known centers of casino gambling activity continue to be in the state of Nevada—especially Las Vegas, Laughlin, and Reno—and Atlantic City, New Jersey.

Las Vegas and Reno have both become well known for casinos and casino hotels—mammoth hotels of three thousand, four thousand, and five thousand rooms. The MGM Grand Hotel, Caesar's Palace, Bally's Casino Resort, and the Hilton Las Vegas, all with huge casinos, feature superior rooms at reasonable rates, excellent food and beverages at modest prices, and lavish stage shows with nationally known entertainers. But the newer properties in Las Vegas are much more than fine hotels with huge casinos. Increasingly, Las Vegas hotel operators are positioning their properties to appeal to the broadest possible markets, striving to attract tourists of every kind. They have long since abandoned the idea of appealing to gamblers alone, partly because it is a comparatively small segment of the tourism market and partly because of increasing competition for the gambling dollar from other jurisdictions.

Casino gambling will continue to be available in Las Vegas, but the city will be able to offer so many additional attractions for tourists that it will be difficult for other areas with casino gambling alone to compete. Attractions aimed at drawing tourists to Las Vegas include a fifteen thousand, two hundred seat arena for sporting events and concerts at the MGM Grand as well as an Emerald City theme park taken from the fictitious city in the *Wizard of Oz*; a replica of King Tut's tomb in the Luxor; a new two thousand, five hundred room hotel and casino; Treasure Island, a two thousand, nine hundred room hotel and theme park modeled on the famed novel of that name, where a British frigate

Las Vegas hotel operators are positioning their properties to appeal to the broadest possible markets and to attract tourists of every kind. Many are fascinated with the Luxor Burial Chamber in the Tut Museum at The Luxor, Las Vegas. (Photo courtesy of The Luxor, Las Vegas.)



does battle with a pirate ships six times a day in the hotel “lagoon.” These and such additional attractions as the Excalibur Hotel and Casino, with its \$290 million Camelot theme park, offer formidable competition for cities, towns, and regions attempting to build tourism and attract tourist dollars.

► Special Events

There are hundreds of **special events** held every day of the year that serve as tourism attractions in various areas. Some are nationally and internationally known, attracting great numbers of people; others are far smaller. Each, however, plays an important role as a tourism attraction in the area where it is held.

Many of these special events are quite large—too large to be accommodated in the facilities available in a single hotel or other similar facility, and thus they become area-wide events. They attract large numbers of visitors to a city, and they are often planned and managed with the cooperation of a local convention and visitor’s bureau. Hundreds of these take place in cities that have the basics required to support major public events: a major airport, good local transportation, a sufficient number of hotels, and a facility large enough to accommodate the event.

A number of cities in the United States and countries around the world have built facilities to house major events. Facilities of this type are known by a variety of names, including convention center, exhibition center, expo center, and civic center. The very fact that cities have spent many millions of dollars to build these facilities to attract these events is testimony to the importance of such events to the local economy. Examples of facilities constructed for this purpose include McCormick Place in Chicago, Jacob K. Javits Convention Center in New York City, the Pennsylvania Convention Center in Philadelphia, and the Astroarena and Expo Center in Houston. There are facilities of this nature in hundreds of American cities, including Ft. Lauderdale, Florida; San Francisco, California; Las Vegas, Nevada; and Baltimore, Maryland. In addition, growing numbers of cities in other nations have also built convention centers for the same general purposes, including Adelaide, Canberra, Melbourne, and Sydney, Australia; Toronto, Calgary, Edmonton, Montreal, Ottawa, and Vancouver, Canada; London and Birmingham, England; Frankfurt, Germany; and Acapulco, Cancun, and Mexico City, Mexico.

Convention facilities are commonly used for several types of special events of particular interest, including expositions, trade shows, exhibitions, conventions, and rallies and marches.

Expositions

An **exposition** is a large show that is open to the public. They are often known simply as shows. Examples of expositions held in various cities include automobile shows, boat shows, garden shows, and computer shows. Producers or manufacturers of the goods or services that serve as focal points for such expositions typically rent exhibit space in the facility in order to place their wares on view for the public. An automobile show would provide manufacturers of American and foreign automobiles with an opportunity to display current automobiles and prototypes of future automobiles to the consuming public. Many people are ready to pay reasonable admission fees to attend such expositions, so they can be profitable ventures for their sponsors and for those operating hospitality and other businesses that serve people attending and working at the show.

Trade Shows

Trade shows restrict admission to those who are part of a particular industry or trade. They are sometimes called expositions. Trade shows

are not open to the public. Producers or manufacturers of the goods or services that serve as focal points for a trade show rent exhibit space in the convention facility to advertise or demonstrate their products to people likely to be interested in buying. The exhibitors at these shows feature goods or services of interest to those in a specific field and provide opportunities for people in the field to see and compare goods and services available from various competing vendors.

There are two excellent examples of hospitality industry trade shows: the National Restaurant Show held each May in Chicago's McCormick Place, sponsored by the National Restaurant Association, and the International Hotel/Motel & Restaurant Show, held each November in New York's Jacob K. Javits Convention Center and jointly sponsored by the American Hotel & Motel Association, the New York State Hospitality & Tourism Association, and the Hotel Association of New York City. These shows feature exhibits of interest to people in hospitality as well as lectures, seminars, and other educational presentations that focus on solving current industry problems. Admission to both of these is restricted to individuals who are directly involved in the hospitality industry, either working in hospitality or in some directly related field.

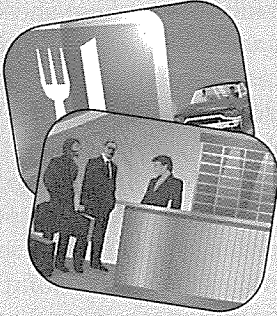
Exhibitions

An **exhibition** is a show, but usually a smaller show than an exposition. Exhibitions can be aimed at entertaining, enlightening, or instructing the public, offering specific goods or services for sale, or providing opportunities for competition and judging. These, too, are simply called *shows* in many cases. Some of these are held in convention centers, but many are held in other popular venues that may be known by such names as armories, museums, and halls. Some are even held out-of-doors.

There are many kinds of exhibitions that attract people to central locations—arts, crafts, antiques, and pets, to name a few. One held out-of-doors in New York City each year is the Washington Square Art Show, during which Washington Square Park and the surrounding streets are lined with artworks offered for sale by their creators. A very different kind of exhibition held in New York City, at Madison Square Garden, is the annual cat show, where cat fanciers are able to see various breeds of these popular pets and to learn which have been judged best in each of the classes of competition held.

Cities all across America and in every industrialized nation have any number of exhibitions of varying types and sizes throughout the

► Exhibitions Are Big Business ◀



Exhibition attendance in the United States and Canada is growing by leaps and bounds. From thirty-nine million in 1990, attendance figures have jumped nearly 300 percent in the last five years to an estimated one hundred and thirteen million in 1995, the most recent year for which data is available. There were over four thousand exhibitions in 1995, generating direct economic impact of over \$22 billion. Attendees spent an average of \$221 per person and occupied hotel rooms for the equivalent of one hundred million nights. In addition, attendees who used airlines to reach exhibitions spent an average of about \$500 for their airline fares. Airline ticket sales amounted to more than \$20 billion.

Because of the strong positive impact these events have on the economic life of communities, there is extraordinary competition to build suitable facilities and to lure new exhibitions to cities.

Adapted from an article in World's-Eye View on Hospitality Trends, summer, 1995.

year. All of them attract visitors from near and far and result in positive contributions to the economic health of the host cities.

Conventions

A **convention** is an assembly of people who are members of an organization, delegates representing members, or simply individuals with a common interest or concern. Conventions are special events, typically held annually, and are normally international, national, or regional in scope.

Each year there are many conventions held in the United States and in many other nations around the world. A great number of these are small enough to be held in a single convention or resort hotel. Others, however, attract too many people to be accommodated in one hotel, and thus they assume larger roles in the communities that play host to them. Three of the larger conventions held in the United States are those of the American Bar Association, the American Medical Association, and the Veterans of Foreign Wars. One annual convention that is much smaller but of great significance to hospitality educators is that of International CHRIE, the International Council on Hotel, Restaurant, and Institutional Education.

Conventions are held in all kinds of key locations across the United States each year. Some are held in major cities and may be large enough to require a convention center for some of the meetings. Examples of this type include the national conventions held every four years by the Republican and Democratic Parties to nominate candidates for president and vice-president. By contrast, one recent convention of CHRIE was held at a single Stouffer property, the Esmeralda Resort, in Indian Wells, near Palm Springs, California.

Many national organizations vary the locations of their conventions each year to be sure that the site is relatively near each member's home at least once every few years. Some organizations select a West Coast site one year, a Midwest site the next, and an East Coast site the third. This approach attempts to equalize the travel costs of members and offers some tourism-related inducements to convention attendance.

Conventions can have significant impact on the economic life of the communities selected as their sites, and there is keen competition for convention business among major American cities. These special events can be important contributors to the economic health of the cities that serve as their hosts as well as to hospitality businesses in the area.

Rallies and Marches

Every year, there are newspaper and television news accounts of **rallies** and **marches** held in key cities across America by groups of people interested in influencing public opinion. Those sharing some particular view of a public question gather to make their views known by marching, by carrying signs, and by listening to and applauding some speaker who can verbalize their point of view effectively. These marches and rallies clearly have impact on public opinion and public policy, though not necessarily the impact their supporters hope to have. However, these special events in public life can have significant impact on the economic life of the communities where they take place. Those attending the rallies and marches commonly seek the same goods and services as other visitors—foodservice, lodging, and so on.

Special events of all kinds are important contributors to the economic health of the hospitality industry.

► Cruises

Cruising is an important attraction that can be classified as recreation, entertainment, or both. Worldwide, about \$6.5 billion is spent

annually on vacation cruises, with 81 percent of it spent in North America. This represents about 3.6 million passengers. The types of people who take cruise vacations are changing. Years ago, vacationing aboard cruise ships—cruising, as it is known—was selected by older, more affluent individuals who had the time and the money for it. Cruising required both. In more recent years, cruise-ship passengers have tended to be younger, and the lengths of the cruises they select have become shorter. The average cruise-ship passenger is now less than fifty, with an income level more likely to be middle class, and the duration of the average vacation cruise is likely to be three or four days. Interestingly, only about 5 percent of Americans have ever been on vacation cruises. Cruise-ship vacations and getaways are becoming increasingly popular, however, with a growth rate of about 10 percent each year.

Cruises are often sold as packages with airfare, transfers, and the actual cruise all included in one price. The only additional costs for passengers on cruise packages are those for shore excursions and gratuities.

New cruise ships are being built to accommodate the expanding market. There are nearly two hundred cruise ships worldwide, with more being added each year. Most ships carry between eleven hundred and sixteen hundred passengers, but there are some notable exceptions: some of the newer ships carry more than two thousand passengers. Examples include the Royal Caribbean *Sovereign of the Seas*, which carries 2,280 passengers, and its sister ship *Majesty of the Seas*, which carries 2,354. Carnival Cruise Line's *Fantasy* carries 2,025 passengers. There are also a number of smaller ships that carry very limited numbers of passengers. For example, Cunard's *Sea Goddess I* and *Sea Goddess II* each carry fifty-eight couples. Exploration Cruise Line's *Colonial Explorer* carries only 102 passengers, and Ocean Cruise Line's *Ocean Islander* carries 250.

The appealing features of cruises have not changed over the years. They continue to be

1. Food
2. Activities and entertainment
3. Weather
4. Elegance and comfort

Cruise ships normally offer quantities of excellent food. Passengers on vacation cruises are typically offered breakfast, mid-morning bouillon, lunch, afternoon tea, dinner, and a midnight buffet supper. Passen-

gers can eat as much as they like, and the high quality of the food is a major attraction.

Cruise ships have an entertainment staff that provides activities all day long. A typical day might start with exercises, or swimming in one of several pools. During the day, ongoing activities include cards, bingo, dance lessons, sports, and movies. If the ship is docked or anchored, there are shore excursions ranging from shopping to visiting rum factories to going underwater snorkeling. In the evening, there is live entertainment and dancing as well as more movies.

One of the main attractions for many passengers is the weather. Most voyages take place in the warm climates of the Mediterranean, the Caribbean, or along the Mexican coast. When the weather is cold in much of the United States and northern Europe, the temperatures in the Mediterranean and the Caribbean are very appealing. Vacation cruises in colder climates—Alaska, for example—are restricted to the warmer summer months. Many ships cruise the northern waters in the summer and the warmer waters nearer the equator during the winter.

Modern ships provide a level of elegance and comfort that can be found only in luxury resort hotels and private villas. Facilities on board the larger ships include theaters, night clubs, gambling casinos, swimming pools, saunas, exercise rooms, beauty and barber shops, gift shops, and various sporting activities. Public rooms are tastefully decorated, lounge and deck chairs are plentiful, and staterooms are comfortable. Stabilizers prevent most ships from rolling in high seas, even when the weather is stormy. Thus seasickness, which used to be a problem for some passengers, has been virtually eliminated.

The level of service on many ships is as high as that in luxury hotels. Cabin stewards are available twenty-four hours a day and provide turndown service in the evening. Food and beverage service is commonly available day and night, and all sorts of recreational activities are available at any given time. Purser's are there to store valuables, cash checks, and convert currencies. Because of the high level of service, a cruise on one of these luxury liners can be an elegant and refreshing experience.

► Shopping Centers

Shopping has long been a favored American pastime. Years ago, shopping was an activity that one engaged in by going “downtown” to a major shopping street—every village had one, and cities had more than one. The street was lined with an array of stores offering shoppers the

goods they needed and wanted, and people walked along looking in the shop windows at the goods on display. Now, with automobiles, the preferred mode of transportation for most Americans, retailers have moved to make shopping easier than ever before in history. New travel-related alternatives to traditional shopping have been developed. The most significant of these are malls and discount outlets.

Malls

Major shopping malls are enclosed structures designed to accommodate numbers of stores and common walkways under one roof, making shopping possible in virtually any weather. Some shopping malls are very large, multilevel affairs, enclosing hundreds of retail shops, several department stores, and such other varied enterprises as banks, restaurants, food markets, and movie theaters. Some have facilities for child care and arcades with computer games as well as carousels and other rides for children. They normally have extensive parking facilities to accommodate the hundreds or thousands of automobiles and vehicles that shoppers use to reach the malls.

While these malls have been developed with retail sales as the primary focus, many are attracted to them for the entertainment value. On hot summer days, people flock to malls for the air conditioning; on any day, numbers of people are there just to “people watch” and to look at and ask questions about merchandise they may never be able to buy. Some of the largest malls—the Mall of America in Bloomington, Minnesota, and the West Edmonton Mall in Alberta, Canada, for example—are actually tourist destinations, drawing hundreds of bus tours each year, some from thousands of miles away. In a very real way, these malls are entertainment centers for a sizable segment of the population.

Discount Outlet Centers

Rather than develop malls of the type described above, some communities have taken advantage of the American penchant for shopping by permitting the development of discount outlet centers—collections of retail stores specializing in the sale of name brand merchandise at discount prices. In effect, entire areas have become entertainment centers. Reading, in Pennsylvania, and Secaucus, in New Jersey, have well-known discount outlet centers that attract thousands of shoppers daily. Many of these are travelers who have come some considerable distance just to take advantage of the shopping. Some arrive in their

own automobiles while others come in tour buses. All bring tourism dollars to the area, spending money in hotels, motels, restaurants, and other tourism-related businesses, as well as in the discount shops.

► Summary

In this chapter, we identify recreation, entertainment, and other features that attract tourists to an area. We provide general definitions to distinguish between the terms *recreation* and *entertainment*. We list and discuss a number of sites for recreational activities, including national and state parks, campgrounds, and resort areas. We identify and discuss significant forms of entertainment that can be found at theme parks, entertainment areas, tour destinations of various types and lengths, performances, fairs and festivals, parades, ceremonies, and sports events. Finally, we cite a number of other important tourism attractions that are not usually classified as either recreation or entertainment, including gambling, special events, cruises and shopping.

Key Terms

Ceremony	Primitive Camping
Convention	Rally
Cruising	Recreation
Economy Bus Tour	Recreational Vehicle
Entertainment	Resort Area
Entertainment Area	Shopping
Exhibition	Special Event
Exposition	Sports Event
Fair	Standard Bus Tour
Festival	Theme Park
Gaming	Trade Show
Luxury Bus Tour	Transient Camping
March	Traveler
National and State Park	Vacation Camping
Parade	

Questions

1. Distinguish between recreation and entertainment.
2. Identify four types of national parks operated by the United States National Park Service.

3. Distinguish between primitive, transient, and vacation camping.
4. What is an RV? Why do you suppose so many Americans own them?
5. List five different recreational activities and identify at least one resort area that is noted for each.
6. What is a theme park? List five well-known theme parks and identify the theme commonly associated with each.
7. What is an entertainment area? List four nationally known entertainment areas and cite the types of entertainment for which each is best known.
8. Motor coach tours are great favorites with tourists. If you were asked to develop the itinerary for a half-day tour of your local area, which sites would you include?
9. Distinguish between economy, standard, and luxury motor coach tours.
10. List ten kinds of musical and nonmusical performances that bring tourists to an area.
11. Identify the five best known fairs and festivals that take place each year in your state.
12. Are there any annual parades and ceremonies in your area that have positive economic impact on various tourist businesses? Identify them, then identify several steps that could be taken by local groups to increase the economic impact.
13. In how many states of the United States is gambling legal in some form?
14. List ten forms of gambling that are legal in at least one state.
15. Identify five types of special events that have positive economic impact on the areas where they are held.
16. What are the four principal features of cruises that tend to make them appealing to vacationers?
17. Over the last fifty years, the age and economic status of cruise passengers have changed. How?
18. In what way does shopping serve as a tourist attraction for an area? In addition to the shopping, what other features are there to attract tourists?

**Moments
of Truth**

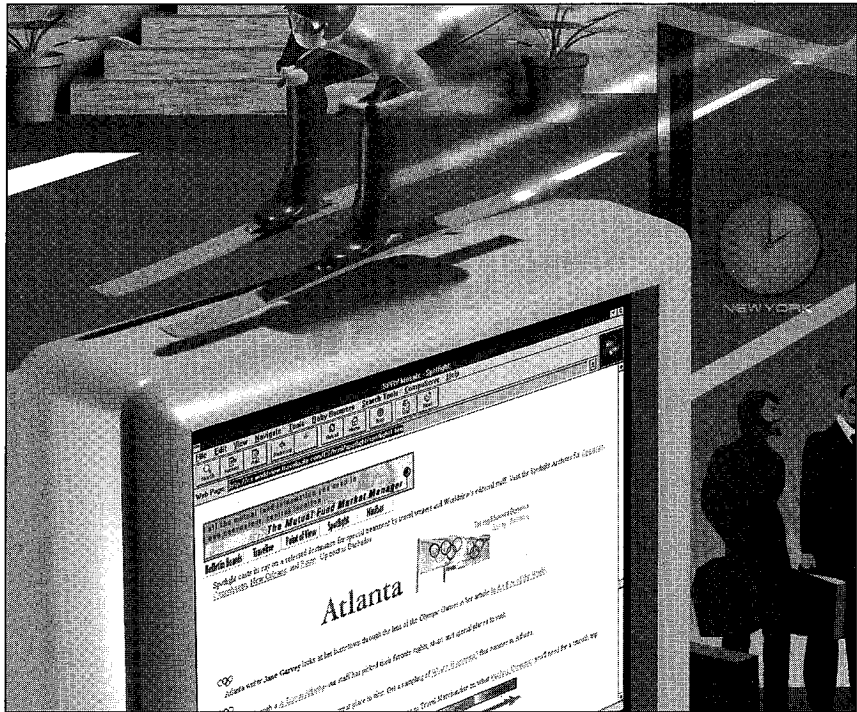
1. You have been hired by a group of hotel and motel owners in your area to prepare a list of interesting local attractions that could be included in tour packages being developed to promote business for their lodging establishments. Identify at least ten you would recommend along with your principal reasons for selecting each. What kinds of package tours could be developed that would include these attractions? What kinds of visitors do you think would be interested in these packages?
2. You have been contacted by a group of hospitality educators looking for a site for a regional convention they intend to hold in your part of the state in early August of next year. The site must have the following:
 - a. guest rooms to accommodate up to four hundred people
 - b. room rates no higher than \$100 double occupancy
 - c. a minimum of ten meeting rooms accommodating up to forty people, four meeting rooms accommodating up to one hundred, and one meeting room accommodating up to four hundred, all within ten minutes of one another
 - d. at least four popular-priced restaurants within ten minutes of the meeting rooms
 - e. a catering facility offering several banquet menus under \$35 per person for groups up to four hundred
 - f. nearby recreation and entertainment facilities for attendees and their families

Determine the best site in your area for this convention, then identify the foodservice, lodging, and other facilities meeting the specifications provided above.



Part Seven

Future Perspectives





Fourteen

Hospitality and Tourism Tomorrow

An Issues Overview



Learning Objectives

After reading and studying this chapter, you should be able to:

- 1** Identify six social and economic changes that suggest a bright future for the hospitality and tourism industry.
- 2** Describe the growth in demand for the service products of the foodservice and lodging industries.
- 3** Identify and discuss specific issues that tomorrow's hospitality and tourism managers are likely to face in each of the following areas:
(a) marketing, (b) legal climate, (c) human resources, (d) operations, and (e) consumer affairs.



Introduction

In preceding chapters, a number of significant topics have been introduced, including the history of hospitality and tourism and the dimensions of its principal segments. Understanding these topics gives one an excellent foundation for planning a career in the industry. These chapters will also serve as background for later coursework or for the

experiential learning that is so critical for anyone pursuing a professional career in hospitality.

► The Bright Future of Hospitality and Tourism

In recent years, a number of important social and economic changes have occurred that suggest a bright future for the industry. These have been addressed briefly in several previous chapters, but it will be useful to review them here.

► Social and Economic Changes

Early Retirement

Today, many workers are retiring at earlier ages than was the case in previous generations. There are several factors that contribute to making this possible.

1. The social security system provides benefits to those as young as sixty-two years of age.
2. Many employee retirement programs are tied to years of service rather than to age.

In some retirement programs, particularly government programs, it is possible to retire and receive full benefits after just twenty-five or thirty years of service, making it possible for many to retire by age fifty-five.

With greater numbers of people retiring early, more people now have the leisure time and the income to see and experience the world, which translates into increased sales for tourist businesses in general, including hotels, motels, restaurants, and other hospitality businesses.

Longer Life Span

The average citizen of one of the industrialized nations can now expect to live well into his seventies, and many will live longer. This is in contrast to earlier generations, when the average life span was considerably less. The increasing population of older, retired citizens provides a larger base of potential customers for the tourism industries, including hospitality operations.

Shorter Work week

Sixty years ago, the six-day workweek was standard for most working people. Today, the five-day workweek is standard, and the four-day workweek is not uncommon—leaving several days for other activities. The resulting increase in leisure time, combined with faster, more comfortable, and more accessible transportation makes it possible for many to take weekend vacations, drive to visit friends and relatives, attend weddings and receptions, and generally travel to a degree they could not have attempted just a few short years ago. Hospitality and tourism benefit immeasurably from this increase in travel.

More Holidays

Americans now celebrate greater numbers of holidays than was the case in the past, and these holidays are often observed on Mondays and Fridays. This creates three- and four-day weekends that provide people with still more opportunities for patronizing hotels, motels, restaurants, and other hospitality businesses. One comparatively recent addition to the list of holidays is Martin Luther King's birthday. It is celebrated on a Monday in mid January. This has created a long weekend that has had major impact. In the Northeast, for example, it has turned a relatively quiet weekend into a record weekend for the ski areas.

Greater Disposable Income

The average family is likely to have more money to spend than ever before. Higher wages and growth in the number of two-earner households account for much of this. A large portion of the additional disposable income is being spent on consumer goods and services, and businesses that are tourism-dependent appear to be receiving an important share of it.

Greater Mobility

Better highways and improved transportation make travel easier each year. The interstate highway system has dramatically reduced the time required for automobile travel between any two points in the United States. In addition, most Americans live close enough to a major airport to select air travel more readily than would have been the case forty years ago. These increases in travel have had a strong positive impact on hospitality and tourism sales.

► Growing Demand

Today, the foodservice industry ranks as one of the largest in the nation. A recent publication by the National Restaurant Association (NRA), the industry's principal trade association, states that "eating and drinking places are first among all retailers in the number of establishments and the number of employees." Today, there are over seven hundred and thirty-nine thousand eating and drinking establishments, employing over nine million people. The number of managerial and administrative positions in the industry is approaching five hundred thousand. In fact, one out of every four retail outlets in the nation is an eating or drinking establishment.

On a typical day, foodservice establishments provide approximately 30 percent of American adults with lunch and nearly 25 percent with dinner. Of those patronizing these establishments, over 50 percent are males. On this typical day, over 55 percent of adult males eat out, compared with under 50 percent of adult females. Well over 70 percent of the adult population of the United States eats at a restaurant once a month.

The growth of food and beverage sales has been continuous. In 1970, figures gathered by the National Restaurant Association placed foodservice sales at \$42.8 billion. By 1975, sales volume had grown to \$70.3 billion. By 1980, it had increased by over 150 percent, to nearly \$120 billion, and the 1980 figure had nearly doubled by 1990. By 1995, it was approaching \$300 billion. If the rate of growth continues at the current rate of approximately 4 percent per year, sales will reach \$350 billion by the year 2000. Although not adjusted for inflation, these figures still point out the extraordinary growth in foodservice. Today, food and beverage sales account for nearly 5 percent of the GDP, the gross domestic product (generally defined as the value of all goods and services sold), in the United States. By any measure, this is indeed a major industry.

The demand for foodservice has grown at a very rapid pace. Today, eating in a restaurant is a frequent experience, one parents commonly share with their children. Many have Kid's Meals at Wendy's, then continue to patronize Wendy's and restaurants in general in their adult years. Many adults eat out several times each week—more than ever before in our history. The NRA reports that 43 percent of the money Americans spend on food is spent in foodservice establishments. Americans are consuming ever greater numbers of meals away from home each year, and nationwide food sales continue to increase dra-

matically. It has been predicted by experts that Americans will soon be eating half of all meals away from home!

The commercial lodging industry is also growing. The American Hotel & Motel Association reports that the commercial lodging industry in the United States now includes approximately forty-five thousand properties, ranging in size from small inns with fewer than ten rooms to giant hotels with over five thousand rooms. In total, the commercial lodging industry in the United States generates nearly \$60 billion in sales each year, representing about 1 percent of the gross domestic product. The industry employs approximately 1.6 million people, full time and part time. It is a major industry, and with the increases in leisure time and disposable income, it is continuing to increase in size and in economic importance.

The tourism industry is growing as well. Internationally, the World Travel and Tourism Council reports that world spending on domestic and international tourism is over \$3.4 trillion annually. By the year 2000, the figure will exceed \$4 trillion. The industry presently employs well over two hundred million people, and that number will certainly grow.

The future of the hospitality and tourism industry is bright in spite of the temporary setbacks that any industry must endure. In one region or another, changes will always occur that have negative implications for various segments of the industry. However, these are unlikely to last. In most areas, hospitality and tourism will continue to be important to the economic vitality of the region.

► **Issues in Hospitality and Tourism**

Although the future of these industries is bright, it is not without problems. Those pursuing careers in hospitality and tourism will find it necessary to be familiar with a number of topics and issues that will have significant impact on the industry in the years ahead.

Students in degree programs commonly confront many of these in their major courses. Some of these have been problems for many years but no generally accepted solutions for them have yet been found. Others are issues that the industry has been dealing with for years but which must now be addressed differently because of changing conditions. Still others are emerging issues, occasioned by social, economic, or technological change. Many of these topics are

addressed below—not exhaustively, but to the extent that the significance of each and the areas in which the impact is likely to be felt most are described.

The topics addressed in this chapter can be distributed under the following headings:

1. Marketing
2. Legal
3. Human resources
4. Operations
5. Consumer affairs

The issues identified and discussed in this chapter are certainly not the only matters of concern to hospitality and tourism managers. They are, however, some of the major topics that men and women planning managerial careers in this field should know about. Many are discussed in daily newspapers, in general periodicals, in trade publications, and at industry conferences. Sometimes they are the subjects of programs on broadcast television or on cable networks. They are often central topics for discussion at meetings of hospitality-related organizations. Numerous owners and managers are genuinely concerned about them. Many have to do with the social responsibility of those who own and operate foodservice, lodging, and other tourism-oriented enterprises—social responsibility toward customers, employees, the community, and the environment. Those planning managerial careers are likely to discover that they, too, will become increasingly aware of these and other similarly important issues as their careers progress.

Those considering these topics and the categories under which they are discussed in this chapter may disagree with the inclusion of a given issue under a particular category. Some, for example, might consider it more suitable to cover questions relating to diet/nutrition/health with operations issues rather than with consumer issues. The difference would have more to do with the degree of emphasis given one or another of the elements.

We would certainly not disagree with anyone seeking to categorize any of these issues differently. We are less concerned about classification than about the significance of the issues. We are particularly interested in promoting the idea that responsible hospitality and tourism managers should know about and be engaged in constructive consideration of the issues that face the industry. In our view, all of the issues discussed here will be of considerable significance to managers in the years ahead.

► Marketing

Changing Demographics

The population of America is aging. The median is now thirty-three years and is projected to go higher in the coming years. The so-called baby boomers born in the years following World War II are now reaching age fifty. An older population has preferences that differ significantly from those of a younger population, and hospitality providers will find it necessary to adjust their service products to the changing preferences of the market. Thus, changing demographics is an issue of dramatic importance to the industry.

Another changing demographic characteristic is the increase in the number of single-parent households. Single-parent households traditionally have had lower levels of discretionary income and thus have not been as able to support hospitality and tourism businesses. To reach this market, providers will have to continue developing new service products that appeal to this demographic segment at affordable prices.

A third demographic change is the continuing growth in the number of people traveling for personal rather than for business purposes. As indicated in chapter 11, approximately 74 percent of domestic travelers are traveling primarily for some purpose other than business. This group has accounted for growing percentages of the travel market in the past forty-five years, and the growth is sure to continue.

The fourth demographic change is the growth in the number of international travelers in general and in the number of international travelers to the United States in particular. International travelers account for an ever-growing share of hospitality and tourism revenues in the United States. The number of international visitors to the United States is likely to reach sixty million by the year 2000.

In the coming years, hospitality and tourism marketing executives will find it important to take these demographic changes into account as they develop marketing plans for the service products the industry offers.

Changing Vacation Patterns

The length of vacations taken by Americans is changing. The traditional once-a-year vacation of two weeks or more is declining in popularity. For growing numbers of people, vacations are becoming shorter and more frequent. Today, more people are likely to plan minivaca-

tions. Some, for example, will add two of their annual vacation days to a three-day holiday weekend to make a five-day minivacation. By doing so, they manage to get away for several days while using only two actual vacation days.

Vacation destinations are changing as well. Travel to and from nations that once were part of the so-called communist bloc has made it possible to plan vacations in countries that were usually considered off limits in the past. The Czech Republic, Hungary, Russia, Romania, and Bulgaria are becoming more popular sites for American and European vacationers. And with industrialization and improvements in transportation, other nations are becoming more popular as well. The People's Republic of China is just one of the nations that were not common destinations a few years ago. Today, China is one of many nations seriously engaged in efforts at tourism development.

Market Segmentation

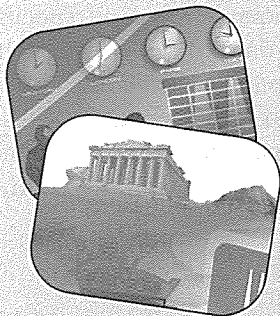
In the years since 1980, a key term in hospitality marketing has been **market segmentation**. Until the late 1970s, lodging establishments attempted to appeal to broad, general markets; their aim was to appeal to as broad a group of potential guests as possible. In more recent years, the success of the limited-service properties has led to the development of other properties designed to appeal to carefully selected market segments at various points on the guest spectrum. Some of the types of lodging properties to emerge include all-suite properties, residence properties, sub-budget properties, and a variety of budget properties differentiated by their varying services and amenities.

Examples of market segmentation have also been evident in food-service, particularly in the past ten years. A number of the restaurants that traditionally have offered extensive something-for-everyone menus have begun to see reductions in business as customers have chosen to patronize restaurants offering specialized service products. As new market segments are identified, properties designed to appeal to those segments are likely to be developed.

Frequent Guest Programs

With the proliferation of properties and the growing competition among them, some lodging operators have begun to develop programs to gain repeat business. Modeled on the frequent-flyer programs used so successfully by many airline companies, these plans typically give credits to regular guests. They can be redeemed in the form of reduced rates, upgrades, free accommodations, free meals, or any of a variety

► Single Diners Can Add Up to Big Business ◀



The singles population is growing, and singles are eager to spend money on food away from home. Singles spend 44 percent of their overall food budget on food away from home, while households of five or more spend only 29 percent. And there are more singles in the nation today than ever before in history. Foodservice operators who cater to single customers are finding that single diners can add up to big business.

Operators have found various ways to attract singles. Some have advertised that they cater to singles and have seen considerable increase in sales as a result. Some of these establishments have offered free glasses of wine or free desserts to singles. Another approach has been to designate one table as a “communal table” to be shared by single diners who prefer to share a table rather than dine alone. Other names for this communal table include “networking table,” “table of friends,” and “joiners’ table.” For those who prefer to dine alone, some restaurants keep a selection of books, newspapers, or magazines available.

In the highly competitive foodservice industry, successful operators are always trying to attract new market segments to keep sales volume high and growing, and singles are proving to be a profitable new segment for many.

Adapted from an article in Restaurants USA, March, 1995.

of amenities. In some cases, they can be translated into frequent-flyer miles and used for air travel. As competition becomes even keener, the number of these kinds of programs is likely to grow. Many believe that these programs will gain in the lodging business the same degree of favor they have achieved among airline customers.

Food and beverage managers have long known that it pays to reward regular customers. Many restaurant and bar owners have given their regulars complementary appetizers, desserts, glasses of wine, and other rewards for their regular and continuing patronage. However, they have not followed the formalized approaches adopted by the airline and lodging companies, which require elaborate record-keeping. In most instances, it has been a matter of independent restaurant and bar owners making spur-of-the-moment decisions when seeing frequent customers in their establishments. In some cases, departing cus-

tomers have been given discount coupons that could be redeemed on their next visit. This approach has been more common with chain operations, some of which have taken an additional step by setting up promotions to offer discounts to all customers purchasing specific menu items during a limited period—several days in midweek, or the third week of a given month, for example. One aim of food and beverage operators adopting these approaches is to build repeat business. This aim is identical to that of the lodging operator with a frequent-guest program or the airline company with a frequent-flyer program.

Maturation in Segments of the Fast-Food Industry

Segments of the fast-food market are no longer expanding as quickly as was possible in the past. The demand for hamburgers is not growing as fast as it once did, and operators are finding it necessary to develop new products to maintain desired sales levels. Today, for example, establishments that once offered few products other than hamburgers are now test marketing or offering such products as pizza, salads, and various poultry or other meat products. As public tastes continue to change, foodservice operators will need to keep pace—to develop new specialty products to retain an adequate share of the market.

Consolidation in the Commercial Lodging Industry

Some experts are now suggesting that the number of large, nationwide lodging companies will decrease in the years to come. They are fore-

As public tastes continue to change, Kentucky Fried Chicken and other fast-food operators are developing new specialty products to keep their share of the market. (Photo courtesy of Kentucky Fried Chicken.)



casting that a relatively small number of firms will dominate the lodging industry by acquiring smaller chains of regional or national properties. This will enable successful firms to obtain the funds required to expand their operations internationally.

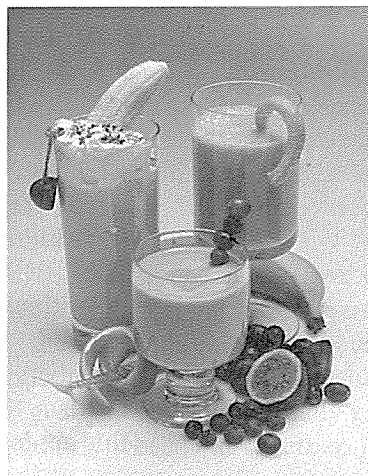
This trend toward consolidation will have significant impact on all commercial lodging operations. Both independent operations and smaller chains will have increasing difficulty competing with heavily advertised national and international brands.

► Legal

Liquor Liability

In recent years, public concern has been growing over the alarming number of alcohol-related automobile accidents. Today, substance abuse is a factor in over half of all automobile accidents, and a vast number of these have been attributed to alcohol abuse. This has led to increasing public pressure on state legislatures to act. Although the specifics vary from one state to another, it is generally true that legislators have responded by lowering the levels of blood alcohol at which an individual is considered intoxicated and by increasing penalties on offenders. In addition, many states have imposed new regulations on the serving of alcoholic beverages. In at least one state, new regula-

In response to the growing awareness of the negative effects of alcohol abuse, new state regulations increase liability for establishments that serve alcoholic beverages to intoxicated individuals. In reaction, some restaurant and bar owners either no longer serve alcohol or promote nonalcoholic beverages (shown right). (Photo courtesy of Ocean Spray Cranberries, Inc.)



tions have made the discounting of drink prices illegal, thus bringing an end to the so-called happy hour. In many states, establishments and their owners can be held financially accountable if they serve alcoholic beverages to an intoxicated individual who causes damage or injury after leaving the establishment. In some places, this has caused such huge increases in the cost of liability insurance that some bar and tavern owners have chosen to go out of business. It has caused some restaurant owners to stop serving alcoholic beverages.

Some restaurant and bar owners have changed market strategy: they are now featuring and promoting nonalcoholic drinks. Others have encouraged groups of their patrons to select a designated driver and have provided various incentives for them to do so.

As societal attitudes toward alcoholic beverages continue to change, it will be necessary for foodservice and lodging operators to adjust.

Impact of the Americans with Disabilities Act of 1990

This landmark legislation prohibits discrimination against anyone with a disability. A disabled person is defined as one who has a physical or mental impairment that substantially limits one or more major life activities. While the act has had significant impact on many facets of American life, its impact has been especially significant in hospitality and tourism. In this industry, the **Americans with Disabilities Act** applies to both employees and guests. In lodging, it applies to establishments of more than five rooms; in foodservice, to all restaurants, bars, and similar establishments serving food or drink. In tourism generally, it has had significant impact on every type of business.

The act prohibits discrimination in hiring on the basis of disabilities. It dictates that builders of new facilities must design and construct them to accommodate the disabled; by contrast, owners of existing facilities must make reasonable efforts to accommodate the disabled. In general, it holds that the disabled are entitled to full and equal enjoyment of goods, services, facilities, privileges, advantages, and accommodations.

Although the language of the act is subject to varying interpretations, these will, no doubt, eventually be resolved in the courts. In the meantime, both the National Restaurant Association and the American Hotel & Motel Association have developed publications to guide their members in their efforts to comply with the law. Hospitality and tourism managers are likely to be addressing questions arising from this act for many years to come.

Ethics in Hospitality

Ethics is an academic discipline that deals with the study of codes of moral conduct. *Business ethics* is a term that refers to the application of a particular moral code to relationships, activities, and decision-making in business and industry. It is the code that enables an individual in business to distinguish right from wrong—to distinguish between ethical and unethical behavior.

Ethics has been an issue in hospitality and tourism for thousands of years—since the tavern keepers of earliest recorded history first diluted the drinks of unsuspecting customers. Although this and similar practices are illegal today, it is possible to question the business ethics of some hospitality operators. The following are a few examples: a manager of a new restaurant may hire twenty servers, intending to keep only the twelve most able after the second week of operation; a room clerk may accept bribes to register guests without reservations, even when the property is overbooked; an owner may fail to report all sales on her income tax returns; a server may attempt to cheat on his income taxes by failing to report all tips; an owner may misrepresent his hotel, using idealized artists' renderings rather than photographs in his advertising; an employee in a purchasing department may accept gifts from vendors in return for purchasing inferior products; an owner may cheat on her taxes by charging personal expenses to the business. Business ethics will forever be high on anyone's list of important hospitality issues.

► Human Resources

Diversity

More than most other industries, the hospitality and tourism industry has long been known for its diverse workforce. Our workforce has been diverse in the extreme, including men and women of every age, race, ethnic, and religious group. In fact, throughout our history, immigrant groups to the United States have always been able to find employment in foodservice, lodging, and other tourism-related fields.

But while the workforce was diverse, management was inclined to treat all members of all groups identically, without taking into account the characteristic cultural differences of the many groups represented in our workforce. Unfortunately, this tended to create a workforce that consisted of individuals from all sorts of groups who did not really get on well together and thus did not particularly work well together. In

general, there was little team spirit among the diverse employees in any given hotel or restaurant.

An example will help to explain. Suppose that people growing up in one culture are taught to be quiet and reserved, not to speak unless someone else speaks first, and never to differ with anyone in authority. When one individual with that cultural background is hired to work in a given restaurant, some on the staff are likely to assume, on the basis of his “different” behavior, that their new coworker is unfriendly and unwilling to fit into the group. The new employee, by contrast, may decide that many on the staff are rude and offensive. The truth may be that both the new employee and the others on the staff simply do not understand one another; neither has had any experience dealing with people from cultural backgrounds other than their own, and thus neither can accept the other as coworkers.

One of the great challenges to managers today is finding ways to manage **diversity** in the workforce. This requires education. Ideally, everyone in the workforce will learn to respect, understand, appreciate, and value the array of individual differences to be found among their coworkers. To that end, there is a growing trend toward diversity training for hospitality and tourism employees. As a result, many managers are finding that this training brings immediate and tangible benefits to the workplace, including competitive advantages in the changing economic environment.

Sexual Harassment

The Federal Equal Employment Opportunity Commission defines **sexual harassment** as “unwelcomed sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that takes place under any of the following conditions:

1. submission is made a condition of the person’s employment;
2. submission to or rejection of such conduct is used as a basis for employment decisions affecting the person; or
3. it unreasonably interferes with the person’s work performance or creates an intimidating, hostile, or offensive work environment.¹

¹Excerpted from the *Federal Register*, vol. 45, no. 219, 29 CFR, chapter XIV, section 1604.11, “Sexual Harassment,” promulgated November 10, 1980.

Most cases of sexual harassment involve complaints by females about male coworkers or superiors, although the number of complaints by males has been growing. In the last ten years, as greater numbers of employees have become willing to speak out, the number of these cases has grown.

Because employers are liable for the actions of their employees at work, it is particularly important for employers to take several important steps.

1. Institute a strict policy banning all forms of sexual harassment in the workplace.
2. Develop appropriate training programs for managers and employees so that all will understand and become sensitive to the nature of sexual harassment.
3. Establish procedures for handling all complaints promptly, fairly, and in a sensitive manner.

Employers who have taken these steps have found that the number of sexual harassment complaints has decreased substantially and that the training has had significant and positive impact on the behavior of employees at work.

Employee Turnover

As was pointed out in chapter 10, **employee turnover** continues to be one of the major issues facing hospitality managers. With turnover rates averaging approximately 100 percent per year across the industry, managers are continually faced with the problem of losing experienced employees and hiring replacements with less experience. Faced with inexperienced replacements, many managers believe they have only two choices: to incur the high training costs associated with transforming new employees into valuable workers, or to suffer the equally high costs associated with operating with untrained workers. Too few are willing to acknowledge that they have a third option: to take suitable steps directed toward retaining employees and reducing turnover.

Many hospitality managers understand the prerequisites to reduced turnover. These include adequate wages and benefits, reasonable working conditions, reasonable work schedules, and reasonable treatment of employees by enlightened managers. Comparatively fewer managers are willing to put these into practice.

A number of employers and managers still attempt to treat workers as if they were cogs in some gigantic wheel—metal parts, rather than people. They hire at the lowest possible wages, provide no training, then belittle and berate workers for failing to do work correctly. They assign workers to schedules without any regard to personal preferences, change their schedules without notice, and demand at the last minute that workers report for work on their days off if the need should arise. Then they complain about the ungrateful workers who quit their jobs at the first opportunity to accept seemingly equal jobs with other employers.

Employers who are willing to improve their treatment of employees by giving the employees a sense of importance in the organization find that the result is a significant positive impact on employee turnover.

Employee Assistance Plans

Employee Assistance Plans (EAPs) are included in this discussion of hospitality and tourism issues because they illustrate one of the attempts made by enlightened owners and managers to pay responsible attention to the real, human problems faced by their employees. The problems of those employed in hospitality are essentially the same as the problems of those in the general population. These include substance abuse, psychological problems, family issues, financial issues, legal problems, health issues, and educational issues.

The hospitality and tourism industry traditionally has been among the larger employers of men and women with limited education, including many of the foreign-born with limited knowledge of English. Because of this, managers in the industry have an opportunity—some would say an obligation—to be of unique assistance to workers who might otherwise not have access to help with their problems.

Managers who establish EAPs to benefit employees are likely to develop a more loyal workforce—one that is more willing to strive toward the operational goals of the enterprise. At the same time, managers with the foresight to help employees are likely to see reductions in employee turnover.

► Operations

Total Quality Management (TQM)

Total Quality Management—tailoring service to the needs of guests and customers—has become a very important topic in management

circles today. One point made several times in earlier chapters is that service products cannot be mass-produced in advance—they are produced only when ordered by a customer. To an important extent, each service product is tailored to suit the guest or customer who has ordered it.

In many operations, managers have developed extensive rules and procedures that all employees are directed to follow when dealing with customers. These can extend to the most minute details—rules forbidding free refills on coffee; strict limits on the number of hand towels per guest; directives prohibiting substitutions on special dinner menus; inflexible rules about checkout time. These—and the many others one sees daily in hospitality and tourism—lead to critical moments of truth that may affect a customer's overall impression of a particular foodservice, lodging, or other tourism enterprise. The negative moment of truth resulting from a refusal to give a customer an extra half cup of coffee may be enough to offset all the positive moments of truth that precede and follow it. For some customers, it may be enough to make them decide never to return.

Many owners and managers have come to realize the futility of attempting to set strict rules to govern every detail of a customer/employee service encounter. Instead, they are now revising their approach, developing policies that are service oriented, and training their employees to provide as many positive moments of truth as possible. They are giving their employees some reasonable degree of latitude to tailor service products to the specific needs and preferences of guests. In effect, they are empowering their employees to make enlightened, educated decisions that will improve service quality for guests without having a negative impact on operations.

Internationalization

Internationalization is a term that can be thought of in at least two hospitality contexts. One of these is the tendency of national hospitality firms to expand operations beyond national borders—to “go global.” Another is the special efforts that hospitality firms are making to cater to the needs of international visitors. It is in this latter context that internationalization has become an important issue in hospitality operations today.

The United States has always been a favorite destination for any international travelers who could afford to come. While hotel operators were always glad to book international business, comparatively few went out of their way to provide for some of the special needs of

foreign visitors: currency exchange; staff members fluent in languages other than English; special menus; brochures, maps, and similar materials in other languages; climate controls in individual guest rooms; and many others.

Today, the growth in international travel is bringing growing numbers of foreign visitors to the United States. Foreign visitors account for growing percentages of room revenue in many hotels—particularly in major cities on the East and West Coasts—and growing numbers of hotel operators are taking steps to provide the kinds of services that tend to make foreigners feel welcome. Some are requiring that new guest service employees be fluent in at least one language other than English. Many are adopting additional practices such as having international menus in restaurants, posting signs with international symbols, providing foreign newspapers in lobbies, including a currency exchange at the front desk, and any number of others.

Automation

Automation means using electronic and mechanical equipment and machinery to complete some or all of the tasks associated with a given enterprise. Three principal reasons are commonly cited for automating an enterprise.

1. To increase the speed of work
2. To reduce the cost of work
3. To standardize results

Historically, hospitality and tourism managers have always been ready to automate. A few of the historical examples of automation in the industry include peeling potatoes, washing dishes, washing tablecloths and napkins, preserving frozen foods, vacuuming carpets, recording reservations, and maintaining guest accounts.

Today, we are at the point where some foodservice and lodging establishments have automated to the extent that guests and customers need no longer have direct contact with any human staff. Food and beverages can be obtained from vending machines. There are lodging operations where one “swipes” a credit card through an electronic device, enabling one to check in without speaking to a room clerk at the desk. Using touch-sensitive screens on the television sets in their rooms, guests will soon be able to place orders for food and beverages from room service; obtain information about stores, restau-

rants, theaters and other entertainment facilities in the area; make reservations for dinner at nearby restaurants; and even purchase clothing and other goods of various kinds from stores, requesting immediate delivery. Guests can already use these touch-sensitive screens for reviewing their hotel bills and checking out.

It is interesting that foodservice and lodging operations at the high end of the price spectrum have tended to maintain the appearance of service, even when automated devices have been installed. For example, some hotels with automatic elevators have continued to employ personnel to run the elevators. Guests are still treated to a high level of service but with more modern and efficient equipment than the older manual elevators.

Some are beginning to question whether the industry is pushing automation too far—whether those that automate too extensively are offering any degree of hospitality. Have they automated themselves out of the hospitality industry, so to speak? It is a question that owners and managers of hospitality enterprises, as well as their guests and customers, will continue to ask in the years ahead. And it is sure to be of growing importance, as well. The technological capacity to automate grows daily, and the industry will have to determine the extent to which it should embrace the technology.

► Consumer Affairs

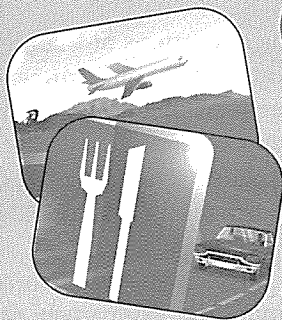
Smoking/No-Smoking Areas

As more and more customers and guests of foodservice and lodging enterprises demand smoke-free areas for dining and smoke-free sleeping accommodations, the industry continues to make all reasonable efforts to meet these demands. This will be particularly true in those states and localities in which legislation mandates that appropriate facilities be made available.

To date, this trend has had the greatest impact on the food and beverage sector of the industry. Restaurants and related enterprises have found it desirable, even if not required by law, to apportion sections of their dining facilities to accommodate the wishes of nonsmokers. Some have also found it necessary to install or improve ventilation equipment.

Most mainstream lodging operations have set aside accommodations for nonsmokers—rooms that are free of the lingering effects of tobacco smoke. In some properties, smoking is prohibited in public

To Light Up or Not to Light Up: The Smoking Debate Continues to Smoulder



Growing numbers of Americans are taking a stand against smoking and are having a significant impact on restaurant operations in many parts of the country. In several states—California, Utah, Vermont, and Maryland—and in New York City and a number of other municipalities, regulations have gone into effect that restrict or prohibit smoking in restaurants. In fact, more than 165 antismoking ordinances have gone into effect in the United States since the mid 1980s.

The effects of these regulations appear to be mixed. In California, a state with a comprehensive restaurant smoking ban, an informal survey by the California Restaurant Association found that 64 percent of respondents reported that business had increased or stayed the same since the ban was imposed; 36 percent reported that business had decreased. On the other hand, a survey of twelve hundred adult smokers by the National Restaurant Association found that a ban on smoking in the workplace would mean \$18.2 billion in lost sales for the nation's restaurants, primarily due to lost sales from smokers lingering less over their meals and thus consuming fewer appetizers, desserts, and drinks.

As growing numbers of people press for a smoke-free environment, growing numbers of restaurateurs are complaining that government-imposed smoking regulations are interfering with their right to operate their businesses as they see fit, and the debate is likely to continue.

Adapted from an article in Restaurants USA, June/July 1995.

areas—lobbies, corridors, elevators, and other areas—often as a matter of law.

The prohibition of smoking in hospitality operations is an issue that will be of growing significance to owners and managers in the years ahead.

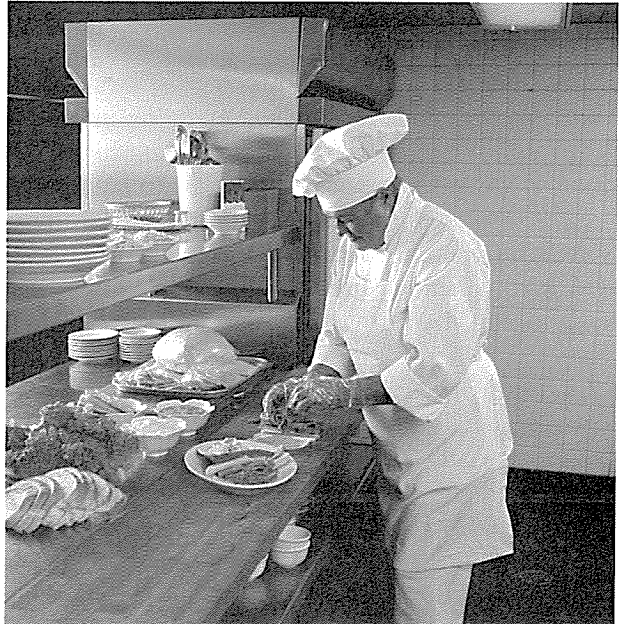
Sanitation and Public Health

No subject is of greater importance in foodservice than sanitation. Everyone agrees that all responsible steps must be taken to prevent illnesses that can be traced to the manner in which food is handled, or to the food itself.

Insuring proper food handling has always been an issue in the industry. Managers must constantly check to see that food is purchased from responsible vendors. It must be kept at suitable temperatures to prevent bacterial growth or under proper conditions to prevent infestation by insects and rodents. Equipment surfaces must be cleaned effectively to ensure that food is not contaminated during preparation. Washing is an ongoing necessity in foodservice—the washing of employees' hands, the washing of some fresh foods to remove chemical residues, and the thorough washing of all china, glassware, flatware, pots, and pans that are used in the preparation and service of foods and beverages.

State and local governments apply strict sanitary standards to food and beverage operations. Some conduct regular inspections and impose sanctions on those found violating the applicable code. The

Although not often emphasized, sanitation is one of the most important operations issues in the hospitality industry. Ensuring proper food handling, supervising vendors, and washing foods, utensils, and equipment are all essential in meeting legal sanitary standards. (Photo courtesy of Cryovac.)



sanctions range from imposing fines to publishing lists of violators in newspapers to closing flagrant violators.

In an effort to ensure their compliance with local sanitary codes, many food and beverage operators hire consultants to conduct regular inspections and to assist in the immediate correction of any violations. As consumers become increasingly aware of the potential for harm from improperly handled food, preventing possible violations of local codes will be an issue of growing importance to food and beverage service operators.

The Environment

In recent years, society at large has become much more concerned with the natural environment than has ever been the case in the past. The public and the business community have become much more aware of a number of key environmental issues, and the hospitality and tourism industry has taken a leadership role in efforts to protect the natural environment. For this industry, the key environmental concerns are recycling, energy conservation, and water conservation.

1. **Recycling.** In recent years, there has been a gradual closing of the landfills traditionally used for disposing of solid wastes and a growing awareness of the harmful effects of either burning solid waste or dumping it in the sea. This has led to major waste-disposal problems in some areas.

In some major metropolitan areas, the cost of removing solid wastes is becoming higher than government and citizens are willing and able to pay. In many of these areas, separating recyclable plastic, glass, metal, and certain paper items from other solid waste is now required by law. Separating these recyclables from other solid wastes greatly reduces the quantities requiring disposal.

The trend toward recycling is likely to grow. Many in the hospitality industry who have not previously been affected by this issue will soon see some change. They, too, will find the adoption of a recycling program both necessary and desirable.

2. **Energy conservation.** Energy in the form of electricity, gas, and oil is a major element in hospitality. Hospitality operations depend directly or indirectly on energy sources for heating, cooling, lighting, cooking, and operating all kinds of equipment, including elevators. Conservation of energy has become an important national goal and is now an important goal of many hospitality operations. Owners and

managers have instituted many measures to conserve energy. These include

- a. **Monitoring temperature controls.** Managers know that temperature controls for heating and cooling need to be monitored so that energy is not wasted. Some establishments have computer systems that automatically monitor and set temperatures to desired levels. Others set thermostats at the desired level, then lock the controls and provide keys to specific individuals.

A major concern in the lodging segment of the hospitality industry is climate control in guest rooms—heating and cooling. Policies must be established to prevent unneeded heating and cooling of guest rooms when guests are out or when the rooms are vacant. Members of the housekeeping staff are frequently trained to turn thermostats to desired temperatures after they finish their work in the rooms. Guests are asked to adjust thermostats in their rooms in order to avoid overheating rooms in cold weather and overcooling them in hot weather, particularly when they are away from their rooms. Many hotels offer extra blankets to guests in an effort to encourage them to keep room temperatures lower during nighttime hours.

- b. **Switching off unnecessary lights.** Keeping lights on when not necessary is a waste of energy. Guests are reminded to turn off lights when not in their rooms, and staff are trained to turn off unnecessary lights, particularly in ballrooms and other public space when unoccupied. Some properties have installed sensing devices that automatically turn off lights when there is no motion in a room.
- c. **Preventative maintenance to increase equipment efficiency.** Equipment that is properly maintained typically uses less energy. Additionally, equipment that is properly maintained lasts longer and has fewer repair problems.
- d. **Sequential start up of HVAC equipment.** Electric companies must be able to produce or purchase sufficient electrical power to service peak demand. Because of this, billing for electricity is typically based on peak usage during a given twenty-four hour period. Properties that start HVAC equipment in a staggered fashion do not generate as much usage at one time as they would by starting the equipment all at once. This approach leads to lower electric bills than would otherwise be the case.

- e. Operating washing machines only when filled. Hospitality operations can reduce costs considerably by running washing machines in dish rooms and laundries only when there are full loads. This can produce significant energy savings when followed consistently.
- f. Replacing old equipment with new energy-efficient equipment. Equipment purchased many years ago is usually not energy efficient. No one expected it to be. With today's soaring energy costs, replacing that old equipment may actually save money. Replacing old equipment with new may be a large capital investment, but it frequently pays for itself in energy conservation. For example, kitchen ovens that are old usually have poor insulation and require excessive amounts of energy to maintain desired temperatures. New ovens typically use much less energy and can yield considerable dollar savings in energy costs.

In the hospitality industry, energy costs are an important component of total operating costs. Many owners and managers have found that reducing these costs can contribute substantially to profit.

3. Water conservation. Like energy conservation, water conservation has become an important element in hospitality. As much as any other industry, hospitality operations require dependable sources of clean water for a vast number of purposes—cooking, drinking, cleaning, washing, and so on. Having a continuing source of water is an urgent necessity in hospitality, and owners and managers have come to understand the importance of conserving water. Conservation of water is now an important goal of many hospitality operations.

The following are typical of the measures taken in hospitality operations to conserve water.

- a. Reducing water consumption in bathrooms with devices that restrict the amount of water used in showers and toilets.
- b. Serving no water to guests in restaurants unless they request it, and then serving the water in smaller glasses.
- c. Sweeping outdoor areas—primarily sidewalks and other walkways—with brooms rather than flushing them clean with running water.
- d. Purchasing water-efficient equipment, such as dishwashers and laundry washers designed to consume less water.
- e. Reusing treated waste water for irrigation, public toilets, and cooling towers.

- f. Offering conservation-minded guests the option of having their towels and bed linen changed every second day instead of every day.

Truth in Menu

For most foodservice operators, preparing truthful and accurate menus is a normal practice that is never to be violated. A small minority, however, produce menus that are not always entirely accurate indicators of the foods served in their establishments. Some have merely abused such terms as *fresh* and *cooked to order*. Others have been more flagrant, serving U.S. Choice beef when their menus state U.S. Prime. Still others have served portions with fewer ounces than the number listed in the menu. Some have not used the actual ingredients suggested by their menus and have substituted one product for another: turkey for chicken, margarine for butter, generic products for name brands, and domestic products for imported.

In some areas, enough abuses have occurred to produce a groundswell of public opinion in favor of requiring foodservice operators to be entirely truthful. Where such consumer protection legislation exists, those who violate the regulations risk fines and loss of their licenses.

It is important that those in the industry conduct their operations ethically—in such a manner that consumers can have complete faith in the truth of their menus, the wholesomeness of their foods, and the honesty of their business practices.

Diet/Nutrition/Health

With the public becoming increasingly concerned about healthy diets, such as diets containing less fat and fewer calories, many foodservice operators are adjusting or amending their menus to accommodate these changing public tastes. Some are devoting sections of their menus to foods for the diet conscious; others are designating certain of their menu items as appropriate for those interested in foods low in sodium and cholesterol. Growing numbers of restaurants are seeking to attract health-conscious diners. Some have eliminated “unhealthy” foods from their menus.

The trend to healthier dining is certain to continue, and successful foodservice operators will want to give greater attention to the nutritional content of foods in the years ahead.

Fire and Safety

Fire and safety have always been issues of concern in hospitality. In earlier centuries, taverns, inns, and hotels, usually constructed of wood, were regularly demolished by fire. Many burned to the ground, and large numbers of people were killed or maimed.

During the twentieth century, various changes have made hotels, motels, and other hospitality operations much safer. Improvements in design and construction have made a great difference. So have improvements in the fire control systems installed in buildings—electronic smoke detectors, automatic systems to summon fire departments, better sprinkler systems, and so on. Because of these changes, hotels, motels, and other lodging operations have never been safer.

A number of dangers associated with fire remain to be addressed, however. In the event of fire, the guests in some properties today may face danger from the toxic smoke resulting from the burning of furniture, fixtures, and fibers produced from man-made materials. In a fire, many of the artificial fibers used in wall coverings, carpets, draperies, and upholstery produce toxic fumes that can be more dangerous than the flames and smoke.

Another problem relates to construction. In recent years, to reduce heating and cooling costs, new buildings have been particularly well insulated. In some, the windows are not designed to be opened, and temperature and air are controlled by very complex central systems. In the event of fire in such buildings, some danger exists that smoke may be quickly dispersed throughout the building. As a consequence, a shift to individual room ventilation can be seen in properties being built today.

Managers of hospitality and tourism operations universally agree that there is no consideration more important than the protection of their guests and customers from the threat of fire.

► Summary

In this chapter, several social and economic changes likely to affect the future of the hospitality industry are described, including earlier retirements, longer life spans, shorter workweeks, more vacation time, greater disposable incomes, and increased mobility. Growing demand for the hospitality service products of both the foodservice and lodging industries is discussed. Many of the key topics and issues that will have significant impact on the industry in the years ahead are identified and categorized in five areas: marketing, legal, human resources, operations, and consumer affairs. Topics and issues in marketing include

changing demographics, changing vacation patterns, market segmentation, frequent-guest programs, maturation in segments of the fast-food industry, and consolidation in the commercial lodging industry. Legal topics and issues include liquor liability, impact of the Americans with Disabilities Act of 1990, and ethics in hospitality. Those in human resources include diversity, sexual harassment, employee turnover, and employee assistance programs. In operations, total quality management, internationalization, and automation are discussed. Finally, topics and issues in consumer affairs include smoking/ no-smoking areas, sanitation and public health, environmental issues, truth in menu, diet/nutrition/health, and fire and safety.

Key Terms

Americans with Disabilities Act of 1990
Automation
Diversity
Employee Assistance Plan (EAP)
Employee Turnover

Internationalization
Market Segmentation
Sexual Harrassment
Total Quality Management

Questions

1. List and discuss six social and economic changes that suggest a bright future for the hospitality and tourism industry.
2. Identify the demographic changes that hospitality and tourism marketing executives will find it important to take into account as they develop marketing plans for the industry.
3. Why do hospitality businesses develop frequent-guest or frequent-customer programs? How do frequent-guest programs for lodging operations differ from frequent-customer programs for foodservice operations?
4. What has been the major cause of the large increases in the cost of liability insurance to bar and tavern owners in recent years?
5. What was the primary purpose underlying passage by Congress of the Americans with Disabilities Act of 1990?
6. Identify one positive outcome that diversity training should produce for a foodservice or lodging establishment.
7. How does the Federal Equal Employment Opportunity Commission define the term *sexual harassment*?
8. What steps can hospitality and tourism managers take to reduce employee turnover?

9. Identify the three principal purposes of automation. Discuss the impact of automation on service.
10. List seven key activities that foodservice employees engage in to insure safe and sanitary conditions for food handling.
11. List and discuss four key environmental issues that have had significant impact on the foodservice and lodging segments of the hospitality industry.



1. You are the front office manager in an airport motel of 150 rooms. The company you work for has just given you a promotion: you have been named front office manager of a three hundred room luxury hotel located in the city center. During your first week at the new job, you quietly evaluate members of staff and notice that one desk clerk is far more able than the others. He appears to be a member of a religious minority: he always wears a small neat cap to keep his head covered. It is also quite clear that others on the staff try to exclude him from their conversations and activities whenever possible, and this seems to be having a negative effect on communications and on team cooperation. You overhear one staff member telling another that this desk clerk is “weird” because he always wears a hat. What should you do?
2. You have just taken a job as manager of a white-tablecloth restaurant. One of the featured items is chicken tetrazzini made with fresh chicken breast, cream, and butter. The ingredients are identified on the menu. Early in the dinner hour on Friday night, the chef informs you that he is running out of chicken tetrazzini and there are no more fresh chicken breasts available. He can only make more chicken tetrazzini if he uses a frozen chicken roll from the freezer. What would you direct the chef to do? What would you direct servers to tell customers in the dining room?
3. You are in charge of the marketing department of a large hotel located in a small midwestern city that is home to two large universities—one public and one private. A large percentage of your rooms business comes from the universities. The private university has booked fifty single rooms for a group coming from Saudi Arabia for a conference. You are advised that most of these people speak no English and have never before been outside their native country. The university’s conference coordinator informs you that this is a VIP group and that she will gladly pay for special services to make these people comfortable. What special services would you suggest?

4. You are food and beverage manager in a hotel with a restaurant and bar that stays open quite late—until 1:00 A.M. It is now 11:00 P.M., the dinner service is over, and you are in the foodservice area supervising the nightly clean up. You are called to the bar, where you learn that one of the regular customers, a man who lives over twenty miles away, appears to have had too much to drink. The bar is crowded, and this customer is demanding another drink. The bartender does not want to serve him, and the customer is becoming loud and disruptive. What should you do?