



Unit 10: Tour Operations Management

CLASSES 2 AND 3 TOPICS

- Position of tour operators in the chain of distribution
- Key tour operator profiles including origins, ownership, market segments, competition and scale to differentiate between different tour operators
- Different types of products and services to meet different markets
- The impacts of vertical and horizontal integration on the size and scale of the industry



CHAIN OF DISTRIBUTION

TRAVEL AND TOURISM INDUSTRY

PRINCIPAL/PRODUCERS

ACCOMODATION PROVIDERS (I.E Holiday Inn)
ATTRACTIONS (I.E Universal Studios)
TRANSPORT (I.E Knutsford Express)
ANCILLARIES (I.E Tour Guide Companies)

WHOLESALERS

TOUR OPERATORS

MASS MARKET (I.E First Choice, Cosmos)
SPECIALIST (I.E Kuoni, Cox & Kings)

Also independent, domestic, outbound, and incoming tour operators.

RETAILERS

TRAVEL AGENTS (I.E Thomas Cook)
MULTIPLES (I.E Thomson Holidays)
ONLINE (I.E Trivago)
CALL CENTRE (I.E Eye For Travel)

CONSUMERS

BUSINESS
LEISURE
VFR (VISITING FRIENDS OR FAMILY)
EDUCATIONAL

CHAIN OF DISTRIBUTION

The producers which are the hotels, transport providers, attractions and ancillaries work with the wholesalers which are tour operators which then put packages together, the tour operators work with travel agencies which are the retailers and they then go on to sell packages and holidays to the consumers.

Chains of distributions can get more complicated at times change and businesses grow. For example, some tour operators are now investing in their own airlines. There can also be integrated chains of distributions. For example, Thomas cook have their own airline (producer), tour operators (wholesalers), travel agents (retailers) and ancillary services.



HORIZONTAL INTEGRATION, VERTICAL INTEGRATION AND INTERDEPENDENCIES

► Horizontal Integration

Occurs when companies are bought out or merged at the same level in the chain of distribution, such as travel agencies buying each other. Often original brand names are retained so the general public are unaware of the takeover. If a tour operator buys another tour operator at the same level in the chain of distribution, this is known as horizontal integration.

► Vertical Integration

This is where the supply chain of a company is owned by that company. Usually each member of the supply chain produces a different product or (market-specific) service, and the products combine to satisfy a common need. It is contrasted with horizontal integration. Vertical integration occurs when two companies at different levels in the chain of distribution merge or are bought. For example a tour operator may buy a travel agency. Tour operators have bought or created airlines, hotels and travel agencies. This means they own all the different components in the chain of distribution and are able to control the whole operation. For example First Choice and Tui are both tour operators and they merged together, now Thomson owns both of them; Co-op Travel and Thomas Cook have recently merged to save costs and make more profit.

► INTERDEPENDENCIES

Each organisation is dependent on others for its effective operation. For example, a visitor attraction depends on the transport industry to bring its customers to the attraction. It also needs the service of the local and regional tourist boards to promote it.

HORIZONTAL INTEGRATION, VERTICAL INTEGRATION AND INTERDEPENDENCIES

► INTERRELATIONSHIP BETWEEN CHESTER ZOO AND GRAYWAY COACHES -

Chester Zoo work together with Grayway Coaches to transport visitors from all over the North West of England to their attraction. This makes it easier for both companies to gain more customers as they are working together instead of independently which is going to help them make more money and persuade customers to use their products and services again. Both Chester Zoo and Grayway Coaches are principles on the Chain of Distribution. This is an example of horizontal integration as both businesses are on the same level and they work together. One reason why Chester Zoo works with Grayway coaches and other coach companies all over the UK, is to make it easier for people to visit the attraction so they have more customers and make more money. These are examples of interdependent companies as Chester Zoo rely on Grayways to bring customers from the North West to their attraction and Grayways rely on Chester Zoo to offer deals for coach trips so they're able to organize the excursions. Grayways have 11 organized trips to Chester Zoo every year which gives people in the local area plenty opportunities to visit Chester Zoo along with many other attractions.

► INTERRELATIONSHIP BETWEEN THOMSON AND FIRST CHOICE HOLIDAYS

In 2007, holiday companies Thomson and First Choice Holidays decided to merge and work together. This is an example of vertical integration as the companies are on different levels on the Chain of Distribution and combined to create one single travel company. Thomson bought out First Choice holidays in a deal that would create a new force in the European travel industry. However, customers can still book their holidays with First Choice as they have separate websites and travel agents but they will usually fly on a Thomson plane with a Thomson crew. The new company, called TUI Travel, has annual revenues of more than £12bn and 27m customers. It operates in 20 countries, serving more than 200 destinations. The deal brought together two of the best-known names in the UK travel industry, the new company is 51% owned by TUI and 49% by First Choice shareholders. The merge produced cost savings of £100m a year, the bulk of which came from combining back office operations of the two businesses. Around a third of the planned savings came from combining the airline businesses. In addition, this creates more customers for both companies as repeat customers from Thomson are more likely to use First Choice and repeat customers from First Choice are more likely to use Thomson.

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The World's Most Successful Tour Operators Share Their Secrets

Top Tour Operators In Different Continents

- ▶ <https://www.tripadvisor.com/ExperiencesInsights/manage-business/the-worlds-most-successful-tour-operators-share-their-secrets>



MARKET SEGMENTATION

IN THE TRAVEL AND TOURISM INDUSTRY



MARKETING SEGMENTATION IN THE TRAVEL AND TOURISM INDUSTRY

Considering the travel market is far too large and diverse to reach effectively, tourism marketers use segmentation to better understand customer needs and allocate marketing dollars effectively. Effective segmentation is based on extensive quantitative research focusing on large numbers of people and grouping them together based-upon shared characteristics such as demographics, behavioral patterns, or cognition ratings. Once identified, these groups are referred to as particular segments and able to be targeted by particular product offerings, services, and tailored marketing messages.



MARKETING SEGMENTATION IN THE TRAVEL AND TOURISM INDUSTRY

SEIZE THE MICRO-MOVEMENT

Often tourism and travel market segments are created by one, or a combination, of the following:

- Age / Life Stage (e.g., millennial, retiree)
- Motive
- Socioeconomic status
- Type of travel (e.g., business, leisure, extended stay)
- Geography

With online research easier and more portable than ever, we like to think about marketing segments a little differently. Travel brands and destination marketers should consider the moments your potential customers may jump online from their phone or computer—as the biggest marketing opportunity.

While the **who** still matters when you're trying to reach an audience—the **when** is more vital than ever.

For example, think about how you planned your last vacation. If you were like most, you bounced back and forth between dreaming about and loosely planning your next getaway—zooming in on a destination and quickly bouncing around in search of inspiration only to zoom out and consider all the options yet again. This quick spurt of research to answer an immediate need (usually turning to a search engine) has been coined “a micro-moment” by Google and is a huge opportunity for destination marketing organizations and the key to attracting and earning a savvy traveler’s consideration.



COMPETITIVENESS IN TOUR OPERATIONS

Hebestreit (1992) defines the ready-made inclusive tour (as opposed to the tailor-made one) as 'a service package comprising at least two complementary travel services; it is created in advance for a yet unknown customer and is offered at a total price, with the prices of the individual services not being identifiable.' The production and distribution system of inclusive tours comprises the following components:

- Producers of individual travel services (e.g. accommodation providers, transport companies etc.);
- Tour operators acting both as producers (by combining the individual components into a new product) and wholesalers (through brochure production and reservation systems);
- Retailers (e.g. travel agencies, travel-related websites etc.).

COMPETITIVENESS IN TOUR OPERATIONS

Dominance of the inclusive tour market by the major tour operators

The inclusive tour market of West and North European countries – especially for Mediterranean-bound holiday trips – is dominated by a few major tour operators. In Germany, for instance, the two largest operators TUI (Touristik Union International) and Thomas Cook had a combined 51 per cent share of the industry's 2003 revenues, with the top five operators controlling 79.5 per cent of the market. The market concentration is more limited in Britain, with the top five operators securing 52.4 per cent of the total air-based inclusive tour revenues.

Table 6.2 Market share of Germany's and the UK's five largest tour operators, 2003

| Germany's five largest tour operators | Market share for 2003 |
|---|--------------------------------|
| TUI | 28.7% |
| Thomas Cook | 22.3% |
| Rewe Touristik | 17.0% |
| Alltours | 7.2% |
| Öger | 4.3% |
| <i>Market share of top 5 operators</i> | <i>79.5%</i> |
| <i>Total revenue of Germany's large tour operators in 2003</i> | <i>14 billion Euros</i> |
| UK's five largest air travel organisers | Market share for 2003 |
| TUI UK (former Thomson) | 16.9% |
| MyTravel (former Airtours) incl. Direct Holidays and Panorama Holiday Group | 14.4% |
| First Choice (former Owners Abroad) | 10.2% |
| Thomas Cook | 9.0% |
| Trailfinders | 1.9% |
| <i>Market share of top 5 operators</i> | <i>52.4%</i> |
| <i>Total number of passengers carried on Air Travel Organisers' Licences in 2003</i> | <i>27,800,000</i> |



COMPETITIVENESS IN TOUR OPERATIONS

Recent developments affecting competition in the inclusive tour market

- ▶ Internet Based Retail
- ▶ Low Cost Airlines

Tour operators dominated the European southbound holiday market because of the advantages of inclusive tours versus self-organized holidays, i.e. low cost, convenience and security (Middleton, 1988). Tour operators are achieving volume discounts on room rates and a low cost per passenger on their charter flights due to limited overhead costs and high load factors. These savings are passed on to customers. The very same advantages – low cost and ease of booking – are now offered by online travel agencies and low-cost carriers, as well.



COMPETITIVENESS IN TOUR OPERATIONS

Internet-based retail, for instance, is profiting from:

- Low-priced travel components (such as accommodation, as hotels are unloading excess and highly perishable room capacity through the Internet by offering high discounts);
- Lower cost structure as compared to conventional inclusive tour distribution (higher degree of automation, no brochure production, no city center office rent, no travel agency commission etc.);
- User-friendly interfaces;
- Dynamic packaging allowing travelers to tailor their package of travel services to their individual needs while still enjoying low prices (Karayanni, 2004).

Low-cost carriers have emerged as competitors not only to full-service carriers but also to charter flights due to their low prices. The consumer now has the choice of either buying an inclusive tour for the next summer holidays or combining a flight on a low-cost carrier with discounted accommodation arranged over the Internet.



WHAT IS A TOURISM PRODUCT?

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TOURISM PRODUCT

Tourism Products are products which can be sold in the tourism market. It can be anything which provides satisfaction during the course of visit of the particular tourist.

The tourist product focuses on facilities and services designed to meet the needs of the tourist. It can be seen as a composite product, as the sum total of a country's tourist attractions, transport, and accommodation and of entertainment which result in customer satisfaction. Each of the components of a tourist product is supplied by individual providers of services like hotel companies, airlines, travel agencies, etc.



TOURISM PRODUCT

The tourist product can be analyzed in terms of its attraction, accessibility and accommodation.

ATTRactions

Of the three basic components of a tourist product, attractions are very important. Unless there is an attraction, the tourist will not be motivated to go to a particular place. Attractions are those elements in a product which determine the choice made by particular tourist to visit one particular destination rather than another. The attractions could be cultural, like sites and areas of archaeological interest, historical buildings and monuments, flora and fauna, beach resorts, mountains, national parks or events like trade fairs, exhibitions, arts and music festivals, games, etc.

Location and accessibility (whether a place has a coastal or inland position and the ease with which a given place can be reached) are important. Physical space may be thought of as a component for those who seek the wilderness and solitude. Scenery or landscape is a compound of landforms; water and the vegetation and has an aesthetic and recreative value. Climate conditions, especially in relation to the amount of sunshine, temperature and precipitation (snow as well as rain), are of special significance.



TOURISM PRODUCT

The tourist product can be analyzed in terms of its attraction, accessibility and accommodation.

ACCESSIBILITY

It is a means by which a tourist can reach the area where attractions are located. Tourist attractions of whatever type would be of little importance if their locations are inaccessible by the normal means of transport. A Tourist in order to get to his destination needs some mode of transport. This mode may be a motor car, a coach, an airplane, a ship or a train which enables him to reach his predetermined destination. If tourist destinations are located at places where no transport can reach or where there are inadequate transport facilities, they become of little value. The tourist attractions, which are located near the tourist generating markets and are linked by a network of efficient means of transport, receive the maximum number of tourists.

ACCOMMODATION

The accommodation and other facilities complement the attractions. Accommodation plays a central role and is very basic to tourist destinations. World Tourism Organization in its definition of a tourist has stated that he must spend at least one night in the destination visited, to qualify as a tourist. This presupposes availability of some kind of accommodation.

Characteristics Of Tourism Products

Tourism products are mainly service products or services which have several characteristics. For example in the business tourism, conference planning and management is a service offered by large hotels and convention centers. Fairs and festivals are events which are offered for enjoyment only at a particular time of the year and these are perishable and variable. In India, cultural attractions in the forms of dances and music can be seen and enjoyed. Other products which tourists consume like wildlife, and flora and fauna are natural products.

Some of the characteristics are;

1. Intangible

Unlike a tangible product, say, a motor car or refrigerator, no transfer of ownership of goods is involved in tourism. The product here cannot be seen or inspected before its purchase. Instead, certain facilities, installations, items of equipment are made available for a specified time and for a specified use. For example, a seat in an airplane is provided only for a specified time.

2. Psychological

A large component of tourism product is the satisfaction the consumer derives from its use. A tourist acquires experiences while interacting with the new environment and his experiences help to attract and motivate potential customers.

Characteristics Of Tourism Products

Some of the characteristics are;

3. Highly Perishable

A travel agent or tour operator who sells a tourism product cannot store it. Production can only take place if the customer is actually present. And once consumption begins, it cannot be stopped, interrupted or modified. If the product remains unused, the chances are lost i.e. if tourists do not visit a particular place, the opportunity at that time is lost. It is due to this reason that heavy discount is offered by hotels and transport generating organizations during off season.

4. Composite Product

The tourist product cannot be provided by a single enterprise unlike a manufactured product. The tourist product covers the complete experience of a visit to a particular place. And many providers contribute to this experience. For instance, airline supplies seats, a hotel provides rooms and restaurants, travel agents make bookings for stay and sightseeing, etc.

5. Unstable Demand

Tourism demand is influenced by seasonal, economic political and others such factors. There are certain times of the year which see a greater demand than others. At these times there is a greater strain on services like hotel bookings, employment, the transport system, etc.

6. Fixed supply in the short run

The tourism product unlike a manufactured product cannot be brought to the consumer; the consumer must go to the product. This requires an in-depth study of users' behavior, taste preferences, likes and dislikes so that expectations and realities coincide for the maximum satisfaction of the consumer. The supply of a tourism product is fixed in the short run and can only be increased in the long run following increased demand patterns.

Characteristics Of Tourism Products

Some of the characteristics are;

7. Absence of ownership

When you buy a car, the ownership of the car is transferred to you, but when you hire a taxi you buy the right to be transported to a predetermined destination at a predetermined price (fare). You neither own the automobile nor the driver of the vehicle. Similarly, hotel rooms, airline tickets, etc. can be used but not owned. These services can be bought for consumption but ownership remains with the provider of the service. So, a dance can be enjoyed by viewing it, but the dancer cannot be owned.

8. Heterogeneous

Tourism is not a homogeneous product since it tends to vary in standard and quality over time, unlike a T.V set or any other manufactured product. A package tour or even a flight on an aircraft can't be consistent at all times. The reason is that this product is a service and services are people based. Due to this, there is variability in this product. All individuals vary and even the same individual may not perform the same every time. For instance, all airhostesses cannot provide the same quality of service and even the same air hostess may not perform uniformly in the morning and evening. Thus, services cannot be standardized.

9. Risky

The risk involved in the use of a tourism product is heightened since it has to be purchased before its consumption. An element of chance is always present in its consumption. Like, a show might not be as entertaining as it promises to be or a beach holiday might be disappointing due to heavy rain.

10. Marketable

Tourism product is marketed at two levels. At the first level, national and regional organizations engage in persuading potential tourists to visit the country or a certain region. These official tourist organizations first create knowledge of its country in tourist –generating markets and persuade visitors in these markets to visit the country. At the second level, the various individual firms providing tourist services, market their own components of the total tourist product to persuade potential tourists to visit that region.

There are many tourism products that are available to the consumer today. In modern times these products, whether traditional in nature like culture and pilgrimage, or modern like adventure, conventions and conferences, health, medical, etc. are being packaged, promoted and priced appropriately to woo as many tourists as possible.



Different Types of Tourism Products

The tourism product which is a combination of tangible and intangible products can be a thing, an event, or a place which motivates the tourists towards it. There are different ways in which the tourist products can be classified;

- Natural Tourism Products
- Man Made Tourism Products
- Symbiotic Tourism Products
- Event Based Tourism Products
- Site Based Tourism Products
- *Other Tourism Products*



Natural Tourism Products

These include natural resources such as areas, climate and its setting, landscape and natural environment. Natural resources are frequently the key elements in a destination's attraction. **Let us look at some examples:**

1. Countryside
2. Climate- temperature, rains, snowfall, days of sunshine
3. Natural Beauty- landforms, hills, rocks, gorges, terrain
4. Water- lakes, ponds, rivers, waterfalls, springs
5. Flora and Fauna
6. Wildlife
7. Beaches
8. Islands
9. Spas
10. Scenic Attractions

The climate of a tourist destination is often an important attraction. Good weather plays an important role in making a holiday. Millions of tourists from countries with extreme climates visit beaches in search of fine weather and sunshine. The sunshine and clear sea breeze at the beaches have attracted many people for a very long time. In fact, development of spas and resorts along the sea coasts in many countries were a result of the travelers urge to enjoy good weather and sunshine.



Man Made Tourism Products

Man-made tourism products are created by man for pleasure, leisure or business. Man-made tourism products include:

(A) CULTURE

- Sites and areas of archaeological interest
- Historical buildings and monuments
- Places of historical significance
- Museums and art galleries
- Political and educational institutions
- Religious institutions

Cultural tourism is based on the mosaic of places, traditions, art forms, celebrations and experiences that portray the nation and its people, reflecting the diversity and character of a country.



Man Made Tourism Products

Man-made tourism products are created by man for pleasure, leisure or business. Man-made tourism products include:

(B) TRADITIONS

- Pilgrimages
- Fairs and festivals
- Arts and handicrafts
- Dance • Music • Folklore
- Native life and customs

A pilgrimage is a term primarily used for a journey or a search of great moral significance. Sometimes, it is a journey to a sacred place or shrine of importance to a person's beliefs and faith. Members of every religion participate in pilgrimages. A person who makes such a journey is called a pilgrim. A large number of people have been making pilgrimages to sacred religious places or holy places. This practice is widespread in many parts of the world. In the Christian world, for instance, a visit to Jerusalem or the Vatican is considered auspicious. Among Muslims, a pilgrimage to Mecca is considered a great act of faith. In India there are many pilgrimage centers and holy places belonging to all major religions of the world. India is among the richest countries in the world as far as the field of art and craft is concerned. Tourists like to visit and see the creative and artistic treasures of various countries.



Man Made Tourism Products

Man- made tourism products are created by man for pleasure, leisure or business. Man- made tourism products include:

(C) ENTERTAINMENT

- Amusement and recreation parks
- Sporting events
- Zoos and oceanariums
- Cinemas and theatre
- Night life • Cuisine

Tourist products that have entertainment as their main characteristic are many. Just to name a few there are amusement and recreational parks like Disneyworld in United States, Hong Kong, Paris, Singapore and theme parks in various countries and cities like Appu Ghar and Fun and Food Village in Delhi, Essel World in Mumbai and so on. Tourists may come to attend sports events and it is also an opportunity to explore the country. The fundamental concept is that all tourist activities have an influence on providing economic benefits and have a powerful influence in some definite locality, like the Olympics in London (2012) has given immense benefit to all in tourism business in London in particular and United Kingdom in general.



Man Made Tourism Products

Man- made tourism products are created by man for pleasure, leisure or business. Man- made tourism products include:

(D) BUSINESS

- Conventions
- Conferences

People who travel in relation to their work come under the category of business tourism. However such travel for business purposes is also linked with tourist activity like visiting places of tourist attraction at the destination, sight seeing and excursion trips. Business travel is also related to what is termed today as convention business, which is a rapidly growing industry in hospitality and tourism.

A business traveller is important to the tourism industry as it involves the usage of all the components of tourism. He travels because of different business reasons- attending conventions and conferences, meetings, workshops etc. Participants have a lot of leisure time at their disposal. The conference organisers make this leisure time very rewarding for participants by organising many activities for their pleasure and relaxation. The spouses and families accompanying the participants are also well looked after by the organisers. The organisers plan sight seeing tours and shopping tours for the participants and their families.



Symbiotic Tourism Products

Some tourism products do not fall into the above categories. Wildlife sanctuary, Marine parks, Aero products and Water sports, Flower festivals are the example of tourism products which are a blending of nature and man. Nature has provided the resource and man has converted them into a tourism product by managing them. National parks for example, are left in their natural state of beauty as far as possible, but still need to be managed, through provision of access, parking facilities, limited accommodation, litter bins etc. Yet the core attraction is still nature in this category of product. These products are symbiosis of nature and man.

In case of adventure sports tourists can be participants. The basic element of adventure is the satisfaction of having complete command over one's body, a sense of risk in the process, an awareness of beauty and the exploration of the unknown.

Adventure tourism can be classified into aerial, water based and land based.

Aerial adventure sports include the following activities- (a) Parachuting (b) Sky Diving (c) Hang Gliding (d) Para Gliding

Water based adventure sports include the following- (a) White water rafting (b) Canoeing and Kayaking (c) Adventure sports in the waters of the sea like wind surfing, scuba diving, snorkeling, yachting, water skiing, etc.

Land based adventure tourist products include the following- (a) Rock climbing (b) Mountaineering (c) Trekking (d) Skiing



Event Based Tourism Products



Where an event is an attraction, it is an event based tourist product. Events attract tourists as spectators and also as participants in the events, sometimes for both. The Oktoberfest organised in Germany, Dubai and Singapore shopping festivals, the camel polo at Jaisalmer, Kite flying in Ahmedabad attracts tourists, both as spectators and participants. Whereas in case of the Snake Boat race of Kerala can be enjoyed witnessing it. Event attractions are temporary, and are often mounted in order to increase the number of tourists to a particular destination. Some events have a short time scale, such as the Republic Day Parade, others may last for many days, for example Khajuraho Dance Festival or even months like the Kumbh Mela. A destination which may have little to appeal to tourists can nevertheless succeed in drawing tourists by hosting these events.



Site Based Tourism Products

When an attraction is a place or site then it is called a site based tourist product. Site attractions are permanent by nature, for example Taj Mahal, The Great Wall of China, The Grand Canyon in Arizona, Eiffel Tower, Statue of Liberty, Temples of Khajuraho, etc. A site destination can extend its season by mounting an off season event or festival. A large number of tourists are attracted every year by the great drawing power of Stratford on Avon in England because of its association with Shakespeare, the city of Agra in India with its famous Taj Mahal, and Pisa in Italy for its famous Leaning Tower etc.

Some new features have been added to the same product to keep the tourist interest alive in the products. For example now visitors can see the Taj Mahal by night, music shows have been organized with Taj as the backdrop so that there are repeat tourists as well.



Other Tourism Products

► **HEALTH TOURISM**

People are travelling to various countries for treatment of various ailments and medical procedures like Cardio care, Bone Marrow Transplant, Dialysis and Kidney transplant, Neuro surgery, Joint Replacement Surgery, Urology, Osteoporosis, and numerous other diseases. Even cosmetic surgery, alternative medicines like homeopathy, acupuncture, ayurvedic medicines and naturopathy are also becoming tourism products wherein travel companies are offering Yoga and Rejuvenation packages. Tourists travel for what is illegal in one's own country, e.g. abortion. Tourists travel also for advanced care that is not available in one's own country, in the case that there are long waiting lists in one's own country or for use of free or cheap health care organisations.



Other Tourism Products

► **ECO-TOURISM**

Tourism that combines local economic development, protection of the quality of the environment and promotion of the natural advantages and the history of an area. The combination of all or some of the above mentioned kinds of tourism could contribute significantly to the development of tourism in any country. The availability of tourist packages involving gastronomy, entertainment and information about the cultural wealth of a country should be regarded as a priority issue for tourist agents, as it will reduce the concentration of tourist activity in certain areas and will improve and enrich the tourist.



Other Tourism Products

► **RURAL TOURISM**

Any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby, benefiting the local community economically and socially as well as enabling interaction between the tourists and the locals for a more enriching tourism experience can be termed as rural tourism. It is multifaceted and may entail farm/agricultural tourism, cultural tourism, nature tourism, adventure tourism, and eco-tourism. The stresses of urban lifestyles have led to this counter-urbanization approach to tourism. There are various factors that have led to this changing trend towards rural tourism like increasing levels of awareness, growing interest in heritage and culture and improved accessibility and environmental consciousness. Tourists like to visit villages to experience and live a relaxed and healthy lifestyle.



Other Tourism Products

► **ETHNIC TOURISM**

Ethnic tourism is travelling for the purpose of observing the cultural expressions of lifestyles of truly exotic people. Such tourism is exemplified by travel to Panama to study the San Blas Indians or to India to observe the isolated hill tribes of Assam. Typical destination activities would include visits to native homes, attending traditional ceremonies and dances, and possibly participating in religious rituals.



Other Tourism Products

► **SENIOR CITIZEN TOURISM**

A newly emerging trend in tourism, basically for senior citizens or old people who live in isolation, especially in the west, because of daily busy schedules of their children and more importantly the attitudes. The characteristic feature of this type of tourism is that the senior people are less demanding in the form of facilities and services, besides leaving minimum impact on the destination community and their main consideration is on personalised service.



Other Tourism Products

► **SPIRITUAL TOURISM**

Many people when living under conditions of stress turn to spirituality. The Eastern world is considered to be very spiritual with many of the new age Gurus and their hermitages. This takes the form of another tourism product, that is, spiritual tourism. Tourists visit places to attend spiritual discourses and meditation workshops. For example, The Osho Foundation, Art of Living Foundation which have centres all over the world, Buddhist Monasteries and Ashrams.

Other Tourism Products

► GOLF TOURISM

Golf has been enjoyed by many for a long time. Earlier it was enjoyed as a sport but in recent times it has developed into a hot tourism product. Many tourist organizations plan promotional packages to woo the golf tourist especially from Japan where the green fees are very high. These tourists take exclusive golfing holidays wherein their accommodation is also arranged near the course and they return after serious golf playing.





Q&A

1. What are the 4 main components of the chain of distribution and what falls under each category?
2. Define:
 - Horizontal Integration
 - Vertical Integration
 - Interdependencies
3. How can Tour Operators remain competitive in the marketplace?
4. What are some of the characteristics of Tourism Products?
5. What are the types of Tourism Products?