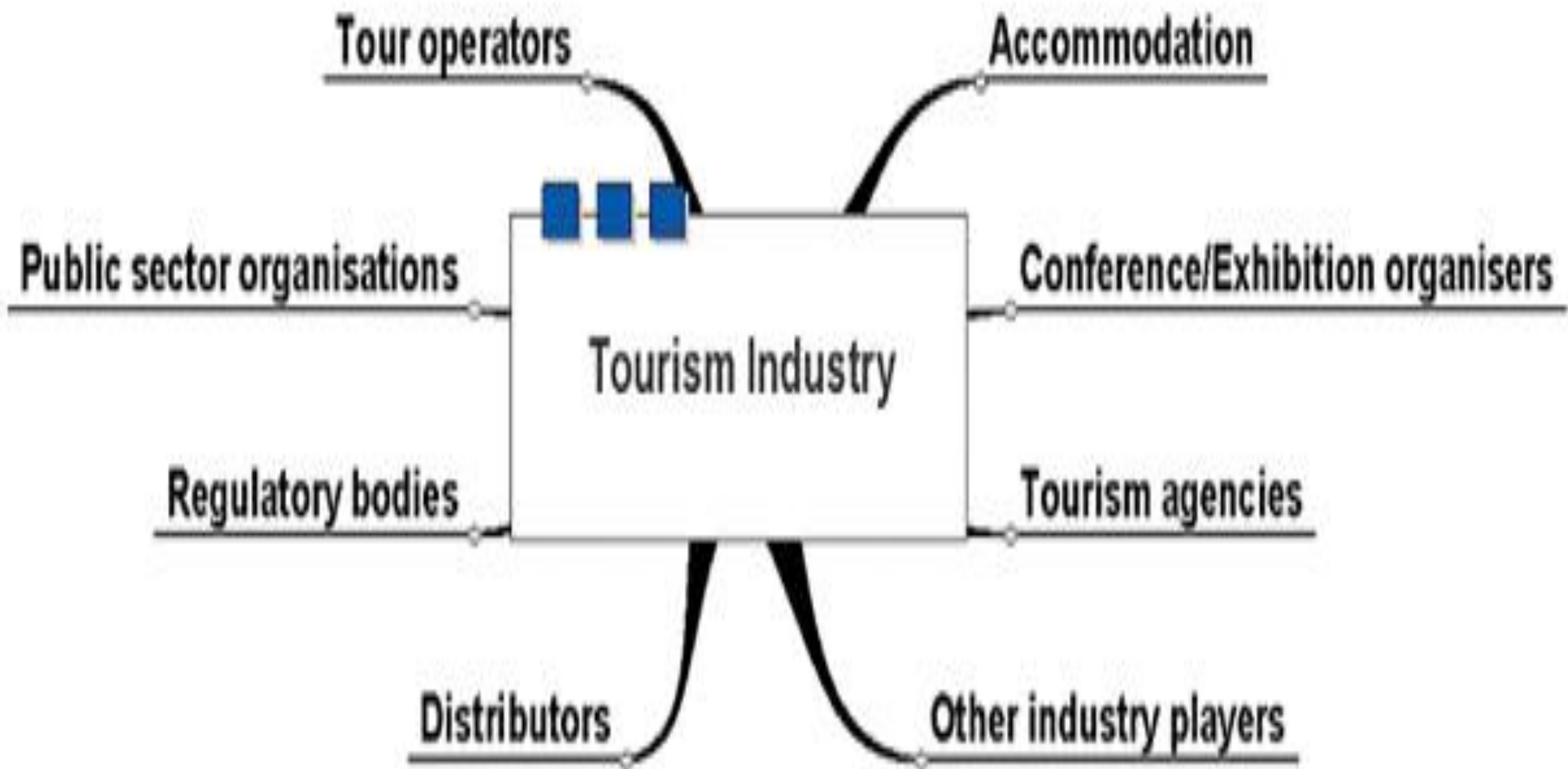


Unit 1

AC 1.3

The structure of the
travel and tourism
industry





SECTORS IN TOURISM



**Sectors of the
travel and tourism
industry**

ACCOMMODATION SERVICES

- One of the largest and fastest growing sectors in the tourism industry. It is also a concern of every traveller, whether looking for a place to pitch a tent or a luxury suite in a fancy resort.
- Booking accommodation, dealing with the vast array of accommodation options, and considering alternative lodging options are all issues that travellers face.
- Accommodations are used for tourist to spend the night; this includes hotels, motels and resorts.
- Accommodations are important because tourist need a place to stay and be accommodated.

ACCOMMODATION SERVICES

- Important to the travel and tourism industry
- Consisting of hotels, B&B's with overall standards significantly improved.
- Travel inns, campsites, caravans and self-catering villas all contribute to the industry.
- Over recent years self-catering where you supply your own food and meals has grown in popularity.

VISITOR ATTRACTIONS

- The action of power of evoking interest, pleasure, or liking something or someone.
- This is a place of interest where tourists visit, typically for its inherent or exhibited natural or cultural value, historical significance, natural or built beauty, offering leisure, adventure, amusement and medical services for aging travellers.
- Attractions include places such museums, art galleries, zoo's, water parks, casinos, aquariums, etc.
- A lot of attractions are for educational purposes and are for entertainment. This generates tourism revenues.

EVENTS AND CONFERENCE SERVICES

- This sector includes meetings, expos, gatherings, and special events.

It includes corporate and private functions that are held in a variety of venues, from hotels and conference centres to events facilities and party functions

EVENTS AND CONFERENCE SERVICES

- The variety of conferences and events is unique and will vary to meet the needs of the organization or group wanting to hold a gathering.

One of the challenges in this sector is being flexible to the individual needs of each party and offering appropriate solutions.

PASSENGER TRANSPORT SERVICES

- Tourism industry needs transports in order to take tourists from one place to another because the aim of the tourist is to reach the destination.
- There are different modes of transports which consist of air, rail, road and water.
- Tourists have a choice to choose which one of the transports is suitable for them.
- There are many reasons to choose modes of transport; tourists might look at the following -speed, safety, price and convenience.
- These different kinds of transports have positive and negative side effects.

PASSENGER TRANSPORT SERVICES cont.

- **ACTIVITY**
- List five (5) types of tourism transportation.
- Discuss their advantages and disadvantages
- 15 minutes

DESTINATION MANAGEMENT SERVICES

- Specializes in designing and implementing corporate programs, including “events, activities, tours, transportation and program logistics” (ADME, 2014).
- Destination Management Companies produce extraordinary experiences rather than general business trips.
- These are typically used as employee incentives, corporate retreats, product launches, and loyalty programs.

DESTINATION MANAGEMENT SERVICES

- Destination Management Companies provide services such as: they are the point of contact for the client, arranging for airfare, airport transfers, ground transportation, meals, special activities, and special touches such as branded signage, gifts, and decor (ADME, 2014).
- The end user is simply given (or awarded) the package and then liaises with the DMC to ensure particular arrangements meet his or her needs and schedule.

CHAIN OF DISTRIBUTION

- Like most industries, being a part of the tourism industry requires you to have industry specific knowledge to create and run a successful business.
- Understanding the distribution systems, recommended rates of commission, and the roles of various booking agents is essential for a successful business.
- The Chain of Distribution is a chart which explains where agents involved with the Travel and Tourism Industry are linked together through the Chain of Distribution.

CHAIN OF DISTRIBUTION

- **There are two ways of reaching potential customers:**
- **DIRECTLY** - You can target visitors directly through advertising, brochure distribution, website, social media, client referrals and so on.
- **INDIRECTLY** - Another way to promote your business is through a third party (indirectly) by using tourism distribution channels such as retail travel agents, wholesalers and inbound tour operators.
-

CHAIN OF DISTRIBUTION



INTEGRATION

- Integration in the travel and tourism industry occurs when one company owns or controls more than one part of distribution process.

There are two types of integration

- Horizontal Integration
- Vertical Integration

INTEGRATION

- **Horizontal Integration** is when the organisation owns two or more companies on the same level of the distribution chain. e.g. First Choice Holidays owns a number of tour operating brands like First Choice Holiday or Sovereign

VERTICAL INTEGRATION

- **Vertical Integration** is when the company integrate at the different levels of the distribution chain. E.g. tour operator work with airline such as First Choice as it is a tour operator which also has an airline named First Choice Airways.

INTEGRATION

Tourism Industry Integration



The differences between public, private and voluntary sector organisations

The Public Sector

- The public sector includes organisations that provide basic public services such as armed forces, policing, roads, education and health. These services are provided through income from taxation.

The Private Sector

The private sector includes organisations and individuals that provide goods and services and their primary aim is to make a profit; for example, shops, manufacturers, financial services, etc.

Profits are distributed to owners and shareholders as well as reinvested.

The Voluntary Sector

1. The voluntary sector is different from the other two sectors because it is 'not-for-profit' and is not government controlled. Traditionally, it has occupied a 'third space' and sits between the public and private sectors (another term for the voluntary sector is the third sector).

The Voluntary Sector cont.

2. The third space is one where needs have not been met because the private sector has not seen it as profitable to do so and the public sector has either neglected these needs or not been able to afford to address them.



Questions?

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