

## Component 3 – The Scale of the Travel and Tourism Industry / Factors affecting the travel and tourism

### C1 Importance of the UK as a global destination

**Tourist numbers** – world ranking, tourist arrivals, main generating areas.

**Economic importance** – value of inbound tourism, tourism receipts and employment, contribution of tourism to UK balance of payments and gross domestic product (GDP), the UK's role in international tourism.

### C2 Employment in travel and tourism

**Direct employment** in travel and tourism: transport principles, transport hubs and gateways, tour operators, travel agents, visitor attractions, accommodation, trade associations and regulatory bodies, information and promotional services.



**Indirect employment** in organisations that support travel and tourism: insurance companies, brochure and website content researchers and maintenance, suppliers for retail, catering and hospitality, souvenir shops and manufacturers, travel journalism.



**Roles:** customer-facing (telephone and web-based roles), support or administration, graduate programmes or trainees, managerial and supervisory.

### C3 Visitor numbers

**Visitor numbers by type of tourism** – Inbound, outbound, domestic, business, VFR, day trips.

**Visitor numbers by other factors** – type of transport, country of origin or destination, accommodation type, region or city visited, by types of activities carried out.

**Trends:** growth areas of origin and destination, changing purpose of visit, transport type used, length of stay, increase and decline in popularity of destinations, tourism types.

Define the term GDP.

### C4 Income and spending

**Income and turnover** – contribution to GDP (defined as the value of a country's economy), leakage (defined as tourist income that comes into a country but is not retained by that country), multiplier effect (defined as direct spending by tourists, which is circulated through the economy on indirect products and services), profit margins and commission levels.

**Spending on** – accommodation by type, food, drink, souvenirs by type, transport (local and arrival), entertainment, admission fees to attractions.

In its article, Love2Travel has included VisitBritain™ data, shown in Table 1 below. The table is missing some data.

(b) Complete the table by filling in the **three** blank boxes.

3 marks

Table 1 – Inbound UK visits and spend in 2014

Purpose of travel to the UK	Visits in millions	Spend in £ billions	Nights stayed in millions	Average number of nights stayed per visit
Holiday	13.58	8.66	83.31	6.13
Business	8.28	5.02	34.28	(1)
VFR	9.76	4.62	101.11	10.36
Study	(1)	1.71	27.14	43.21
Other	2.13	1.70	18.73	8.79
Total	34.38	21.71	(1)	

(Source: adapted from <http://www.visitbritain.org/nation-region-country-data#sthash.XOAGNBXW.dpuf>)

The data in Table 1 is produced and used by the travel and tourism sector information and promotional service providers.

(c) Explain how **one** other travel and tourism sector could use this data.

2 marks

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### D1 Product development and innovation

**Development and innovation** – larger and faster transportation; airport growth; improved accessibility to destination; improved facilities both on transport and in terminals, hubs and gateways, increased range of choice in accommodation and increased variety of attractions, booking systems, computers, online, mobile, rise of call centres, advances in Computer Reservation System (CRS) and Global Distribution System (GDS) for agents and operators, comparison websites, technology, including potential hackers and system failures and maintaining security of data.

**Media factors** – increased TV coverage, film locations, adverts, social media usage, by organisations and customers, influence of social media in research and customer reviews and opinions, media coverage of events, importance of managing – bad and good press, incidents, image

### D2 Other factors affecting organisations in the travel and tourism industry

**Economic factors** – recession or growth, currency exchange rates and fluctuations, available disposable income as a result of changes to mortgage rates, inflation and unemployment rates, world oil prices.

**Social and lifestyle factors** – changing family structure, one parent families, rise of the 'grey' market – increased proportion of retired people, changing working patterns, current fashions and trends, holiday allowance and amount of holiday with pay.

**Government legislation** : health and safety, airport tax/APD (air passenger duty), passport and visa requirements, data protection requirements.

**Safety and security** – terrorist attacks, war, civil unrest, security measures – on transport, at terminals, at destinations, at events, transport disasters and crashes and safety concerns, health – reactions to disease outbreaks and prevalence of disease, e- safety

**Environmental and climatic:** climate change, the importance of sustainability, extreme weather events (floods, landslides, hurricanes, cyclones), natural disasters (volcanic eruptions, earthquakes, tsunami).



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

#### Competitive pricing

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

Membership of trade organisations for financial protection and repatriation.

Fuel surcharges on holidays and flights.

Increased security measures for maintaining security of data and prevention of hacking and system failures.

Product diversification or specialisation.

Increased research – local, national and international.

Updated technology and staff training on legislation, compliance and new systems.

Public relations management.

Investment or upgrading facilities or introducing new facilities.

Variable opening times and flexible staffing arrangements.

Crisis management and major incident plan.

