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## **TRAVEL AND TOURISM**

## Top 10 Markets

The top ten inbound markets for the UK in terms of number of visits during 2010 accounted for 68% of all visits. It is noteworthy that only two long-haul markets, the USA and Australia, appear in the top ten. Looking at spending by inbound visitors, the top ten markets account for 56% of all spending, with the USA worth almost twice as much as the next most valuable market, Germany. All of the top ten markets measured in terms of value are 'developed' rather than 'emerging' source markets for international tourism.

**Top Ten Markets by Volume (2010)**

	Visits (thousands)	% total
France	3,618	12.1%
Germany	3,004	10.1%
USA	2,711	9.1%
Irish Republic	2,629	8.8%
Spain	1,809	6.1%
Netherlands	1,758	5.9%
Italy	1,472	4.9%
Belgium	1,136	3.8%
Poland	1,101	3.7%
Australia	986	3.3%

**Top Ten Markets by Value (2010)**

	Spend (millions)	% total
USA	£2,133	12.6%
Germany	£1,193	7.1%
France	£1,142	6.8%
Australia	£951	5.6%
Irish Republic	£883	5.2%
Spain	£824	4.9%
Italy	£722	4.3%
Netherlands	£717	4.2%
Canada	£513	3.0%
Belgium	£401	2.4%

## Fastest Growing and Declining Markets

Over the period 2000-10 four out of the five fastest growing markets measured in absolute growth in value are markets in close proximity to the UK, namely France, Spain, Netherlands and Ireland, but it is notable that the value of the Australian market has grown by £434m. The 'relative' growth in value shows the rapid rise in importance of a couple of countries that joined the European Union in 2004 but also reveals a 172% growth in the value of the market from India.

The fastest declining markets over the 2000-10 period in terms of absolute reduction in spending are topped by the USA and Japan. The 'relative' decline figures show that the value of the market from Japan has more than halved in the past decade with a decline of nearly one-quarter in the value of the US market.

## Heritage sites

There are just over 500 World Heritage Sites spread through most countries in the world.



They include famous places such as the Taj Mahal (photo above courtesy of Arthur Jones), the Great Wall of China, and the Galapagos Islands, as well as lesser known but equally significant sites such as Great Zimbabwe Ruins or the Kakadu National Park in Australia. What they all have in common is that they are inscribed by UNESCO on the Register of World Heritage Sites and are thereby recognised as being of universal significance to all humanity. World Heritage Sites can be inscribed because of either their cultural or their natural significance.

There are 14 World Heritage Sites in Britain, including, apart from Hadrian's Wall, the cities of Edinburgh and Bath, the birthplace of the Industrial Revolution at Ironbridge, the Palace and Abbey of Westminster, the Tower of London, Blenheim Palace and the prehistoric monuments of Avebury and Stonehenge.

Hadrian's Wall is the only Roman World Heritage Site in Britain and is the largest of all the British examples. Its universal significance lies in its complexity and high level of survival as the most elaborate of all the frontier works of the Roman Empire. It was inscribed on the World Heritage Register in 1987.

## Functions within the administrative system of an organisation

### Market Research

Researching the market thoroughly can prove to be the single factor in whether a business thrives or struggles. Therefore, it is worth taking time and planning to research well.

The first questions one should be asking and researching is if there is adequate demand for the particular services. It is extremely important to ensure that the business will have a steady constant flow of clients/customers. It's no good giving work to a few clients/customers only to be sat around waiting or wondering when the next client will emerge. One should not be in business if this is the case and it is up to the owner to find out by targeting the market and finding out how many people are actually interested. If this delays the grand opening of the business then that will have to be the case.

### The product or services

When conducting market research, one must also analyse the services and products:

- What is the business offering?
- Is it different from all the other products on the market?
- If there are other similar products on the market why would they come to the new business to buy?
- Has a niche in the market been found or is a unique idea?

The researcher will also need to look further ahead and consider:

- What would happen to the services should a recession hit?
- Are the services essential?

**Task:** The greatest asset any entrepreneur can have is being able to get organised. Give reasons why this is the case.

### Organisational structures

Any type of business whether it be a sole trader or a multinational company will need to be organised if maximum efficiency is to be achieved. Employees will need to know their duties and, should any problems arise, who to approach. This organisation of staff can be illustrated by means of a chart showing the organisational structure of a business. The main characteristic of a business is that there will be:

- (a) A division of labour
- (b) Distribution of authority

## **Europe**

Europe, with its variety of cultures has a range of destinations, which should satisfy every type of holidaymaker. Cities such as Paris, Rome and Madrid are major holiday destinations for tourists from all over the world. Not only do they attract holidaymakers but their importance within their respective countries also makes them important business centres and their large populations also bring in friends and relatives from outside.

### **European cities - Paris**

Paris was founded towards the end of the 3rd century B.C. but acquired much of its present look in the 19th century when Napoleon commissioned Neo-classical edifices such as the Arc de Triomphe, and numerous bridges and fountains; domestic architecture evinced the substantial wealth created by rapid industrial progress.

The Seine River bisects central Paris. To the north of the Seine is the Right Bank, which includes the tree-lined Avenue des Champs-Élysées running west to the Arc de Triomphe. Just east of the avenue is the massive Musée du Louvre. It's 1km further east to the Centre Georges Pompidou; a lively arrondissement (district) of museums, shops, markets and restaurants, while immediately south of here - on the Île de la Cité, the city's ancient royal and ecclesiastical centre - is the magnificent Notre Dame. South of the river is the Left Bank, where the city's most prominent landmark, the Eiffel Tower, stands imperiously.

### **Athens - capital of Greece**

Athens is the oldest inhabited city in the world and has been said to be the cradle of democracy and Western civilisation as we know it today. It started off as a small fortified village built on top of the Acropolis rock as far back as 3.000 years BC. Its first name was Kekropia deriving from its mythical founder and first King Kekrops until such time as the competition between the god Poseidon and the goddess Athena, as to who would become protector of the young and rising city, was won by Athena, who offered the gift of the olive tree and gave the city her name.

The city of Athens grew from a small fortified habitation on top of the Acropolis rock into one of the most powerful city states of the ancient world and produced some of the most famous philosophers, artists and writers, their names world famous through the history of the human race. There are few who don't know the names of Socrates, Plato, Sophocles, Euripides, Aristophanes, Phidias and many, many more.

Through the centuries, Athens absorbed the nearby smaller towns, finally dominating the whole of Attica, creating one of the most powerful alliances in ancient Greece. In time, Athens abolished royalty and became the first democracy in the world, a fact that helped it to grow even more, becoming so powerful that was able to fight off foreign invaders like the ancient Persians.

## The differing seascides



Punch cartoon illustrating a wooden 'bathing machine' ©

These different (if overlapping) versions of seaside nostalgia remind us that there were (and are) many versions of the British seaside. Little informal villages where fishing and farming predominated and visitors entertained themselves and each other, up to big purpose-built holiday towns with the full paraphernalia of commercial entertainment and huge crowds of visitors who needed policing as well as pleasing, whose presence had to be supported by comprehensive and expensive local government systems providing whatever private enterprise could not, would not or (Victorians thought) should not provide at a profit, from drains and gasworks to tramways, promenades and even orchestras.

The celebrations of seaside innocence have to reckon with not only the weather and the ever-present scope for discord within families, but also with the problems that arose when visitors with clashing values and expectations about what constituted legitimate holiday fun came into close and sometimes abrasive holiday proximity. The seaside as relaxing, informal escape from the pressures of the daily grind might also be compromised by the demands of the promenade, of fashion, personal display, flirtation and consumption, at least in the larger resorts.

Victorian holidaymakers were thoroughly 'modern' in their recognition and (sometimes) enjoyment of such imperatives. They did not have to reckon with the problems of bodily exposure and the conflicts between fashion and morality that sunbathing was to bring in the new century, as they sheltered beneath their parasols to protect their milky complexions. But bathing and its regulation, through the attempted imposition and widespread evasion of the regime of separating the sexes and charging for the use of the horse-drawn wooden 'bathing-machine' with its protective 'modesty-hood', provided quite enough controversy in its absence.

## Seaside expansion



The pier at Brighton ©

## Dealing effectively with information seekers

### Case study: Speed of response - English Heritage

When people are seeking information, they can get extremely agitated if kept waiting for long periods on the telephone or at a reception desk. Most major organisations in the leisure and tourism industry are aware of this and have a policy to respond efficiently and quickly to queries from customers. One such organisation is English Heritage who have an extensive customer care policy including responding to customers in a courteous and helpful manner at all times. English Heritage:

- Will answer telephone calls within four rings during office hours and will deal immediately with the enquiry or give an indication as to when an answer will be given.
- Will acknowledge letters within five working days and provide a full reply within 15 working days.
- Will identify themselves by name and also wear identification badges.
- Will provide a helpful and informative service and all staff are made aware of the importance of customer service.
- Will give prompt attention for appointments and dress smartly for all public meetings.
- Will reply to all complaints within 15 days.

The basis behind this policy is to increase visitor's enjoyment and provide their visitors and members good value for money.

#### **Task:**

Consider all the visits you have made to any leisure or tourism organisation during the last year and assess the efficiency of the service you had at one of these. You need to take particular note of:

- How pleasant the staff were
- Did you have prompt attention?
- Were there any factors which spoilt your enjoyment?

Make suggestions as to how the service could be improved

## Customer loyalty

Customer loyalty is very important in the travel and tourism industry. Good customer service will bring customer loyalty. If a holidaymaker buying a package holiday from a travel agent has had excellent service they are far more likely to come back the following year.

## Customer service skills

In this Chapter you will learn about a number of customer service skills. Good customer service involves training. The skills that are required are:

- Listening
- Questioning
- Assertiveness
- Recording
- Empowerment
- Identifying behaviour
- Responsibility limits
- Conflict management
- Establishing and responding to needs
- Problems
- Advice
- Assistance
- Complaints
- Communication skills
- To meet the needs of customers

This section also covers the situation of *the place* where key factors include:

Environment	Noisy Cleanliness
Atmosphere	Volatile
Location	Public place Indoors Outdoors

To many people customer skills will come as a natural part of their personal make up. However, many will need to be trained in using skills to maximum benefit for the business while at the same time providing the best service possible to the customer. Some of these skills are explained below.

### Questions

It's important to develop intelligent, probing questions to get the information required for the customer to make a decision.

Questions can be developed by researching the employer's organisation and the industry.

### Assertiveness

Assertiveness is the ability to express oneself without violating the rights of others. It is appropriately direct, open, and honest communication which is self-enhancing and expressive.

## **How tour operators sell holidays**

A competitive industry such as travel and tourism, which has a high degree of elasticity and is not an essential product to buy, requires skilled marketing to be able to communicate the contents of the product to the potential buying public and to include ways of persuading them to become a customer. This is known as the communication process.

### **The communication process**

The essential process of communication involves sending messages to potential consumers using a variety of methods in order to create awareness and understanding of why people should purchase a specific product or service. If the method of communication is the most appropriate, then there is a possibility that the potential consumer will buy the product or service.

The communication process involves senders and receivers. The organisations which try and sell the product, in this case the tour operators or travel agents are the senders, while the consumers, you and I, are the receivers. The fundamental issue is that the most suitable communication medium is used to get the appropriate impact. The methods of communication available to the communicator, or in this case the marketing department are:

- Advertising
- Public relations
- Sales promotion
- Direct marketing
- Personal selling

It does not necessarily mean that a communication will be received by the target audience. An advertisement for example may be missed for several reasons such as not having time to read the magazine or newspaper. Direct mail is often put in the bin before it is even read. It is important therefore that the method of communication be effective enough to be received. Even if it is received, there is a possibility that no action will be taken or alternatively, the message will be stored by the receiver for a later response.

### **Advertising**

Advertising is just one element of the 'communications mix', the others being sales promotion, public and press relations, personal selling, as well as merchandising and packaging which are considered to be sales promotional activities. The combination is called communication mix because they are all involved in various ways of communicating information to consumers and potential consumers. The simple aim is to persuade people to take positive action by placing orders, making enquiries and purchases.

Advertising is one of the most important promotional tools or marketing functions used in the implementation of marketing campaigns.

## Pricing

The price structure for a typical mass package holiday is shown below. The component prices will vary a little each year depending on a number of factors such as the value of sterling compared with other currencies. The cost can be divided into direct costs and indirect costs.

### Direct costs:

Accommodation	41%
Air seat (inc taxes)	35%
Transfers, excursions etc	2%
Agent's commission	10%
Total	88%
Gross margin	12%

### Indirect costs:

Payroll expenses	4%
Marketing	3%
Office expenses	2%
Total	9%
This leaves a trading profit of..	3%

Source: *Trade information*

This example includes agent's commission; however, operators who sell direct to the public will avoid this expense but are unlikely to save the full 10% as they will have to invest a bigger slice of their budget on marketing.

Most of the bigger tour operators will make most of their sales from summer holidays. A typical example of the sales structure of a large tour operator is shown below:

### Sales Percentages:

Summer packages	60
Winter packages	25
*Minimum rated packages	10
Excursions and Insurance	4
Interest and deposits	1
Total	100

\*Minimum rated packages are basically transport only with nominal accommodation cost so as to comply with the legal definitions of an inclusive tour.

## **Products and services offered by travel agencies**

Product knowledge, that is knowing the details of the many different products sold, is very important in travel agency work. Travel agencies offer a wide variety of products and services to the travelling public. These include:

- Package holidays
- Short breaks
- 'Flight only' sales
- Bookings for hotels and other accommodation
- Holiday insurance
- Theatre bookings
- Car hire
- Ferry bookings
- Rail tickets and excursions
- Cruising holidays
- Coach tickets and holidays
- Activity holidays and special interest holidays
- Foreign exchange and 'traveller's cheques
- Visa and passport applications

## **Package holidays**

Planning a package holiday can take up to two years or even longer. Some package tours planning to events such as the Olympic Games or the Soccer World Cup will start immediately the venue is announced which can be up to six years before the event takes place.

Before any arrangements are made, the tour operator will spend 4 - 6 months checking up on new destinations and hotels. Tour testing is an important element in designing package holidays as any snags that need to be sorted out will need to be done before any bookings are made by the tour operator.

According to Thomson Tours the elements in their package holiday are made up of 'great food, high quality accommodation, superb entertainment and a range of fun activities'. Along with the transport those are the main elements of a package tour.

A package holiday programme is composed of a number of integrated travel services, each of which is purchased by the tour operator in bulk and resold as a package holiday. These travel services include:

- Aircraft seat
- Accommodation at the destination
- Transfer between accommodation and airport
- Excursions optional
- Car hire (optional)
- Resort representative