



RECENT TRENDS AND PATTERNS OF GLOBAL TOURISM DEVELOPMENT: A MARKET INTELLIGENCE

Postgraduate Diploma in Tourism Economics and Hotel Management 2018 / 2019 (7th Batch)
Tourism Study Programmes
Department of Economics, Faculty of Arts,
University of Colombo, Sri Lanka.



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PATTERNS OF GLOBAL TOURISM
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**Recent Trends and Patterns of Global Tourism Development:
*A Market Intelligence***

The compendium of ‘Tourism- A Global Force for Growth and Development’ the work of 7th batch students of Postgraduate Diploma in Tourism Economics and Hotel Management (PGDTEHM) 2018/2019 at the Department of Economics, Faculty of Arts, University of Colombo, Sri Lanka.

The work directed and implemented by Professor (Dr) Suranga Silva, Coordinator Tourism Study Programmes, Department of Economics, Faculty of Arts, University of Colombo.

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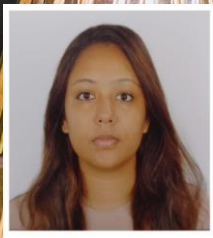
www.uoctourism.com | www.tourismleaderssummit.org

September 2019

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An Introduction to Global Tourism



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An Introduction to Global Tourism

A History of Global Tourism

Archaeologists have discovered that early civilizations such as the Phoenicians, Mayans and the Shang dynasty all travelled in pursuit of curiosity as well as commerce.

The origins of tourism may also lie in religion. Early pilgrimages, such as those to Mecca and Buddhist sites, provide some of the earliest examples of humans travelling to visit popular destinations.

The foundations of modern tourism to “the Grand Tour”, a travelling trend in the 17th century.

Thomas Cook, founder of the popular travel company, began his first excursion in 1841. He is widely considered the “father of modern tourism”, and today the company boasts a multimillion-pound income.

Global Tourism at a Glance

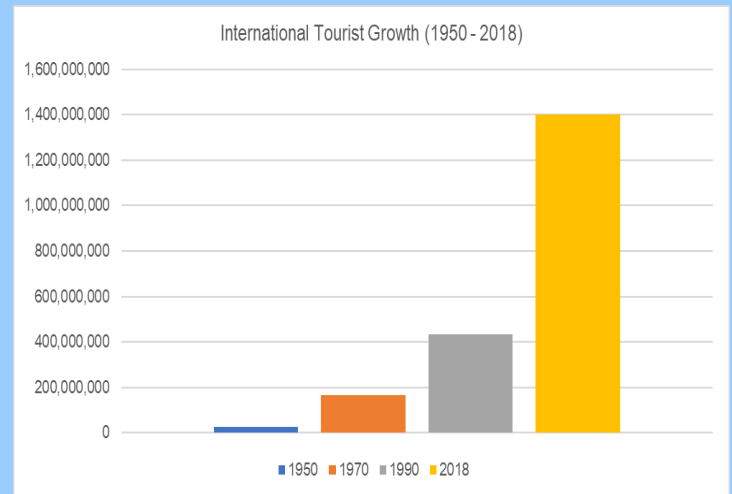
Tourism is an increasingly lucrative venture. In 2018, 1.4 billion international tourists were recorded. This was 6% higher than the number of international tourists recorded in 2017 according to the world tourism organization.

This indicates the growing value of tourism relative to the global economy. In 2018 alone, tourism was worth USD 1.4 trillion (approximately £ 1.3 trillion) or about 2% of the total global GDP.

Since the end of World War II, tourism has been on the rise as summarized in the table.

This growth can be attributed to many reasons, one of which is the growth of budget airline services which provide accessible transportation options for a range of travelers from different economic backgrounds.

Nikodem Szumilo, an associate professor of economics and finance at UCL states that another reason for the growth of global tourism is the exponential rise in digital services.



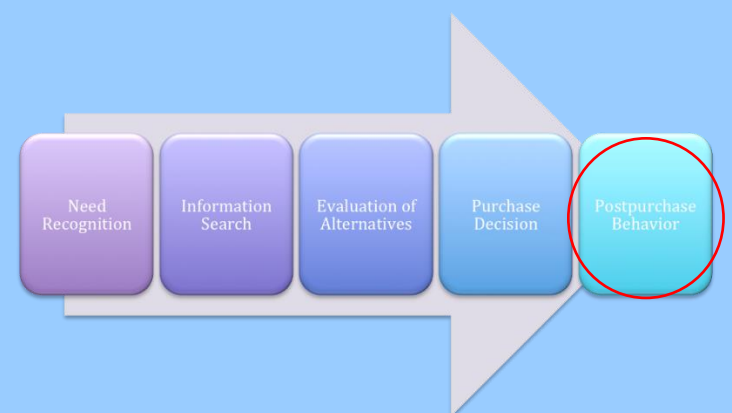
Source – The Guardian

Mass digital platforms have created changes in the consumer – producer relationship and shifted the dynamic in power.

A traditional consumer buying processes takes power away from consumers since post purchase evolution or reviews could only be disclosed to service providers. However, growth of digital media has enabled consumers to share user experiences across the world.

Consumers of travel and tourism services can compare experiences, provide positive or negative reviews, compare prices and service quality etc.

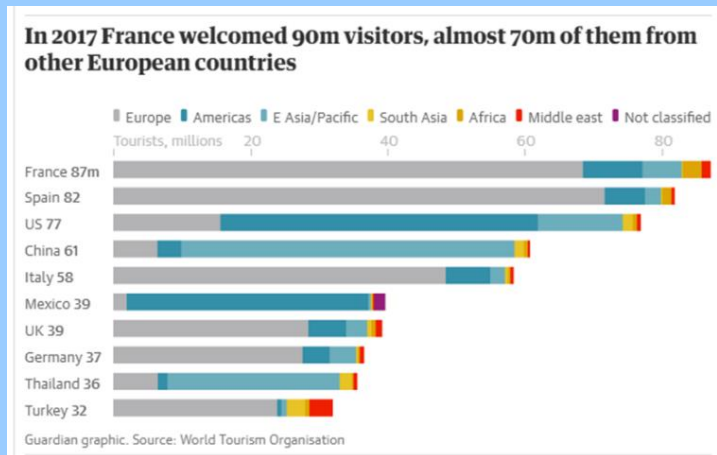
Michael Porters tool for measuring competitiveness – Porter’s Five Forces indicates this as “Bargaining Power of Buyers”. The bargaining power of buyers in global tourism is very high, this is therefore one reason for the highly competitive nature of the industry.



According to the UNWTO, four fifths of all international travelers utilize travel and tourism services within their own region.

As of 2017, France stands as the top destination in global tourism with 90 million international travelers in total, out of which over 60 million were generated from the European continent.

However, this trend is shifting, the number of international tourists from other regions is on the rise.



The demand for unconventional destinations is growing, a higher number of international tourists are travelling off the beaten path and are more open to exploring destinations which are not mainstream.

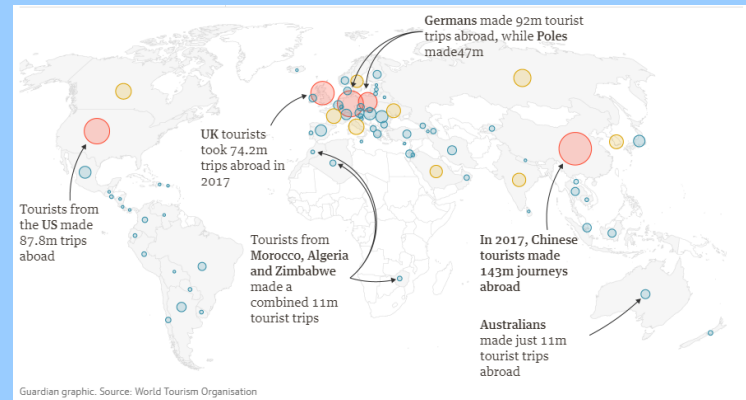
This brings about the question: Which country provides the highest number of visitors?

As indicated above, global tourism is growing in more ways than one.

Therefore, it is important to understand where these new global tourists are originating from.

The number of visitors produced can be directly related to income and the population of a country.

China's growing economic strength which expands beyond the Asian continent has resulted in a massive growth of tourism abroad which has made Chinese people the most abundant tourists in the world in a short span of time. In 2017, 143 million Chinese citizens took journeys abroad.



With so many positives to the global growth of tourism, it's hard to analyze and identify the negative factions of this industry and its impact on the planet's resources.

Overcrowding and rising property prices are just some of the concerns for tourist destinations and service providers.

Tourist "hotspots" around the world are struggling under the pressure of "over tourism" and the resulting damage it is causing local communities and fragile local environments.

This brings about the need for sustainable tourism strategies. The global tourism industry must find approachable and resourceful ways to build on the growing popularity of tourism whilst also enabling the sustainability of perishable resources.

This document highlights key facts about global tourism and the opportunities available within the global framework of tourism products and services. The document will cover the following areas:

- Growth of International Arrival and Receipts
- Global Tourism Economy
- Growth of Employee Opportunities in Tourism Market
- Use of Innovation and Digital transformation for Growth of Global Tourism
- Growing Competition and Entrepreneurship Within the Tourism Sector

Source – The Guardian, 2019

Growth of International Arrival and Receipts



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Why Tourism Matters

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319m Jobs
are supported by Travel &
Tourism

- Travel & Tourism generated 122,891,000 jobs directly in 2018
- This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services)
- By 2029, Travel & Tourism will account for 154,060,000 jobs directly, an increase of 2.1% pa over the next ten years

Environmental
Protection

- In a number of destinations, tourism helps to ensure higher water quality and better protection of nature. It can generate additional resources to invest in environmental infrastructures and services.
- It can generate additional resources to invest in environmental infrastructures and services.
- Tourism Can Contribute to Environmental Conservation as Financial Contributions, Environmental Management and Planning, Environmental Awareness Raising ,Protection and Preservation,Regulatory Measures

Cultural Preservation

- Improves understanding of different communities
- Promotes cultural exchange
- Preserves cultural identity of host population
- Increases demand for historical and cultural exhibits
- Greater tolerance of social differences
- Satisfaction of psychological needs

Peace and Security

- Tourism can be used as a solution for war and conflicts where other industries have failed
- Eg: A 110km square, struggling, former coal mining district has been transformed into a viable, sustainable tourism destination. From zero tourism in 1998, the region now has a tourism turnover of nearly 370 million euros and supports 5800 full time jobs. (*Nick Ross interviews Raisuddin Bhuiyan, Founder of the NGO World Without Hate*)

International Travel Trends

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By and large, travel in 2020 will be a ton like it was in 2019 for generally explorers. Be that as it may, somewhat change is inescapable, so you will see some new and rising trends that could reshape both the business and your movement experience. Here's my interpretation of the main international travel trends for 2020.

2020 International Travel Trends

Food Tourism

There has been a developing interest around culinary travel, and this pattern is relied upon to proceed through 2019 as more explorers plan their excursions around nourishment. Online life is to a great extent in charge of driving this pattern, as voyagers today can impart their eatable experiences to companions and even outsiders — especially through Instagram. Since quite a while ago viewed as a specialty advertise, Food Tourism is moving into the standard as more goals perceive the advantage of curating culinary encounters to draw in these explorers

Source – <https://worldfoodtravel.org/what-is-food-tourism>



2019 TRAVEL TRENDS

2019 travel trends will have you trying out new experiences and trying to make the world a better place.

SUSTAINABLE TRAVEL

Travelers - especially millennials - are aware of the impact that they and their vacations have on the planet. This new breed of conscientious traveler is seeking out experiences that don't come with an environmental cost.

ANIMAL FRIENDLY

Travelers also are aware of the damage that they do to animals by picking attractions that abuse them. This type of entertainment is on it's way out.

TRAVEL DEALS

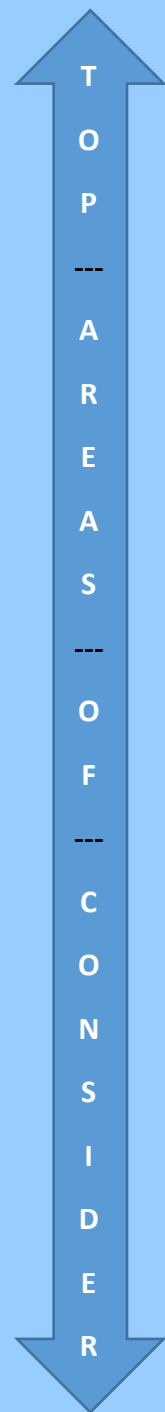
Everyone loves a travel deal but more travelers are "letting the destination pick them" based on where they can get the most bang for their buck. Cheap flights - sign me up for wherever.

SOCIAL MEDIA WORTHY

I know some people roll their eyes but more travelers than ever are influenced by experiences they see on social media or by what trips will get them the most likes. Insta-worthy destinations continue to be a huge trend.

EASY PLANNING

Somehow life seems to continue to get busier and more complicated. The demand for apps and technology to make travel easy to plan continues.



B-Leisure Travel

In last few years alone, over 60% business trips were extended to include leisure an almost 40% expansion from the earlier days. We've seen this trend steadily escalate in every year with no signs of slowing down. Over 70% of explorers who consolidate business and recreation travel have detailed that there are goals they have visited or will visit later on for business that they might want to stretch out for relaxation travel. The best three most prominent b-leisure exercises are touring, eating and expressions/culture — that gives your goal a ton to work with! When connecting with gathering organizers, consider offering them data about relaxation exercises that may enthusiasm meeting participants — possibly offer worth bundles or cabin limits to participants who expand their remain.

Source – Stamp Destination Marketing



Weekend Trips & Short Gateways

Over half of all travelers' report that they plan to take more weekend and "mini-trips" in 2020. In any case, even though they might be shorter excursions, voyagers still expect genuine encounters that are close to home, fulfilling and customized to their interests. Most notably, visitors are leaning towards unique types of accommodations (think Airbnb's) to get the most authentic travel experience, even on the shortest of stays.

Source: <https://ttra.com/top-5-travel-trends-for-2020>



Environmental Travel

The term 'Environment travel' can have a wide range of implications to a wide range of individuals, from economical travel techniques and areas to common natural surroundings excursions, or perhaps volunteer get-always.

The thing is, these 'green' travel patterns are on the ascent, and we cherish them all! We customarily send bunches on volunteer excursions, trips in which they invest their energy helping clean, plant, or work in a characteristic region that requirements it.

We additionally have bunches that solicitation eco-accommodating travel strategies or potentially outings themed off eco-accommodating decisions, for example, ranches, reusing focuses, and national parks. Obviously, national parks and normal environment areas are ending up progressively well-known area decisions, from spots, for example, Yellowstone National Park to the Serengeti in Tanzania. We foresee natural travel will be at a record-breaking high in 2020.

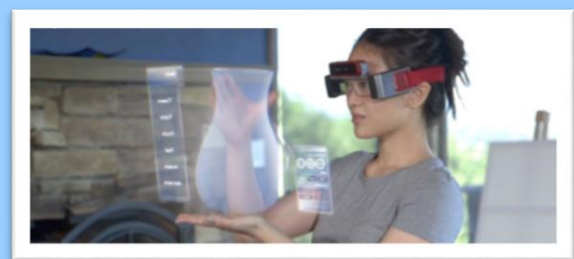
Source:

<https://www.adventurestudenttravel.com/10-most-important-travel-trends-for-2020>

Try Before You Buy

Travelers of the future will routinely use fighter pilot-style head-up displays to look up menu details, tipping etiquette and nearby points of interest. But augmented reality glasses will transport potential travelers into virtual experiences allowing them to sample the real thing without hopping on a plane. A new market servicing the time-poor, cash rich executive will emerge offering real time virtual reality travel.

Source: *Mapping Tomorrow's Travel - Prepared By Message Shapers*



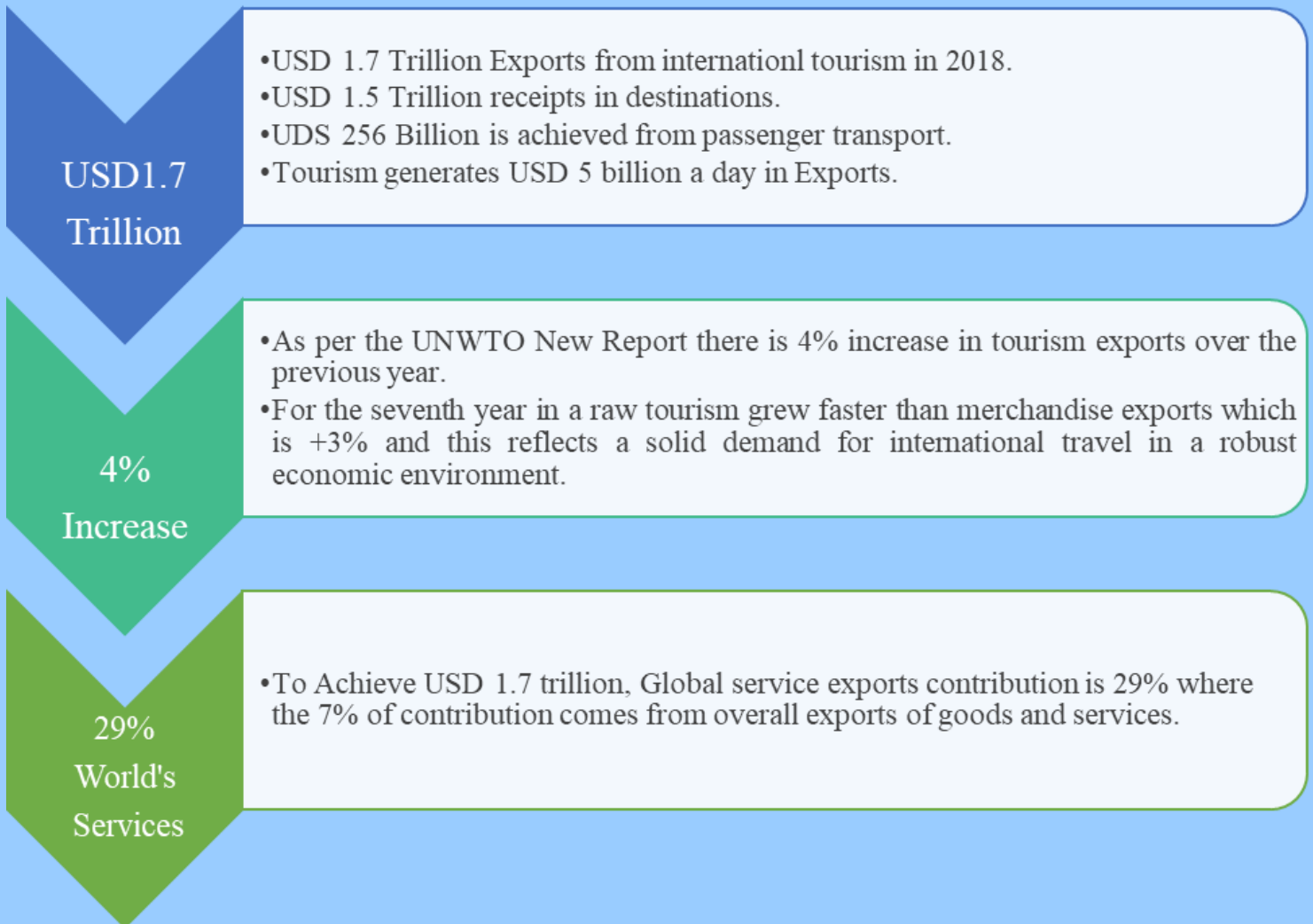
International Travel Trends

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International tourism exports can be basically defined as the expenditures by international inbound visitors and this includes the payments for international transport.

Highlights of the International Tourism Exports



Tourism establishes a key source of foreign exchange and a major tool for export diversification for many destinations.

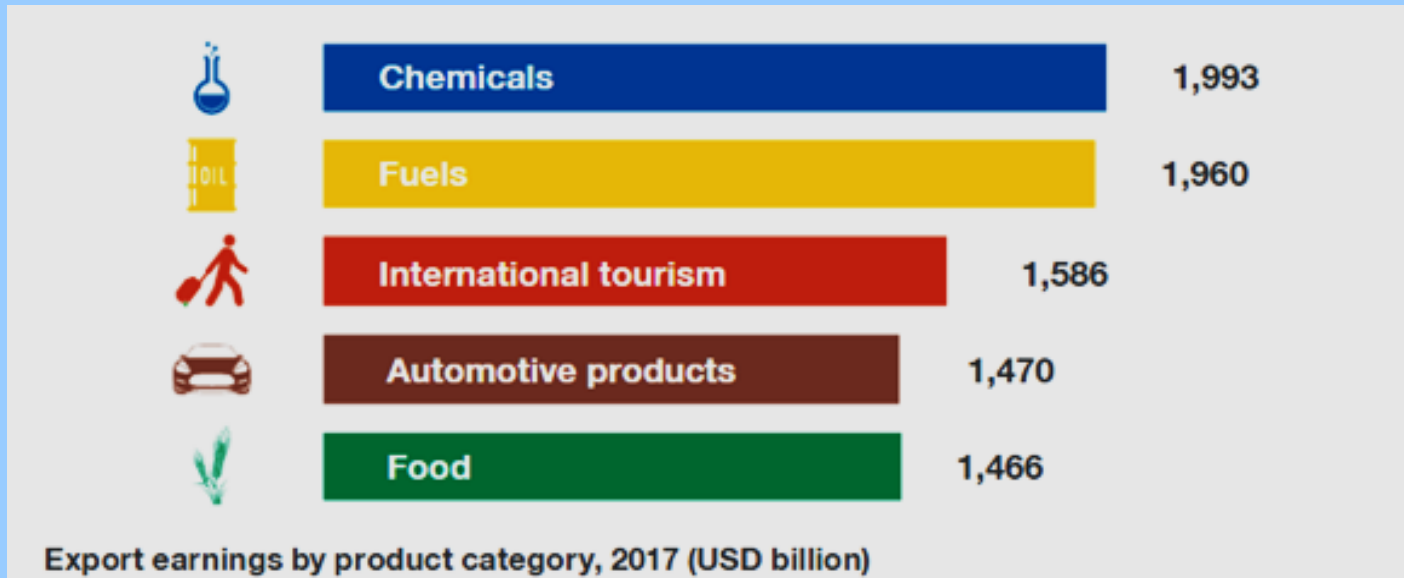
The growth of the international tourism receipts by region are as follows.

- Asia and the Pacific 7% growth
- Europe 5% growth
- Middle East 3% growth
- Africa 1% growth
- America has not shown a growth

The main five economic sectors in the world includes the international tourism sector too and currently it holds the third place and above that we can see the chemical production and the fuel and the below are the automotive products and the food products can be seen.

Below figure obtained from UNWTO report shows the relevant Segments with its figures.

Figure 1: Export earnings by product category, 2017 (USD Billion)



Source: United Nations World Tourism Organization and World Trade Organization

Note: Ranking of Export categories for 2018 will be available in late 2019.

From the year 2012 seventh years in a row the total revenue forms the international tourism exports have grown faster than merchandise exports. In the below chart which has been taken from the UNWTO report shows how the international tourism grew year by year compared to the merchandise exports.

Figure 2: Export Revenue from international tourism and merchandise exports



Source: United Nations World Tourism Organization and World Trade Organization

Note: Export revenues from international tourism are composed of “travel (receipts in destinations) and “Passenger Transport” receipts, both credit items in the Balance of payment of countries.

International Tourist Arrivals

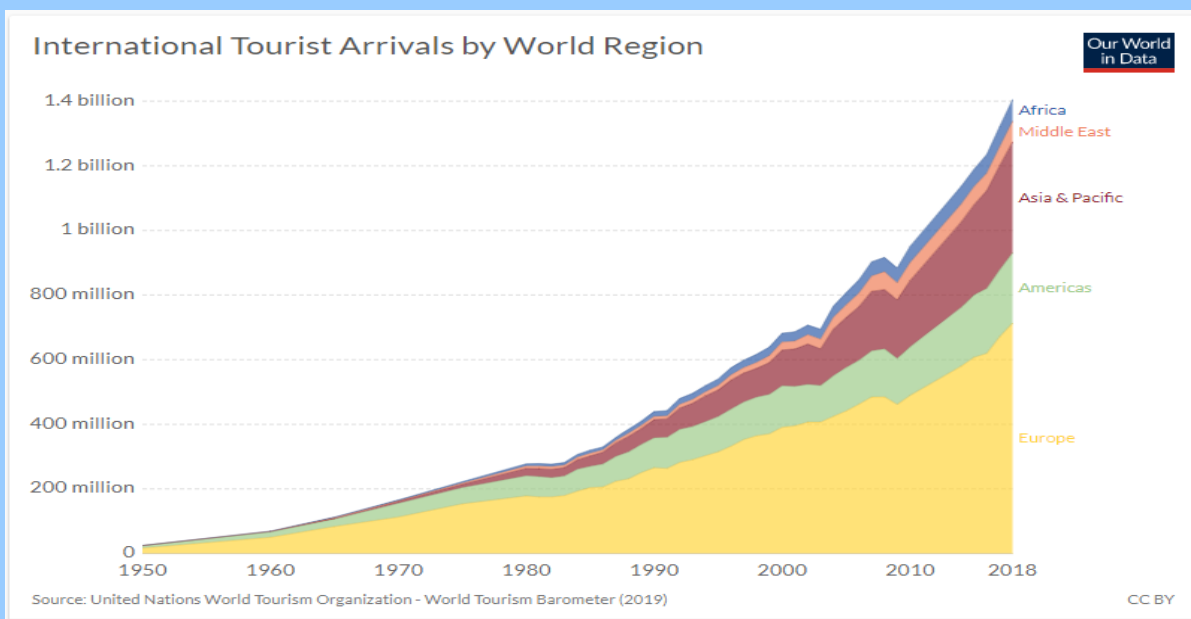
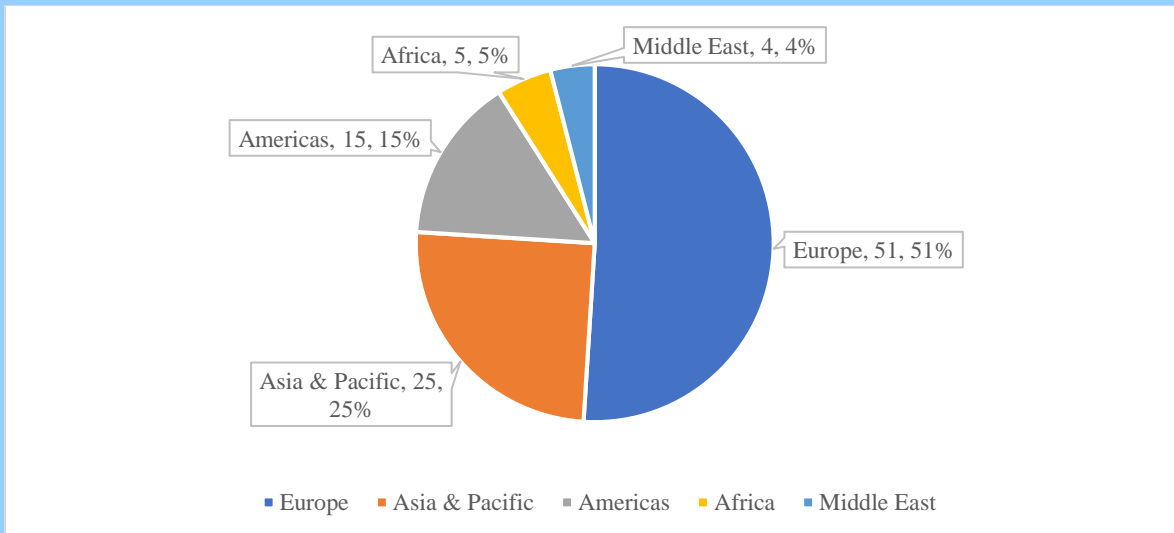
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International tourist arrival grew by 5.6% in 2018 to reach the 1.4 billion mark – 2 years ahead of the UNWTO forecasted in 2010

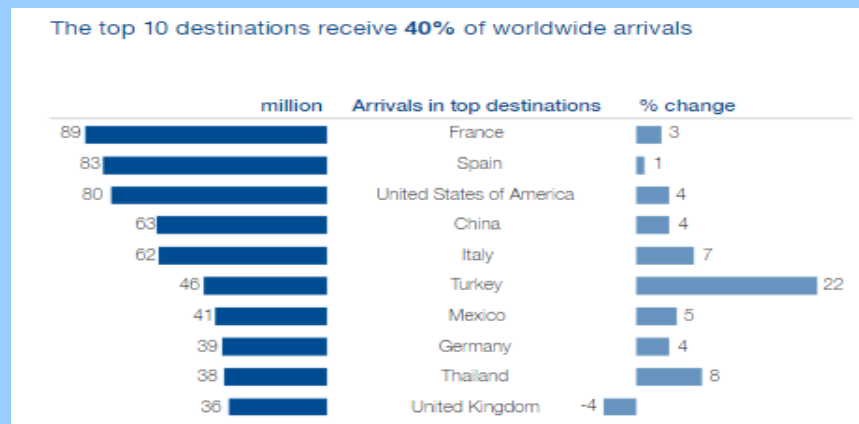
Results by hosting region:

- Europe - 713 million which is 51% of world’s international tourists (6% ↑ since 2017), accounts for half of the world’s international arrivals.
- Asia and the Pacific - 343 million which is 25% of world’s international tourists (3% ↑ since 2017)
- The Americas - 217 million which is 15% of world’s international tourists (3% ↑ since 2017) greatly impacted by hurricanes Irma and Maria.
- Africa - 67 million which is 5% of world’s international tourists (7% ↑ since 2017)
- The Middle East - 64 million which is 4% of world’s international tourists (10% ↑ since 2017)



Top 10 Destinations by Arrival

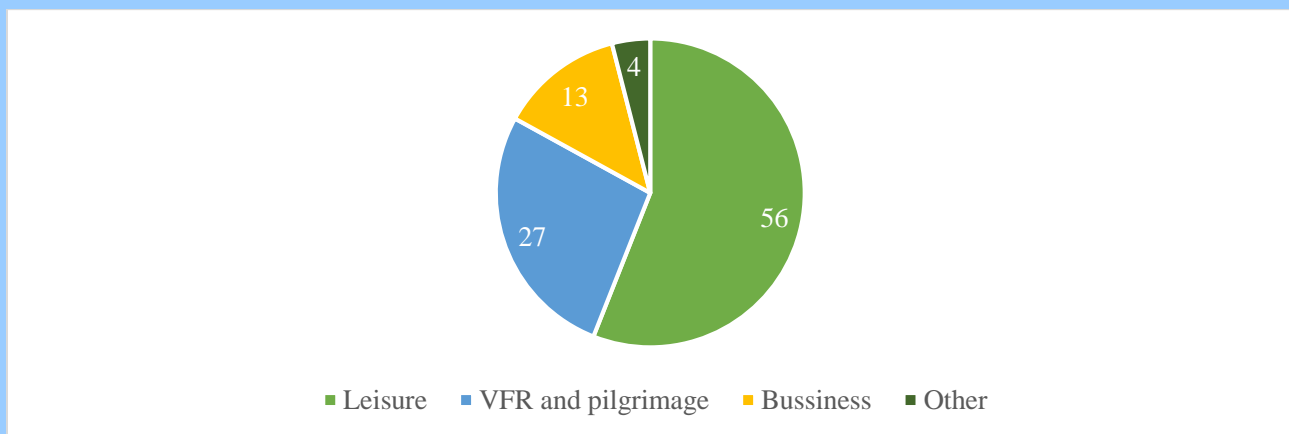
France continues to be the top pick. However, UK indicates a drop which may have most likely resulted due BREXIT causing geopolitical instability.



Purpose of Visit

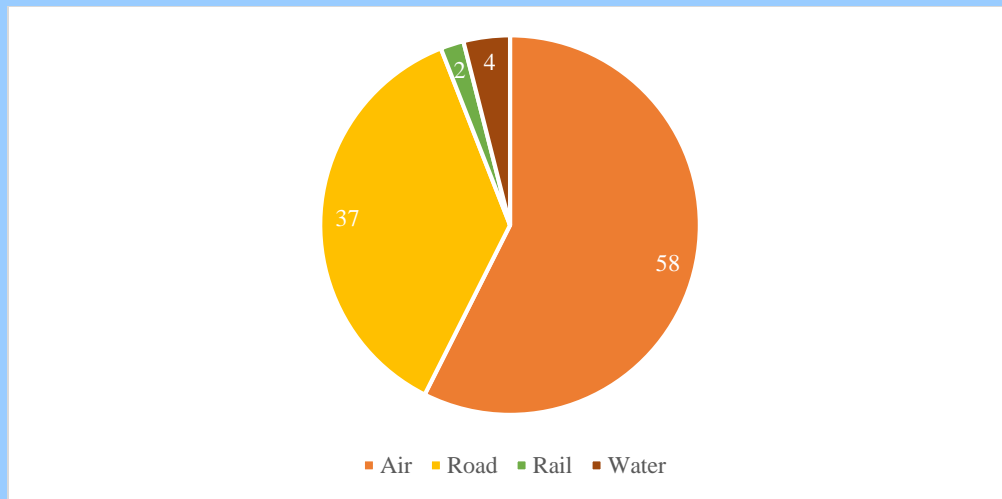
Leisure travel has grown from 50% in 2000 to 56% in 2018.

It is the main purpose of visit in all regions except the Middle East where VFR and religious pilgrimages predominate.



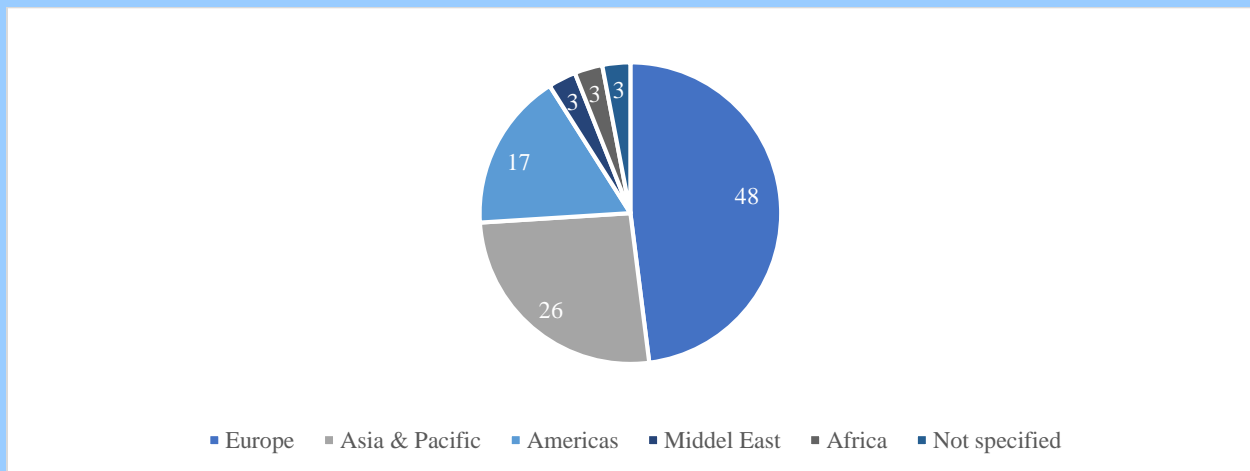
Mode of Transportation

Air travel still tops the list in 2018 at 58% compared to 48% in 2000 followed by land transport 39% consisting of road and rail which shows a decrease of 10%↓ compared to the previous year's 49%. This is mainly due to lower airfare charges and wider air route mapping Water transportation at 4%.



Tourist generation by Region

Every 1 of 2 trips in the world is by European Travelers.



Growth expected to return to historical trends in 2019 due to;

- Stability of fuel prices → affordable air travel
- Broader air connectivity → facilitating the diversification of source markets.
- Strong outbound travel from emerging markets → India, Russia, smaller Asian and Arab source markets.

Consumer Travel trends

- Travel to ‘change’ – live like a local, quest for authenticity a transformation
- Travel to ‘show’ – “Instagram-able” moments
- Pursuit of a healthy life – wellness and sports tourism
- Solo travel & multigenerational travel – Demographic reasons such as aging population and single households
- Rising awareness on sustainability – zero plastic and climate change initiatives
- Holiday is a click away - Last minute travel plans increasing due strong B2C platforms, digitalization
- Growing middleclass with higher purchasing power in emerging markets

Source: www.unwto.org

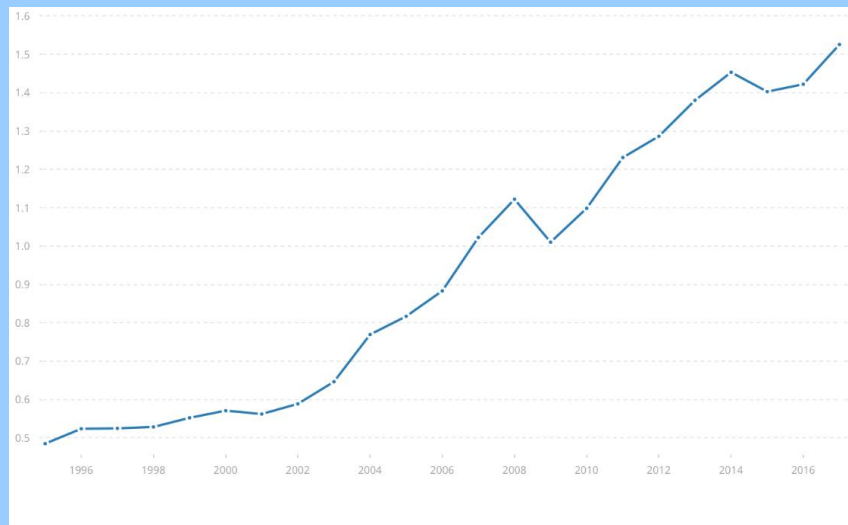
Recent Trends and Patterns of International Tourism Receipts

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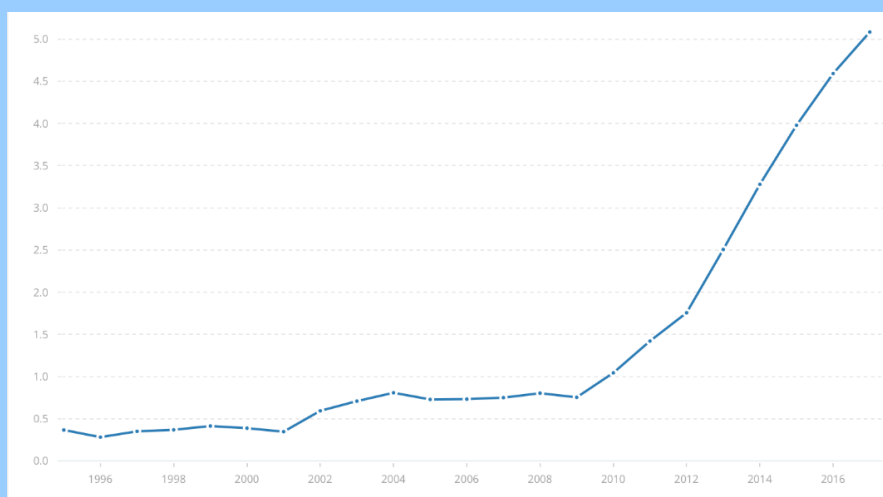
International tourism receipts are expenditures by international inbound visitors, including payments to national carriers for international transport. These receipts include any other prepayment made for goods or services received in the destination country. They also may include receipts from same-day visitors, except when these are important enough to justify separate classification.

Figure 1 International Tourism receipts (USD) – In Trillions



Source : The World Bank (2017)

Figure 2. Sri Lanka Tourism receipts (USD) – In Billions



Source: The World Bank (2017)

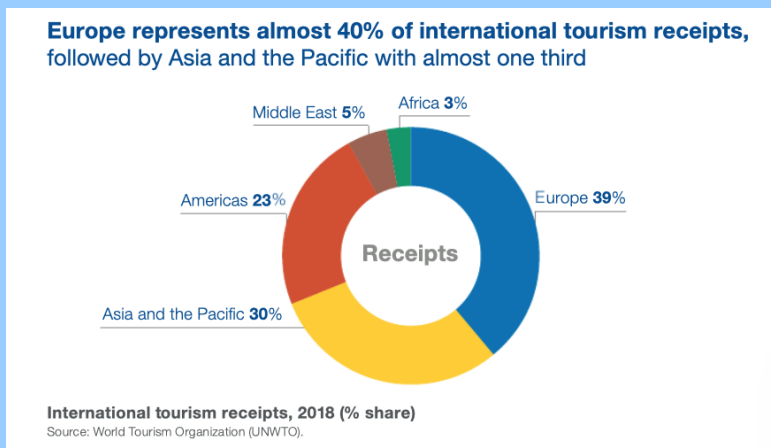
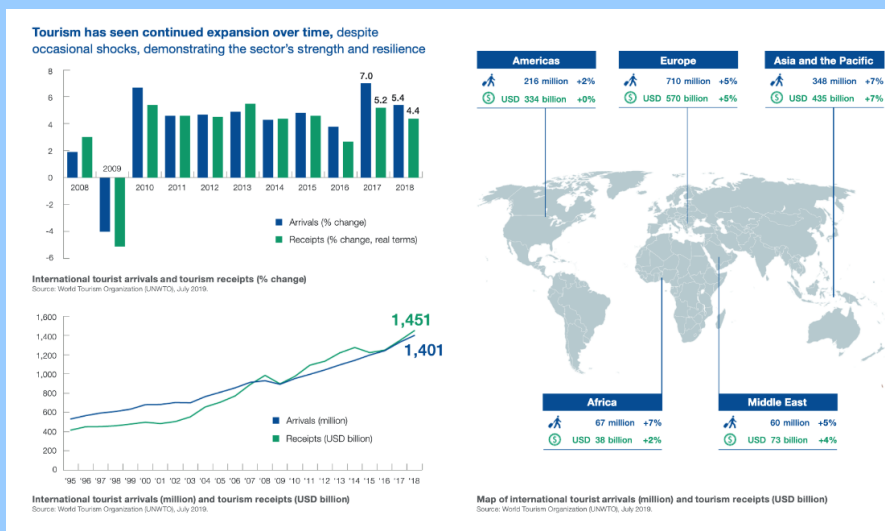
International tourism, receipts for passenger transport items (current US\$) in Europe & Central Asia (developing only) was reported at 16,820,726,696 USD in 2016, according to the World Bank collection of development indicators, compiled from officially recognized sources.

Figure 3. Central Asia Tourism receipts (USD) (Developing only)



Source: The Trading Economics (2017)

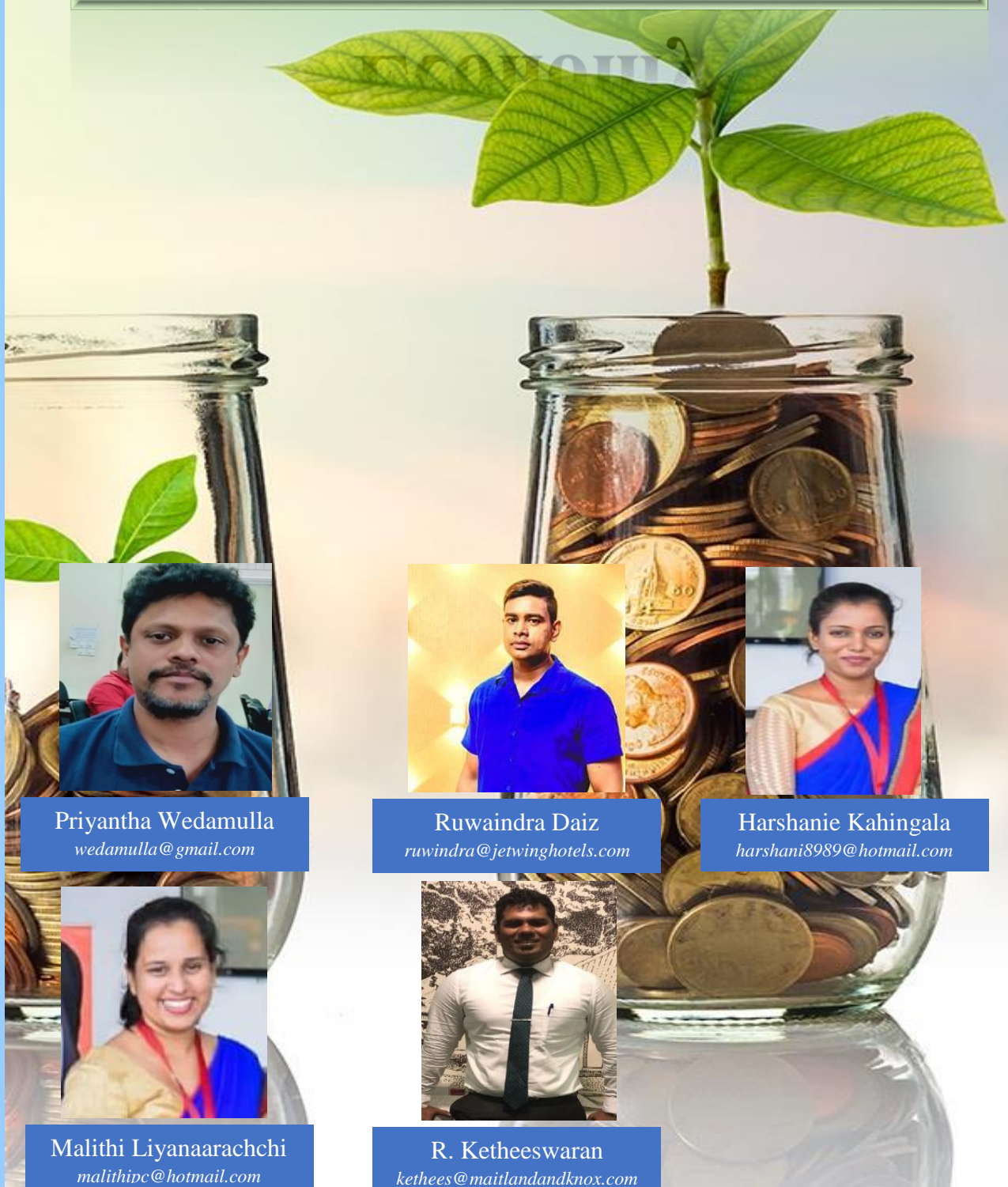
Driven by a relatively strong global economy, a growing middle class in emerging economies, technological advances, new business models, affordable travel costs and visa facilitation, international tourist arrivals grew 5% in 2018 to reach the 1.4 billion mark. This figure was reached two years ahead of UNWTO forecast



Sri Lanka's Tourism Receipts information was accounted for at 712,000.000 LKR million in Dec 2018. This records an expansion from the past number of 598,356.000 LKR million for Dec 2017. Sri Lanka's Tourism Receipts information is refreshed yearly, averaging 8,825.600 LKR million from Dec 1966 to 2018, with 53 perceptions. The information arrived at an unequalled high of 712,000.000 LKR million in 2018 and a record low of 5.9 LKR million in 1967. Sri Lanka's Tourism Receipts information stays dynamic status is accounted for by Sri Lanka Tourism Development Authority.

3

Global Tourism Economy



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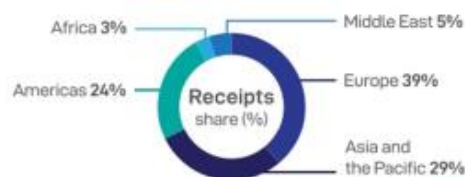
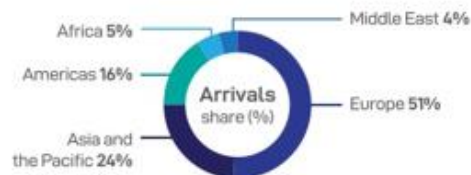
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Trends



International Tourism Trends 2017

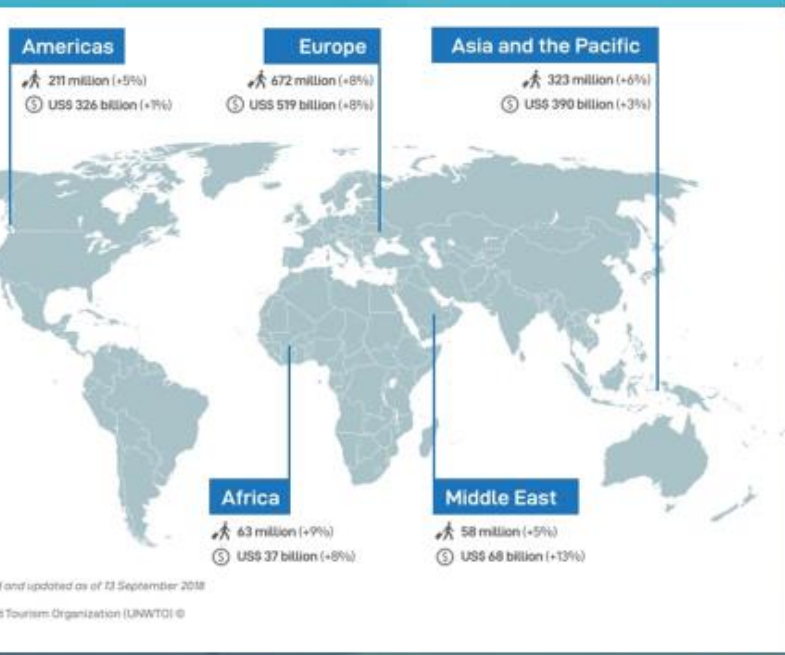
- Highest growth in international tourist arrivals in seven years since 2010.
- Recovery of destinations suffering from security challenges in recent years.
- Economic upswing resulting in strong outbound demand from major source markets.
- Strong recovery in demand from the emerging source markets of Brazil and the Russian Federation after few years of decline.



Source: World Tourism Organization (UNWTO) ©

Source: UNTWO (2017)

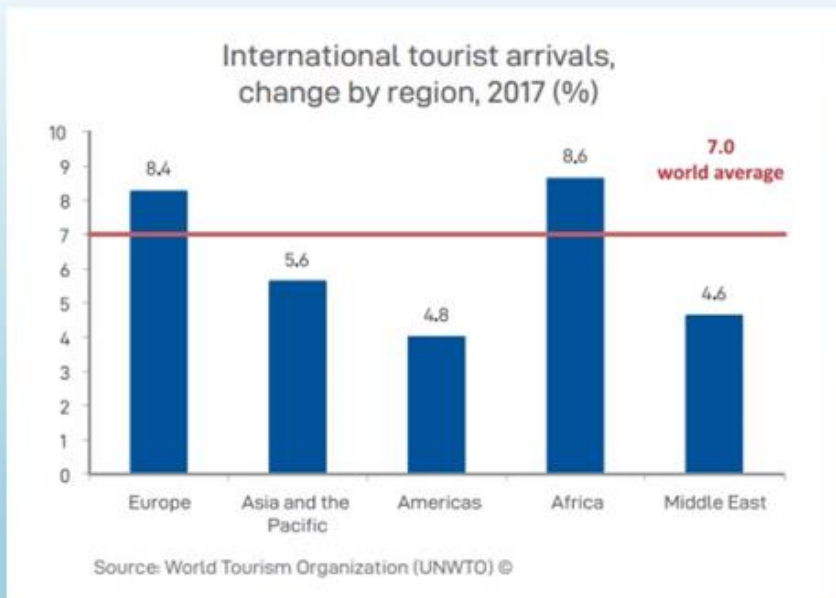
Opportunities



Source: UNTWO (2017)



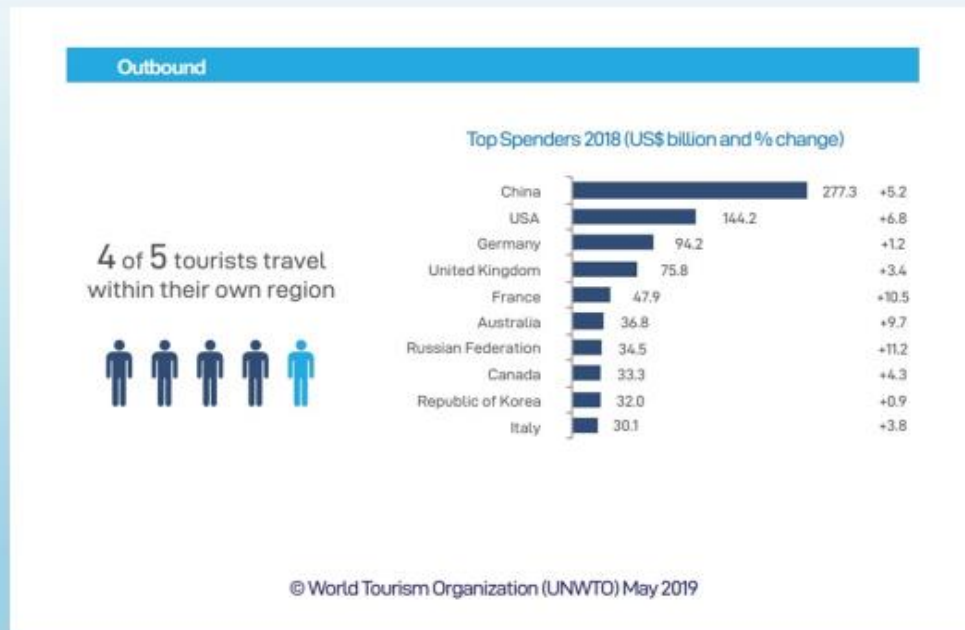
Global Change



Source: UNTWO (2017)



Top Spenders



Source: UNTWO (2017)

Impact



Source: WTCC (2019)

Regional Growth











Source: WTCC (2018)



GDP Growth

01 SECTOR GDP GROWTH 2018 (%)

	MANUFACTURING	4.0%
	TRAVEL & TOURISM	3.9%
	CONSTRUCTION	3.4%
	RETAIL & WHOLESALE	3.3%
	HEALTHCARE	3.1%
	AGRICULTURE	1.8%
	COMMUNICATION	1.7%
	FINANCIAL SERVICES	1.7%

While the financial services sector grew strongest in 2018, Travel & Tourism's growth at 3.9% still strongly outperformed the global economy (3.2%).

Source: WTCC (2018)



Top Spenders

TRAVEL & TOURISM GROWTH

WORLD	2013	2014	2015	2016	2017	2018	2019E	2029F ²
Growth ¹ (%)								
1. Visitor exports	5.4	5.2	4.6	2.5	5.3	4.2	4.0	3.8
2. Domestic expenditure (includes government individual spending)	3.1	2.6	4.3	4.2	4.8	3.9	3.5	3.7
3. Internal tourism consumption (= 1 + 2)	3.7	3.4	4.4	3.7	5.0	4.0	3.7	3.7
4. Purchases by tourism providers, including imported goods (supply chain)	3.8	3.1	3.2	3.4	4.8	4.1	3.7	3.8
5. Direct contribution of Travel & Tourism to GDP (= 3 + 4)	3.6	3.7	5.8	4.0	5.1	3.9	3.6	3.6

Source: WTCC (2019)

Global Forecast

ESTIMATES & FORECASTS

WORLD	2018 USDbn ¹	2018 % of total	2019 Growth ²	USDbn ¹	2029 % of total	Growth ³
Direct contribution to GDP	2,750.7	3.2	3.6	4,065.0	3.5	3.6
Total contribution to GDP	8,811.0	10.4	3.6	13,085.7	11.5	3.7
Direct contribution to employment ⁴	122,891	3.8	2.2	154,060	4.3	2.1
Total contribution to employment ⁴	318,811	10.0	2.9	420,659	11.7	2.5
Visitor exports	1,643.2	6.5	4.0	2,483.9	7.2	3.8
Domestic spending	4,060.1	4.8	3.5	6,031.9	5.3	3.7
Leisure spending	4,475.3	2.5	3.8	6,780.7	2.8	3.9
Business spending	1,228.0	0.7	3.0	1,735.1	0.7	3.2
Capital investment	940.9	4.4	4.4	1,489.5	5.0	4.2

¹2018 constant prices & exchange rates; ²2019 real growth adjusted for inflation (%); ³2019-2029 annualised real growth adjusted for inflation (%); ⁴'000 jobs

Source: WTCC (2019)

Contribution
& GrowthTHE ECONOMIC CONTRIBUTION OF
TRAVEL & TOURISM GROWTH

WORLD Growth ¹ (%)	2013	2014	2015	2016	2017	2018	2019E	2029F ²
1. Visitor exports	5.4	5.2	4.6	2.5	5.3	4.2	4.0	3.8
2. Domestic expenditure (includes government individual spending)	3.1	2.6	4.3	4.2	4.8	3.9	3.5	3.7
3. Internal tourism consumption (= 1 + 2)	3.7	3.4	4.4	3.7	5.0	4.0	3.7	3.7
4. Purchases by tourism providers, including imported goods (supply chain)	3.8	3.1	3.2	3.4	4.8	4.1	3.7	3.8
5. Direct contribution of Travel & Tourism to GDP (= 3 + 4)	3.6	3.7	5.8	4.0	5.1	3.9	3.6	3.6

Source: WTCC (2019)

Growth of Employee Opportunities in Global Tourism



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Growth of Employee Opportunities in Tourism Market

Introduction

Tourism is world large and rapidly growing service industry in the world. After technology, telecommunication, tourism become 3rd major industry in 21st century. Tourism is the collection of activities, services and industries that deliver a travel experience including attractions, transportations, accommodations, eating and drinking establishments of retail shops, entertainment, business and other hospitality services provided for individuals or groups of people travelling away from home. Travel and Tourism’s total contribution to the global economy rose to 9.5% of global GDP. In total, nearly 266 million jobs (8.9% of total employment) were supported by Travel and Tourism in 2013 (1 in 11 of all jobs in the world). It is estimated that the tourism sections global economy to provide 328 million jobs by 2019 so that tourism has the potential to become a major generator of job. It is expected 10% in tourism job creation by 2019 compared 2013. Therefore, this makes tourism industry labor intensive and a significant source of development.

Figure 1: International Tourist Arrivals and Tourism Receipts



Source: United Nations World Tourism Organization

Tourism arrival growth and growth of employee opportunity growth are directly linked with each other. As Figure 1 shows, both international tourist arrivals as well as tourism receipts have been on the rise since 1995, except for two major slow-downs in 2003 (primarily due to the SARS epidemic outbreak) and 2009 (due to global financial crisis). The figure also shows the quick recovery of the sector from the 2009 economic recession and its subsequent steady growth in the following years. The tourist arrivals have more than doubled in the last 20 years increasing from 527 million international tourist arrivals in 1995 to 1.186 billion arrivals in 2015.

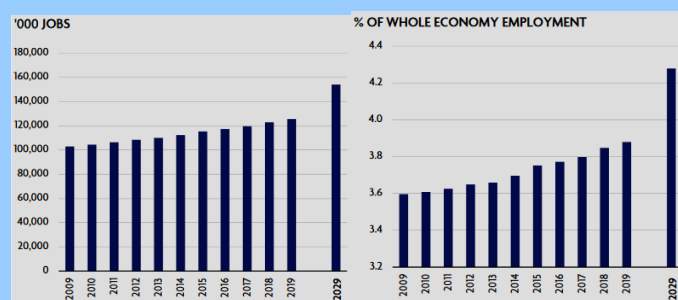
As mentioned above, UNWTO statistics for the January–September 2016 period indicates that this trend is likely to continue in 2016, Future Jobs in Tourism. Along with the growing tourism, It is clear that in order to accommodate tourism demand there has to be skilled and trained manpower which is crucial element in the success of any tourism development plan or program.

Top 10 Growing careers in Tourism and Hospitality

1. Travel Agent
2. Hotel Manager
3. Spa Manager
4. Tour Operator
5. Event and conference Organizer
6. Tour Guide
7. Executive Chef
8. Sommelier
9. PR manager
10. Leisure Activity Coordinator

Direct Contribution to Travel ,Tourism

Figure 2- Direct Contribution to Travel and Tourism



Source: United Nations World Tourism Organization

Travel and tourism generated 122,891,000 jobs directly in 2018 which is 3.8% of the total

employment. This includes employment by hotels, travel agents, airline and other passenger transportation services. It also includes activities of the restaurant and leisure industries directly supported tourists.

By 2029, Travel & Tourism will account for 154,060,000 jobs directly, an increase of 2.1% pa over the next ten years.

and induced income was 318,811,000 jobs in 2018 which is 10.0% of total employment. This is forecast to raise by 2.9% by 2019 to 328,209,000 jobs.

By 2029, Travel and tourism is forecast to support 420,659,000 jobs which 11% of total employment. This is an increase of 2.5% pa over the period according to UNWTO report.

Growing Competition and Entrepreneurship in Global Tourism

What is Entrepreneurship?

However, as a basic entrepreneurship definition, it's a bit limiting. The more modern entrepreneurship definition is also about transforming the world by solving big problems. Like initiating social change, creating an innovative product or presenting a new life-changing solution.

What the entrepreneurship definition doesn't tell you is that entrepreneurship is what people do to take their career and dreams into their hands and lead it in the direction of their own choice. It's about building a life on your own terms. No bosses. No restricting schedules. And no one holding you back. Entrepreneurs can take the first step into making the world a better place, for everyone in it.



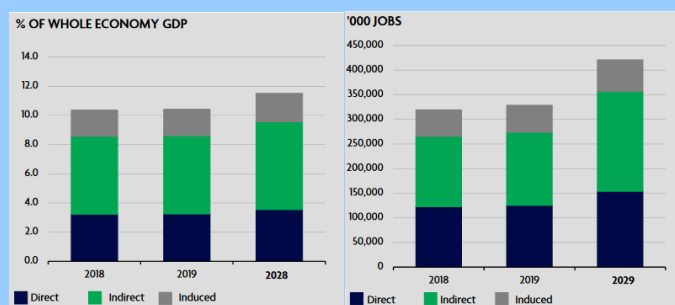
Point of Tourism View

A Tourism Entrepreneur is a person who undertakes a risk to start up their own business. This risk could end up making a profit or dishing up a loss.

Did you know?

- ❖ Canada: Fostering an adequate supply of skills and labor to enhance visitor experiences through quality service and hospitality.
- ❖ China: Tourism could attract many employees.
- ❖ Germany: Tourism is an important sector for employment and job creation. In Germany approx. 2.8 million people are employed in tourism and related sectors.
- ❖ Indonesia: Tourism and Human Resources has strong relationship. Since tourism are a service industry, which needs labor / manpower. An increase in tourism activities will stimulate job creation, either directly or indirectly.
- ❖ Italy: Improving the attractiveness of the tourism sector for skilled professionals pursuing career advancement, to provide services of excellence in the tourism industry.

Figure 3. Total Contribution to Travel and Tourism



Source: United Nations World Tourism Organization

Total contribution of travel and tourism to employment including investments, supply chain

An Entrepreneur usually has a vision, dream or an idea which, with a lot of hard work, they try and make work. A Tourism Entrepreneur, therefore, will have a ‘idea’ which will hopefully work in the tourism industry.

What does a Tourism Entrepreneur do?

- Defining what area of tourism, you want your business to be in
- Researching the tourism industry and tourism trends
- Writing a business plan
- Planning a working schedule
- Liaising with bank manager for a loan
- Hiring and firing the right people
- Working long hours to make sure your business takes off
- Marketing your business
- Networking with people in the industry that will benefit your business



Growing Sectors in Tourism Industry

Reminders

Tourism is a very vast, vibrant, dynamic and growth oriented industry. Tourism as an industry is the set of all business activities which serves the needs tourists while they visit different places by way of tourism, touring or travelling. Tourism is in fact a very broad industry comprises of different sectors or sub industries which produce and offer various similar and different products and services which create the demand for tourism and actually make the act of touring and travelling for tourism possible.

10 Sectors of Tourism Industry

1. Natural tourist attractions
2. Man-made tourist attractions
3. Cultural and other festivals & events
4. Sports and recreational sector and activities
5. Tourism and travel trade services
6. Transportation sector
7. Accommodation or Hospitality industry
8. Food & Beverages industry
9. The MICE sector
10. Business tourism sector

The Growing & Competition

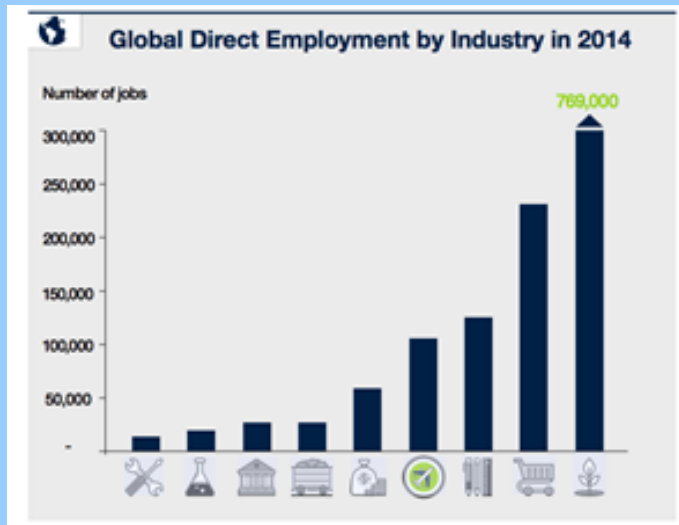
In 2014 sector GDP growth (%):

Industry	GDP (\$US billions)	% of Global GDP
Automotive Manufacturing	\$914	1.2%
Chemicals Manufacturing	\$1,590	2.1%
Travel & Tourism	\$2,365	3.1%
Banking	\$2,436	3.2%
Education	\$2,605	3.4%
Agriculture	\$3,111	4.0%
Mining	\$3,897	5.1%
Retail (without wholesale)	\$4,261	5.5%
Financial Services	\$4,796	6.2%
Total	\$77,085	100%

But year by year tourism and hospitality industry growing. In 2018 sector growth (%):

MANUFACTURING	4.0%
TRAVEL & TOURISM	3.9%
CONSTRUCTION	3.4%
RETAIL & WHOLESALE	3.3%
HEALTHCARE	3.1%
AGRICULTURE	1.8%
COMMUNICATION	1.7%
FINANCIAL SERVICES	1.7%

Competitive Entrepreneurs always grow the Industry. Tourism and Hospitality Industry always having a vast competition, but with some diverse variabilities of products and services.



So that's why tourism entrepreneurship & innovation changed technologically according to the new trends in tourism & Hospitality industry.

Therefore, Tourism Entrepreneurs must be,

An organizer

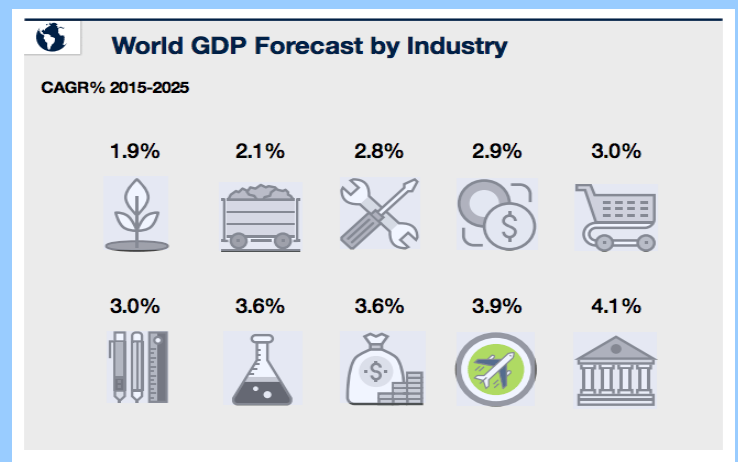
- He will select the correct combination of factors of production
- And will pay back the owners of factors of production
- Only the profit will be remaining with him

A risk taker

- Must pay a particular price for factors of production
- But must sell the product at a price which is decided by the market

An innovator

- Introducing and innovative/creative product
- A new method of production/manufacturing
- Identifying a new market
- Finding new sources of material



That's why tourism industry become a 2nd industry world GDP Forecast 2015 to 2025. Because of new innovations.

Innovation and Digital Transformation for the Growth of Global Tourism



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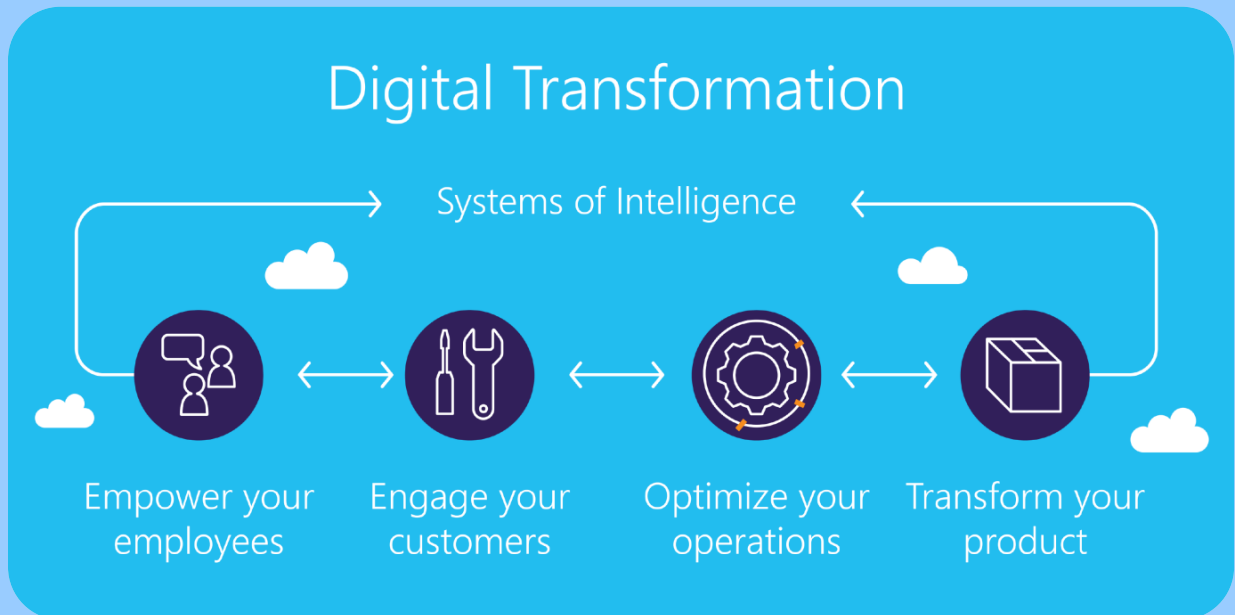


Uses of Innovation and Digital Transformation for the Growth of Global Tourism

Digital Technologies and platforms are disrupting the way the tourism sector operates from end-to-end. Digital platforms offer Global access to consumer and allow service provided to enhance the development of the tourism sector and its competitive standards.

Many low-income economics and potentially benefit from this digital transformation and other at risk of being left behind if they fail to embrace this moment.



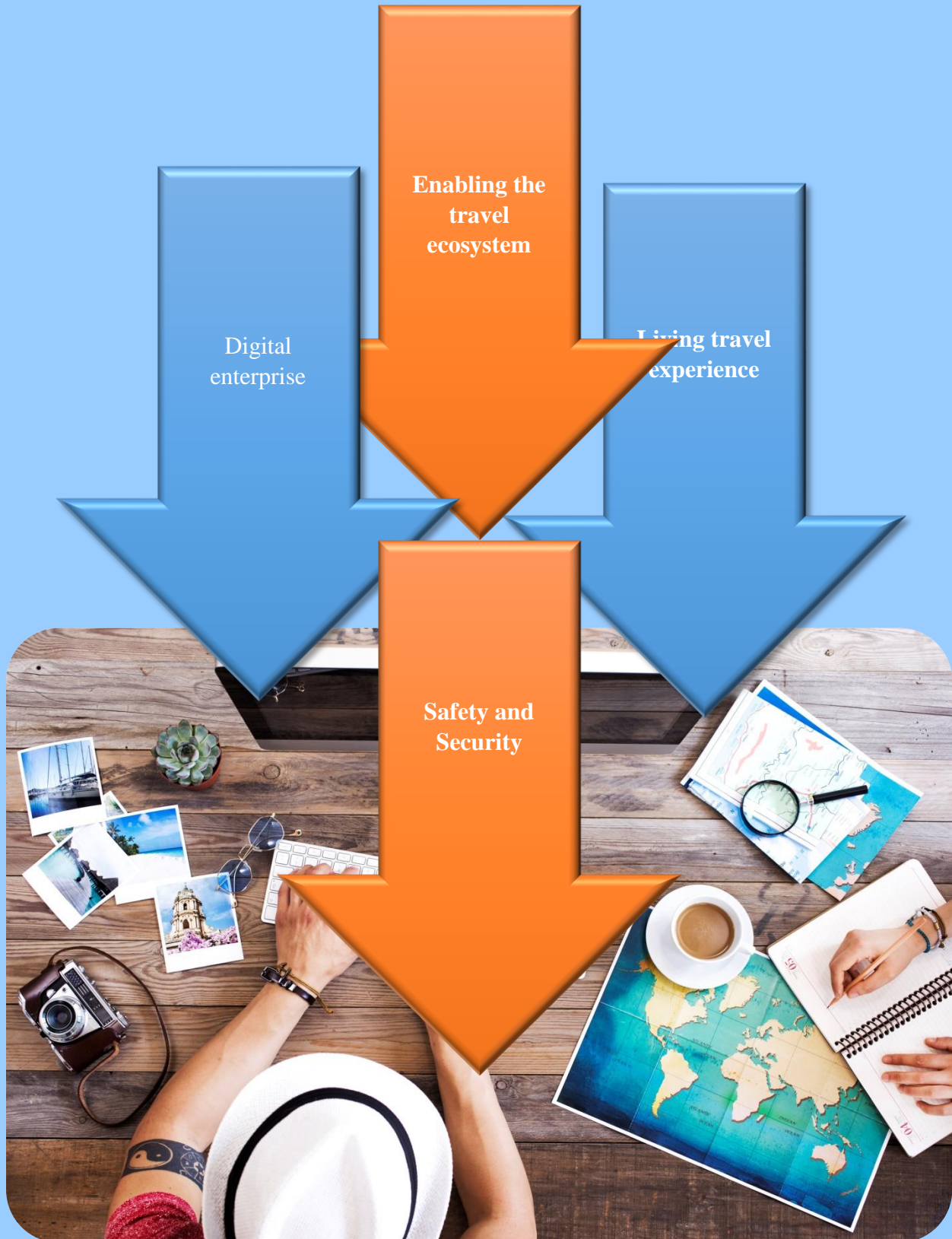


Tourism is undeniably one in which technology has already had a huge impact, with the potential for much greater changes in the future.

Impact of technology in Tourism Industry

- Tourist can reach and book their trips online**
- Made travel easier and more accessible than ever before**
- Tourism growth to become sustainable**
- Cameras and remote sensors can track destination**
- Tourism with opportunities to improve inclusiveness**
- Local community empowerment and efficient resource management**

Digital Themes



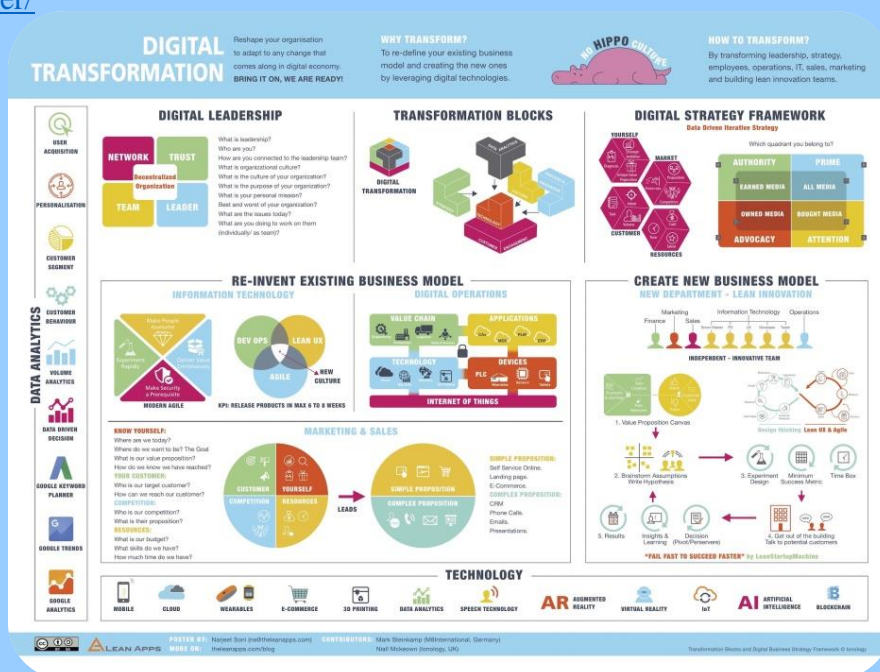


Calculating the value of digital transformation

Over the next decade (2016 to 2025), digitalization in Aviation, Travel and Tourism is expected to

Create up to \$305 billion of value for the industry through increased profitability. Migrate \$100 billion of value from traditional players to new competitors. Generate benefits valued at \$700 billion for customers and wider society through reduced environmental footprint, improved safety and security, and cost and timesaving's for consumers. Result in a net displacement of current jobs in the industry, which is expected to be partially offset by the creation of next-generation skilled jobs inside and outside the travel ecosystem.

Source: <http://reports.weforum.org/digital-transformation/aviation-travel-and-tourism-more-disruption-ahead-for-a-digital-trailblazer/>



Aviation, Travel and Tourism: value at stake for industry and society (2016-2025, by digital theme)

Aviation, Travel and Tourism: value at stake for industry and society (2016-2025, by digital theme)

	Potential Business Impact (\$ billion)	Potential Societal Impact (\$ billion)	Total Value at Stake (\$ billion)	Emission Reduction (mn tonnes CO ₂)	Net impact on jobs (1000s)
Living Travel Experiences	100	165	265	-	270
Enabling Travel Ecosystem	105	380	485	107	(940)
Digital Enterprise	190	20	210	143	(100)
Safety and Security	10	140	150	-	(10)
Cumulative Total	405	705	1110	250	(780)

Source: World Economic Forum / Accenture analysis



Digitalization is revolutionizing the travel industry

- Shifting from bricks to bits: the rise of online travel shopping
- A catalyst for the explosion of the sharing economy
- Zooming in on hyper-personalization
- Breaking boundaries and establishing bridges
- Redefining destination marketing strategy



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