



FURTHER READING

Module 1 Introduction to management

Lesson 1- Management in the tourism sector.

In this very first lesson we have made an overview of very different aspects that play an important role in tourism management, introducing the concepts of:

- Tourism industry nowadays
- General concept of management
- Management in tourism
- Business management
- Industry topics
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In this further reading document we will analyse further the changes that the tourism industry has overcome in the last 20 years and what the future will look like.

Something that hasn't change in the industry is the will to go on a trip, to discover the world, visit the main monuments and cultural or natural enclave.

However, we can see how the world has been changing and how major events have shaped the current society.

Events such as economic crisis, terrorist attacks in big cities, technological advances or health issues, have changed how and how often people travel.

Even tough it has changed, tourism still represents a significant contributor to global economy. The next figures from 2019 will give you an idea on how important tourism is:

- In 2019, Travel & Tourism's direct, indirect and induced impact accounted for:
- US\$8.9 trillion contribution to the world's GDP
- 10.3% of global GDP
- Creating 330 million jobs, 1 in 10 jobs around the world
- US\$1.7 trillion visitor exports (6.8% of total exports, 28.3% of global services exports)
- US\$948 billion capital investment (4.3% of total investment)

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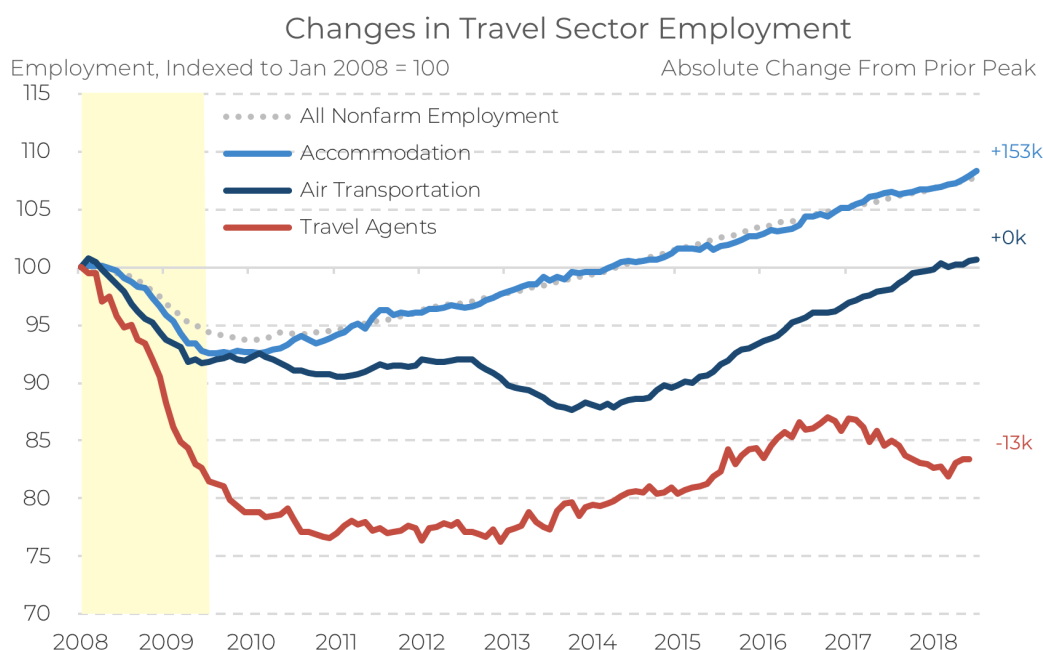


Let's see how major changes affected and transformed tourism:

1) Economic crisis:

The last financial crisis that began in 2007 changed the hospitality industry. At that moment, the industry all over the world experienced a downturn in sales and profits. However, the luxury facilities were less susceptible to the financial crisis because the number of guests able to afford luxury accommodations raised during those years. During those years the industry kept developing in different ways. Some of these changes:

- Startups: new options for tourists. In 2008 Airbnb was funded, just at the right time and their innovation is here to stay. Airbnb not only offers accommodation at (usually) lower rates, but they also offer experiences. Tourist nowadays are not only focused on material things, but also experiences
- Online agencies or Do It Yourself: during and after the economic crisis, people started to be more independent and tried to save money by eliminating the intermediary. Some got help from online travel agencies and other people decided to start organising trips themselves. The internet already gives most of the necessary tools to plan a trip from the very beginning.
- Changes in travel sector employment: As we can see in the chart some of services never recovered from the crisis.



Source: Bureau of Labor Statistics, Skift Research. Data as of July 2018. Shaded yellow bar indicates U.S. recession.

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2) Terrorism and tourism

As mentioned before, tourism industry is an important contribution to countries in the world. Terrorism is a phenomenon that affects all aspects of society. We will briefly explain the complex relationship between terrorism and tourism.

“The terror attacks of September 11, 2001 had an immediate and substantial impact on worldwide travel. The attacks induced substitution away from air travel generally and caused a shift in the preferences of travelers for particular destinations. The United States in particular experienced an immediate and precipitous drop in arrivals of international visitors (...)”

As it is seen in different studies, terrorism has an effect on the flow of exchanges between countries. Although it will always depend on the tourist and their own perception of risk. The risk perception will determine whether a person is traveling or not, and the destination.

3) Technological advances

As it has been developed in Lesson 6 of this module, technology has changed the world forever, and did so in the tourism industry. Nowadays, we can all plan our own trip without the help of agencies and visit a country without needing a guide. Some of the most important changes:

- Mobile technology: our smart phone has become our number one tool when traveling. We check maps, look for information, book services or read about history when we have doubts.
- Augmented and virtual reality: this technology allows you to teleport yourself in real time to places or ages that would otherwise be impossible. You can for example visit the Great Wall or see how a castle looked back when it was built.

4) Health issues

Nowadays, after the outbreak of the pandemic COVID-19 everyone is wondering how the world will look after this event. Tourism has always brought economic, social and cultural value to societies. The industry will need time and effort from different sectors and organisations to recover from this crisis. Some of the proposed measures proposed in a recent study are:

- To review the fiscal pressure that the tax institutions carry out to tourism companies

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- Support for SMEs, considering the number of workers, as well as the strategic nature of the activity in a territory
- Take into consideration conditions and peculiarities of each country or territory.
- Relationship between health and other areas

If you check our resource document you will find the complete study.

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