

Unit 1: The World of Travel + Tourism

Learning Aim D: Factors affecting the travel + tourism industry

D1. Product development + innovation

D2. Other factors affecting travel + tourism organisations

D3. Responses of travel + tourism organisations to external and internal factors



Assessment outcomes

AO1 Demonstrate knowledge and understanding of the travel and tourism industry, types of tourism and organisations involved

Command words: complete, describe, give, identify, outline

Marks: ranges from 2 to 4 marks

AO2 Apply knowledge and understanding of the travel and tourism industry, factors affecting the industry to real-life travel and tourism scenarios

Command words: analyse, assess, calculate, describe, discuss, evaluate, explain

Marks: ranges from 4 to 12 marks

AO3 Analyse information and data from the travel and tourism industry, identifying trends and the potential impact of different factors on the industry and its customers

Command words: analyse, assess, discuss, evaluate

Marks: ranges from 6 to 12 marks

AO4 Evaluate how information and data is used by the travel and tourism industry to make decisions that affect organisations and customers

Command words: analyse, assess, discuss, evaluate

Marks: ranges from 6 to 12 marks

AO5 Explore connections between the factors that influence the travel and tourism industry and how the industry responds to minimise the potential impact on organisations and customers

Command words: analyse, assess, discuss, evaluate

Marks: ranges from 6 to 12 marks

Summary of assessment

This unit is assessed by a written examination set and marked by Pearson.

The examination will be 1.5 hours in length.

The number of marks for the examination is 70.

The assessment is available in January and May/June each year.


PREVIEW

D.

Factors affecting the travel and tourism industry

There are many factors that affect the travel and tourism industry. These factors affect the growth and operations of organisations.


PREVIEW



1. Product development + innovation



2. Other factors affecting travel + tourism



3. Responses to external + internal factors

D1. Product development and innovation

Transportation - air

Developments in transport have made it more efficient, comfortable and cheaper and therefore more appealing to travellers.

Transport hubs have improved to offer a full range of facilities and services, including accommodation, fine dining and shopping.

Examples:

- . The introduction of the Boeing 747 aircraft in the 1970s, which carried more passengers for less, opened up long distance destinations.
- . The Airbus A380 carries 555 passengers but has a capacity of 800.
- . New aircraft like the Airbus A320neo are becoming more fuel efficient
- . Low cost airlines (since the 1990s) offer an affordable and quick way to travel
- . EU regulations mean budget airlines can operate across borders to regional airports, reduce costs and as a consequence improve regional airports



Airbus 380

Transportation - sea

- . Larger cruise ships like the Norwegian of the Seas by Royal Caribbean carries for 5000 passengers
- . Cruise terminal in Southampton now offers a full range of facilities
- . Airlines offer more facilities as they compete with Eurostar and low cost airlines

Transportation - train

- . Train networks around the world are being improved to offer speedy and more convenient travel – the French TGV connects Paris with many destinations across France
- . The Eurostar connects London to Europe offering fast and value for money transportation

Visitor attractions

- . Huge range of attractions – as such its very competitive and attractions have to develop and innovate to survive.
- . Theme parks invest heavily in developing rides to be the fastest, highest etc.
- . Attractions like museums have innovated with VR and other tech to engage with visitors

D1. Product development and innovation

Accommodation

. There are more types of accommodation than ever before.

All customer needs are met.

. Different catering options are available from self catering, to bed and breakfast, to half board, full board and all-inclusive.

. AirBnB is relatively new, whereby people privately rent out a room or an entire apartment or house.

. Holiday parks have developed over time from Butlins in the 1950s to Centre Parcs today.

. Accommodation apps – help you find a room, how to make booking easy

. Accommodation have websites and booking platforms

Cyber security

. All businesses have a responsibility to protect customer data
Examples: EasyJet, British Airways + Marriott

All organisations have a duty to train staff and have adequate security measures in place to protect data.



Reservation and booking

. Computerised Reservation Systems (CRSs) for airlines handles the complexity of reservations

. Online bookings

. Global Distribution Systems (GDSs) can view multiple suppliers in real time.

. Travel systems (Amadeus, Galileo, Sabre) include:

. Administration tasks

. Reservation management + bookings

. Inventory management (products + services)

. Analytics – analyse booking trends

Booking systems have to be compatible with users technology – computers, laptops, mobiles etc. and show 'live' information.

Price comparison websites – Trivago, Skyscanner, Travelsupermarket - allow customers to compare and book.



What type of customer data might a business have?

D1.

Product development and innovation



What sort of customer data might a business have?

PREVIEW





D1. Product development and innovation

TV coverage, film locations + advertising

- . Many of the large tour operators, travel agents – TUI + Jet2 advertise on TV, digital and print.
- . TV locations have become increasingly influential in attracting tourists to destinations around the world. Examples: Lord of the Rings (New Zealand), Game of Thrones (Northern Ireland), Mission Impossible (Dubai). Tourist boards will often use this in their promotions



Research the economic impact of a TV series (or film) has had on a location

Product development + innovation

Media factors – coverage, events and PR

- . News coverage of negative (terrorism + natural disasters) can have significant impact on destinations, and travel + tourism organisations.
- . Tour operators/airlines etc will have public relations (PR) staff trained in disaster management to oversee such events
- . PR staff at large T+T organisations or specialist companies will work with the media to promote new products and services and perhaps get interviews as well as coordinate publicity events and exhibitions. They will have input into the social media posts

Factors affecting the media

- . Social media is used by billions of people worldwide, to relay their travel experiences to their followers. T+T organisations also have a social media presence to communicate with their followers:
- . Provide up-to-date information for travellers (Twitter - X)
- . Engage with customers – likes + comments
- . Promote products + services





D1.

Product development and innovation



Research the economic impact of these TV series (or film) has had on a location

PREVIEW



D2. Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
- **Internal** – factors within the control of an organisation

Economic factors

Economy

The state of economy impacts all businesses – how much money people have to spend

• **Recession** - when the economy is not growing (people are less optimistic and spend less)

• **Inflation** - the rate at which prices rise (increased prices means people can buy less)

• **Interest rates** – the amount a bank charges to borrow money (mortgage) (high interest rates means mortgage payments cost less to spend)

• **Unemployment** - number of people without a job (high unemployment less money to spend)

• **Economic growth** - rate the economy is growing (people optimistic about future – likely to spend more)

• **Disposable income** – amount of money you have left after paying your bills



Other factors affecting travel + tourism



How is the cost of living crisis impacting the travel + tourism industry?

PREVIEW

Financial + Inflation factors

Exchange rates

A country's exchange rate is linked to its economy (a strong growing economy has a currency that is worth more) – a strong pound makes the country popular with inbound tourists but more expensive for outbound tourists

Oil prices

- The price of oil directly effects transport principals like airlines (higher oil prices can lead to more expensive airline tickets – indirectly all the prices of goods can increase as transport costs increase)

Responses to economic factors

T+T organisations need to respond to events (during a recession they may need to reduce prices or discounts to be competitive – but profits will be reduced)

Airlines can fuel hedge – buy oil at a fixed price – but the price of oil can rise and fall so this can be risky.

A fuel surcharge can be added but customers do not like this



D2. Other factors affecting travel and tourism organisations

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How is the cost of living crisis impacting the travel + tourism industry?

PREVIEW

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Social + lifestyle factors

Demographics

Use of demographic data is widely used in businesses: age; gender; income; employment etc

Grey market

Baby boomers (born between 1946 – 1965) have always been a large group with more disposable income. Many of these now retired people are the grey market and have good pensions and improvements in health care means they have the time, money and ability to travel. Saga holidays specialise in providing travel services and holidays for the over 50s.

Millennials (Gen Y)

Born between 1980 and 2000, Millennials are the children of baby boomers. They grew up on a road with the internet. With a basic understanding of the world, they are looking for different experiences: eco; adventure; new destinations; culture + history etc. Greater understanding of the world also encourages people to explore further afield. For students gap years abroad are much more common and specialist travel companies provide support for this.

Other factors affecting travel + tourism

Family structures

Family structures have changed over time with 2 million single families – T+T businesses look to cater to their needs. With life expectancy increasing many holidays are now multi-generational – grandparents, parents and children often in self catering accommodation

Changing working patterns

Flexible Working has allowed parents to have flexible working hours if looking after children/disabled. This may include flexi-time, enabling employees to accrue time off and be more flexible when taking long days. A kind of working from home also gives greater flexibility and many countries offer 'nomad' visas to workers, so travelling and working is more commonplace.

Holiday allowances

Paid holiday was introduced in the UK in 1938. Every full time worker is entitled to a minimum of 28 days per year. (Part time workers can pro rata holidays). Some companies offer more holidays the longer you have work and others offer more as a way of attracting employees.

Trends

It is important for T+T organisations to be aware of and respond to trends in the market. Trade organisations publish reports that often look at what is trending in the market e.g. cruising, eco and adventure holidays.

D2. Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
- **Internal** – factors within the control of an organisation

Social + lifestyle factors

Responses to social + lifestyle factors

Demographics

T+T organisations have to understand the different demographic group needs.

Their own primary research and secondary research will help to identify these needs – ABTA, ALVA, Visit Britain, National Museums etc.

Analysing the competition is essential to see how successful they are meeting the needs of these groups.

Many package holiday companies in the UK offer 'double' rooms for single people and families (most with a 'family' room for children under 12). 'Kids eat for free' is becoming a more common feature all inclusive packages.

Single rooms and bunks have also been reduced for the grey market. The wider market will benefit. Access arrangements for the elderly will also need to be in place.

Other factors affecting travel + tourism



Research a visitor attraction and explain how it was affected by the COVID pandemic

Multi-generational

Growth in this new demographic has seen more alternative staying options appear. AirBnBs have become increasingly popular so much so that in Barcelona the council are looking at ways to limit the number of AirBnBs to avoid tourist overcrowding.

The trend of working from home also gives greater flexibility and many countries offer 'nomad' visas to workers, so travelling and working is more commonplace.

COVID-19

The COVID-19 pandemic closed down the travel + tourism industry for many months at a time. T+T organisations responded as best they could with restrictions in place according to government guidelines. In the UK overseas travel was very restricted so domestic tourism – staycations – boomed.

D2. Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
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Research a visitor attraction and explain how it was affected by the COVID pandemic

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Government legislation and legal factors

Legislation are the laws passed by the government – some them effect travel + tourism

Development of Tourism Act 1969

Established British Tourist Authority and Tourist boards which became VisitBritain. The govts of Wales, Scotland + NI are responsible for tourist in their countries.

The Package Travel Regulations 2018

Sets out the the tour operators' responsibilities to their customers and what happens if they keep to the regulations

Tourism Action Plan 2016-2017

- **Tourism strategy** – supports local and regional govts. departments in the best interests of tourism
- **Events** – events Industry Board support business events and attract more investment to the UK
- **Discover England Fund 2016-2021** – grants for tourism projects to attract inbound tourists

Data protection requirements

The Data Protection Act 2018 means all T+T organisations have to protect customer data. Everyone has the right to access data organisations hold on them – have it corrected or deleted. Consent must be given for this data to be collected

Passport and visa requirements

All UK residents must have a passport to travel abroad. To enter another country you need a visa – unless countries have reciprocal visa free agreements, which encourages tourism between the two countries. India charges £110 for a visa and it takes up to 15 days to process. Some UK inbound passengers will require a visa.



Research which countries UK travellers need a visa to travel to



D2. Other factors affecting travel and tourism organisations

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Research which countries UK travellers need a visa for travel

PREVIEW



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Government legislation and legal factors

Legislation relating to accommodation + activities

Health Act 2006

- . Smoking banned indoors in public buildings
- . Applies to all types of accommodation who must display no smoking signage

Town + Country Planning (Advertising) Regulations 2007

Consumer Protection Regulations 2008

- . Signage for businesses must be helpful and not misleading.
- . Some signs will need permission to erect (size, illuminated etc)



Neon motel signage

Health + Safety at Work Act 1974 Management of Health + Safety at Work Regulations 1992

- . Covers a range of activities that T+T organisations may provide including: gyms; spas; swimming pools; water sports; kids' club etc
- . Full risk assessment in place
- . Examples: signage for depth of water in pools; slippery surfaces around pools
- . Staff should be appropriately trained as life guards; gym instructors; DBS checked when working with children

Adventure Activities Licensing Regulations

- . Covers organisations providing adventure activities to under 18s
- . Full risk assessment for activities
- . Have to have a clear safety management plan in place
- . Covers 26 different activities

D2. Other factors affecting travel and tourism organisations

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Government legislation and legal factors

Air passenger duty

Air passenger duty (APD) - 1994 - is a tax paid by passengers using airports, collected by airlines when tickets are bought. Most countries charge a APD.

Band Distance from London to destination capital city

A	0 to 2,000 miles
B	2,001 miles to 5,500 miles
C	over 5,500 miles

Destination bands	Reduced rate	Standard rate	Higher rate
Domestic		£13	£78
Band A	£13	£26	£78
Band B	£88	£194	£581
Band C		£202	£607

Economy
Based on seat size/pitch + type of aircraft

Business

Private

Airport taxes

Airports charge a fee for a range of services they provide including:

- Landing
- Runway
- Handling
- Passenger handling
- Baggage handling
- Emergency services
- Security

These charges are included in the airline ticket price the customer pays

Responses to legal factors

T+T organisations must comply with all appropriate legislation in the UK and the destination location.

T+T trade associations will lobby government with regard to legislation – taxes are particularly disliked by T+T as higher prices discourages business. Ryanair pulled out of Rygge airport when the Norwegian govt introduced an airline seat tax, the airport later closed down.

T+T organisations and the govt. work hard to establish visa free travel to as many countries as possible to encourage cheaper and hassle free tourism.

D2. Other factors affecting travel and tourism organisations

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Safety and security

Terrorism

Terrorism has a very real effect on travel + tourism. The 9/11 attacks on the Twin Towers in New York, resulted in a decline in people wanting to fly. It took 6 years for number of people flying to the USA to return to pre 2001 levels. Airlines lost money in that time and employees were made redundant. United Airlines one of the biggest airlines in the USA went bankrupt. Immediate consequences of 9/11 was an increase in airport security – no liquids and air marshals on some US flights.

Terrorist attacks across Europe, Asia and Africa have badly affected tourism in those countries for a number of years afterwards.

The UK government's Foreign Office (FCO) advise on all countries including those who have suffered terrorist attacks.

War and civil unrest

Civil wars and unrest in countries can arise unexpectedly and tourists can get caught up in it.

The FCO will advise on such events when they are known. Airlines and tour operators will usually suspend flights/holidays until the FCO advise it is safe.

France saw civil unrest in June- July 2023 and tourists were advised to avoid large towns and cities. Ethiopia has civil unrest in 2023 as two parts of the army are fighting each other. No travel is advised to the country.



French riots 2023



9/11 attacks 2001

D2. Other factors affecting travel and tourism organisations

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Safety and security

Responses to safety + security factors

Safety and security is a major concern for travellers and is therefore a priority for all T+T organisations.

This is the responsibility of government, security services, the police and individual organisations.

Trade associations often provide security advice and training for their members.

Safety + security measures include:

- . Security risk assessments
- . Providing security staff for screen visitors, manage the crowd, secure the building, outside areas, car parks
- . Train all staff in evacuation procedures, liaise with other agencies
- . Use technology like CCTV to monitor visitors

T+T organisations must have a crisis or emergency plan prepared and employees trained in their assigned roles.



CCTV cameras

D2. Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
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Environment and climatic

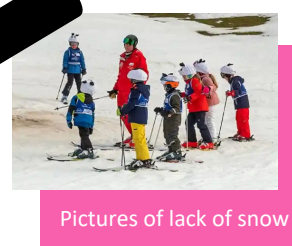
Climate change

Climate change is still uncertain but T+T organisations are starting to see the impact:

- Ski season snow is unreliable
- Higher temperatures
- Changing weather patterns

Responses:

- Ski resorts at lower altitude seeing reduced bookings
- More artificial snow makers
- Some areas more prone to wildfires affecting bookings
- Destination choices and of year to visit being considered



How can the ski industry respond to climate change?



Sustainable

Sustainability is becoming increasingly important in the T+T industry. Organisations look to reduce their use of natural resources in part as a response to customer expectations and government pressure. Their travel in particular is under increasing pressure to be sustainable.

Sustainable tourism includes:

- Reduce and minimise the negative impacts of tourism on a destination – economic, environmental and cultural
- Promote the conservation of the local environment and culture
- Tourism should benefit the local population in terms of improving their quality of life
- Promote local culture and traditions to tourists

Responses:

- Host countries are more aware of the benefits of sustainable tourism
- Individual T+T businesses are embracing sustainability
- Global Sustainable Tourism Council encourages tour operators to adopt sustainable tourism development

PREVIEW

D2.

Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
- **Internal** – factors within the control of an organisation



How can the ski industry respond to climate change?

PREVIEW



D2. Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
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Environment and climatic

Extreme weather events and natural disasters

Extreme weather takes many forms:

- Hurricanes + typhoons
- Earthquakes + tsunamis
- Extreme heat
- Floods
- Wild fires
- Volcanic eruptions



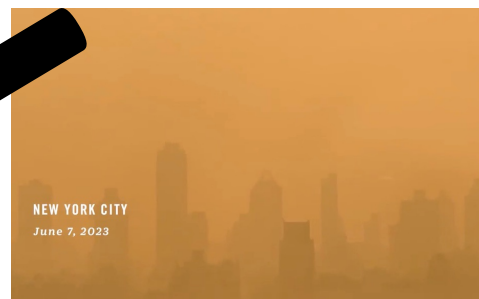
Investigate an example of extreme weather affecting travel and tourism
Explain its impact

Responses:

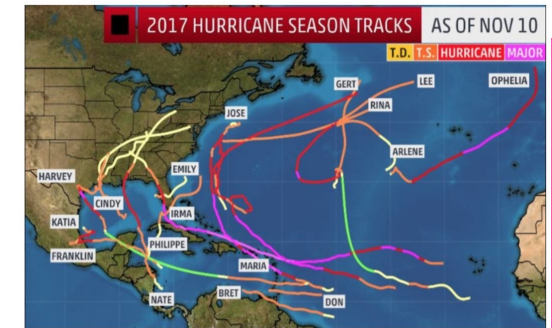
- Tour operators implement emergency plans
- Government responses immediately to reduce effects of the extreme weather
- After the event, marketing to increase and promote and convince visitors to return
- Long term action plans to alleviate extreme weather if possible – snow machines, flood defences etc.



In 2021 Arizona's Lake Powell's water level dropped so low the National Park service restricted house boat usage – badly affecting tourism in the area.



Smoke from wildfires in Canada in 2023 badly affected large areas of North America



2017 Hurricane season in the Caribbean reduced visitors by 800,000 and cost the economies up to \$700 million. Businesses then faced insurance rises of 40% +



D2. Other factors affecting travel and tourism organisations

- **External** - factors outside the organisation
- **Internal** – factors within the control of an organisation



*Investigate an example of extreme weather affecting tourism.
Explain its impact.*

PREVIEW



D3. Responses of travel and tourism organisations to external and internal factors

Increased range and new products and services to match changing and emerging markets

Membership of trade organisations for financial protection and repatriation

Competitive pricing

Increased security measures for maintenance of security of data and preventing of hacking system from

Increased research

Give examples of these responses to different external + internal factors

Product diversification or specialisation

Updated technology and staff training

Public relations management

Variable opening times – flexible staffing

Investment in new/upgrading of facilities

Environment and climatic

Crisis management + major incident plan





D3.

Responses of travel and tourism organisations to external and internal factors



Give examples of these responses to different external + internal factors

PREVIEW



D3. Responses of travel and tourism organisations to external and internal factors

Impact for T+T organisations

- **Cost:** they may be small/have little income to implement changes/install safety features/put up signs
- **Cost of non-compliance:** fines/business closure/imprisonment
- **Maintenance** of facilities/cleanliness – toilets, parking, bins
- **Safety:** signage, information boards, notices
- **Image/reputation damage:** if an accident occurs, loss of customers/negative media coverage
- **Consequence of non-compliance:** overcrowding/injury
- **Training:** time for training staff/employing suitably qualified staff
- **Human resources:** not having enough staff to ensure high standards of service/food/price/service
- **Food service:** cleanliness/food hygiene
- **Environmental health:** avoiding contamination
- **Accident risk:** steps, railings, surfaces, fire
- **Risk assessments:** hazardous activities, e.g., canoeing
- **Awards/certificates/positive image**
- **Compliance:** reduced H&S risks

Implications for customers

- **Cost:** pass on to customers
- **Maintenance** clean and reliable services
- **Safety:** provide useful/important information
- **Image/reputation damage:** avoid organisations with poor reputation
- **Consequence of non-compliance:** overcrowding/injury
- **Training:** reassurance of having qualified staff
- **Human resources:** having enough staff to ensure high standards
- **Food service:** high standards of cleanliness/food hygiene
- **Environmental health:** avoiding contamination
- **Accident risk:** steps, railings, surfaces, fire
- **Risk assessments:** hazardous activities as safe as possible
- **Awards:** attract customers
- **Compliance:** reduce risks

Health & Safety
External factors

D3. Responses of travel and tourism organisations to external and internal factors

Impact of recession on T+T organisations

- **Reduced visitor numbers** to paid attractions/free attractions may increase
- **Growth in shorter holidays**/short breaks/self-catered holidays/cheaper accommodation as there will be less disposable income
- **More domestic holidays** as may be cheaper
- **Less distance travelled**/more day trips/staycations
- **VFR may increase** as people may stay with relatives instead of paying for accommodation
- Spa/golf/**five-star hotels**, usually more expensive, may see **decreased numbers**
- **Increased competition**/decreased profits
- **Special offers**/discounts may need to be used to attract customers
- **Less outbound tourism** may have luxury holidays multiple holidays/UK-based holidays/your operations may lose money/less staff recruitment/lower profit margins
- More holidays out of the peak season – **off peak season**
- **Camping** and **van** holiday may become more popular
- **Value of GBP may go down** so inbound organisations benefit
- **Less opportunity for organisations to grow** and develop as banks less likely to lend money in business loans.

- **Recession** may lead to **reduced profit margins** for redevelopment/investment
- **Staff reduction in permanent staff**/increase in casual staff
- Affects **competitive edge**
- Increase in world oil prices – **increased cost of supplies** and which may not be able to be passed on to the customer
- Guests may **reduce their length of stay** due to reduced disposable income
- **Facilities may be forced to close** due to increased running costs e.g. pool

Positive influences

- **Favourable currency exchange rate** such as falling value of the pound gives an opportunity to attract more overseas visitors
- **Cheaper to borrow money** to use to expand business
- **Low mortgage rates** may mean more disposable income and more short break holidays/use of spa/more meals out
- **High unemployment rates** can lead to increased pool of available staff with a range of skills
- Target market likely to be **affluent/semi-retired** and are not as affected by recession

D3. Responses of travel and tourism organisations to external and internal factors

The World Tourism Organization defines sustainable tourism as “tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.”

Economic

- . Employ local people
- . Use local suppliers (food + drink)
- . Multiplier effect – growth in the local economy

BUT

Using multinational companies leads to leakage:

- . Profits leave the host country
e.g. hotel chains, Pepsi/Coke etc
- . Foreign worker remit their money home

Demands for land and resources

- . price locals out of tourist areas
- . led to water shortages (tourist uses)

Culture

- . Share culture with tourists
- . Opportunity to invest in culture/history through money from tourism



Sustainability
External factors

Environmental

- . Transport:
Public transport: hydrogen buses, trams, cycles
Electric vehicles, safe walking

- . Energy:
solar panels, wind turbines
, Government, local or individual level

- . Building:
use local building materials - sustainable
less concrete

- . Recycle, reuse, reduce
all T+T organisations adopt 3 Rs

Conversation

- . Habitats
- . Wildlife
- . Culture and history



D3. Responses of travel and tourism organisations to external and internal factors

Oil price increases

- . Tend to push prices of most goods up – causing inflation
- . Higher income = less disposable income
- . Cruise and airline industries – directly effected by rise in oil prices

Increase in energy prices affects:

Spend on fuel:

- Cruise companies (11%)
- Airlines (30%)
- Hotels (5%) more for a/c

Airlines may impose a surcharge on its customers if the fuel increases

Organisational response:

- . Increase prices
- . Reduce costs:

cheaper suppliers, reduce quality – reduce portion size – less staff
more efficient use of energy – technology (auto off for a/c)

Customer response

Price increase

- . Reduce length of stay
- . Less long haul holidays
- . More domestic tourism
- . More spending whilst on holiday

Downgrade

- Flights – more budget airlines
- Accommodation – self catering, caravan, camping
- Less holidays - more day visits

Less effect on:

- . Wealthy
- . Some in the grey market



D3. Responses of travel and tourism organisations to external and internal factors

Bad publicity

Admit to the mistake

(unless there is a law reason not to do so)

- . Explain what happened
- . Work with the media to stop false information getting out
- . Correct any 'errors' in the reporting
- . Use all media

Compensate

- . Apologise
- . Compensate the customer
e.g. vouchers, free tickets
- . Turn it into a positive experience of what is being done

Support

- . Highlight positive news from satisfied customers
- . Respond to negative social media

Emergency

Support

Set up a free helpline/webchat to assure customers everything is being done to help them

Update website regularly to ensure that future customers know what the situation is

. Arrange transport home with alternative companies for stranded passengers and communicate this to them clearly by text

. Produce press releases/media statements on what is being done to help

. Post positive reviews online from satisfied customers in terms of accommodation/having refreshments when stranded overseas

. Reply to all negative reviews and offer future discounts

Emergency
Bad publicity
External factors



D3. Responses of travel and tourism organisations to external and internal factors

Providing access - accommodation

- Ramps/accessible rooms/wider doors
- Lower tables/worktops with wheelchair space
- Provide accommodation all on ground level/step free access
- Hoist for hot tub accessibility
- Seat/grab rails in shower
- Rise and recline chairs
- Replace bath with wet room



- Cabins with rooms all on one level
- Enlarge parking area and ensure surface is level with building
- Emergency response alarm/cord/button

Special Needs
External factors

Providing access - attractions

- Accessible parking – level surfaces
 - Ramps / lifts
 - Wheelchairs
- Free entrance for carers
- Accessible rides – help with get into rides
 - Accessible toilets



- Access information centre/website
 - Assistance dogs permitted
 - Large print guides
 - Audio guides
 - Induction loops service
 - Events signed

D3. Responses of travel and tourism organisations to external and internal factors

Grey market

Match products + services

- F+B – tea shops, 'traditional food'
- Accommodation – single occupancy
- Transport – coach holidays

Single parent families

Multi generational

Match products + services

- Variable pricing strategies
- Self catering accommodation
- Kids deals (room + F+B)

Adventure - Extreme

Match products + services

- Offer packages – include beer

Flexible working

Match products + services

- Long weekends
- Short breaks

Implications for Tourism organisations

Off peak season

Special offers + promotions

- Valentine + Halloween events
- Accommodation – single occupancy

Innovation + technology

- Invest to be competitive
- Website/app Interactive

Increase range of products + services

- Meet needs of diverse groups
- Special events
- Meet trends/fashion

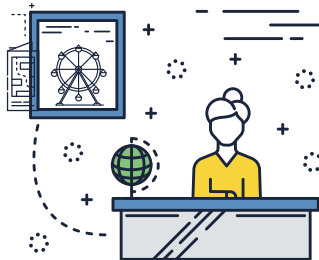
Pricing

- Competitive pricing to match competition
- Variable pricing – single parents, grey market

Flexible staffing arrangements

- Full time/part time/temporary staff to meet customer demands

Social + Internal factors
External factors



D3. Responses of travel and tourism organisations to external and internal factors

• All involved organisations:

Crisis management and major incident plans invoked

All organisations: Refunds, rebooking and compensation costs



• Tour operators:

extra staff to help guests move from accommodation/provide emergency accommodation/shelter if hurricanes are forecast to hit the area



• FCO:

set up emergency lines to reassure relatives in UK over an extreme weather event such as a flood



• Airlines:

may need to reposition aircraft as they may not be able to land due to high winds/storms/fires



• Train companies:

plan detours, cancellations route affected, arrange alternative transport

• **Cruise operators:** may have to alter planned itineraries if a cyclone or hurricane is forecast in the area



D3. Responses of travel and tourism organisations to external and internal factors

Trade associations/regulatory bodies:

- CAA ATOL licence ABTA AITO FCO/FCDO/government
- Travel insurance/payment methods
- Financial protection
- **ATOL protection** includes providing an alternative flight home if customers are stranded abroad if a package holiday/linked holiday with an ATOL Certificate has been booked. ATOL protection gives a full refund in the case of an operator ceasing trading, so customers get all money back if they have not yet travelled.
- **Booking a package** with an ATOL licensed operator gives customers financial protection so there should be no extra cost to them.
- **Travel insurance** may cover additional costs, such as accommodation, waiting for flight home
- Customers who book with a card paid by credit card (over £100) are covered by the credit card company - those who have done this can get a refund
- If the **ABTA** goes out of business and has not paid customers' money to the tour operator, ABTA will make a payment to the tour operator to ensure the holiday can go ahead
- ABTA's schemes also provide protection for non-flight-based holidays such as coach, rail or cruise holidays

Negative issues

- If the business is not covered by ATOL, customers will have to pay for flights again
- Sometimes the FCO/FCDO/government will provide rescue/repatriation flights depending on the scale of failure and destinations
- Not all insurance policies cover for airline/operator financial failure, so could make a claim from the insurance company instead
- If the business failure affects lots of customers there could be lengthy delays in processing refund requests
- Businesses could offer e-vouchers rather than refunds and these may not be covered
- Customers may incur costs for accommodation/meals whilst waiting for repatriation flights



D3. Responses of travel and tourism organisations to external and internal factors

• Maintenance:

unable to fully repair and maintain grounds/facilities/buildings

- increased risk of building issues, erosion + damage to landscape/creatures/habitat

• Reduce number of programmes

education, conservation, exhibitions + events

• Community

less likely to be able to local community network partnerships, etc.

• Impact

Reputation
Brand/Image
Less visitors

Volunteers:

more volunteers, can become more reliant



D3. Responses of travel and tourism organisations to external and internal factors

Positive implications of becoming part of a vertically integrated organisation:

- **Economies of scale**/cost savings as there may only need to be one admin/marketing/finance/HR department for both organisations
- **Financial security** / job prospects for staff in Both organisations
- **Joint / wider marketing** which will be potential customers of all organisations
- **Increased range** of products and services – for all parts of a holiday, contacts and links with experienced mass market operators
- **Better value/reputation** – organisation nationally known, large brand, more recognised
- **Customer satisfaction** levels may improve. Best practise for customer service across all organisations

Negative implications of becoming part of a vertically integrated organisation:

- **Loss of independence** as organisations come under one structure
- **Loss of service/poor service** in one part of integrated organisation e.g. airline – may also impact on other parts of the organisation e.g. tour operator reputation/airline punctuality
- **Less/restricted choice for customers** – may choose to book with an independent operator instead
- **Uncertainty of job security** especially in joint functions where less staff resource may be needed – often initial redundancies
- **Loss/reduction of personal customer care** – larger organisation often lose the personal service
- **Loss of individual image** for as now all being part of larger organisation

Vertical Integration
External Factors

