

## **Contemporary Issues In Travel And Tourism**

## Table of Contents

Introduction.....	3
Task 1: Information Pack.....	4
1.1 Current issues driving change within travel and tourism sector: .....	4
1.2 Analyzing the issues with suitable resources and methods: .....	5
Task 2: Information Pack and Poster .....	6
2.1 Evaluating the current trends that influences the changes in the travel and tourism sector .....	7
2.2 Analyse a current trend using suitable techniques and resources (Refer to Poster) .....	8
Task 3.....	11
3.1 Analysis of how Whitbread business cloud response to change.....	11
3.2 Development of the strategies for efficient response towards changes .....	12
3.3 Justification of the strategies for Premier Inn & Costa to response towards change.....	14
Task 4.....	15
4.1 Impact of trends and issues driving change within travel and tourism sector .....	15
4.2 Consequences for businesses failing to respond to market change .....	15
Conclusion .....	16
References.....	17

## **Introduction**

Travel and tourism sectors are now most profitable business among other sectors. Travel and tourism sector has remarkable impacts on the current worldwide economy. The advancement of technology is the main reason behind the growth of travel and tourism. The social changes are also responsible for this; nowadays everyone is working in a family irrespective of gender. Hence, the working members of the family want to spend their leisure time by travelling different place or continent. Tourism industry provide a huge number of revenue hence to increase the GDP different countries are improving their quality of tourism and also making it cheap to attract more people irrespective of class. UK has always attracted the world with their strong culture and practices. The history of conquering half portion the world has always played a charismatic role in front of the world. In the aspect of travel and tourism UK also played a crucial role.

The main agenda of this assignment is finding out the current issues of this sector. In this assignment, we will evaluate the current trends that are influencing travel and tourism sector of UK. The issues indulging people in changing mind in order to purchase the products of travel and tourism (packages).

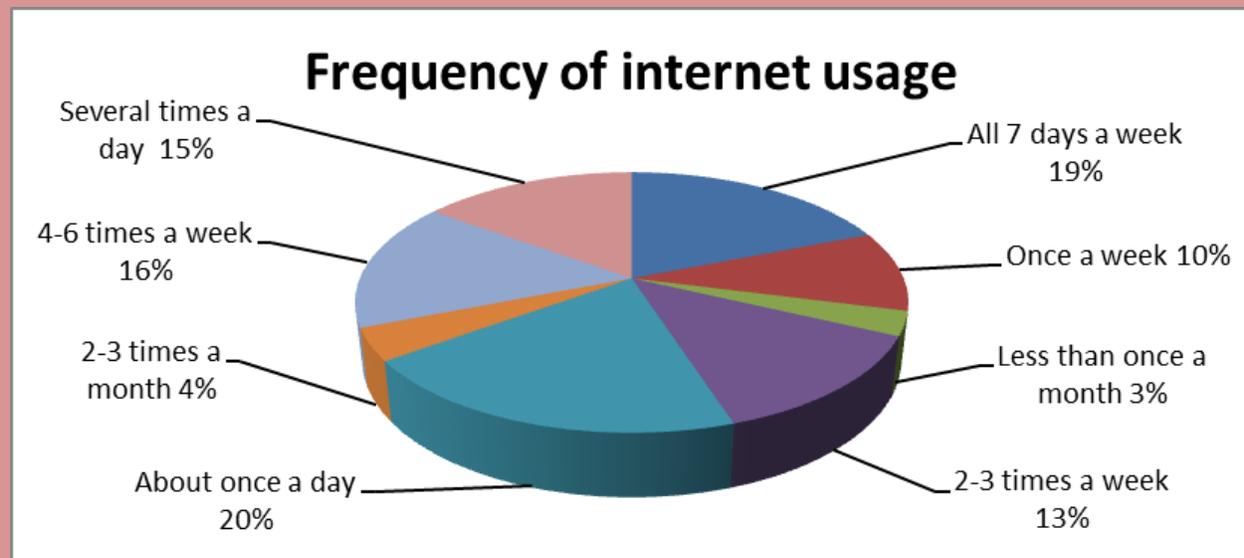
## Task 1: Information Pack

### 1.1 Current issues driving change within travel and tourism sector:

Travel and tourism sector has changed remarkably in past 10 years. In the past 10 years, the impact of globalization mostly triggered these changes. People are now more aware of the world affairs, every people has access to the internet through smart phones and laptops. Increased inbound tourists and decreased the outbound tourist because of exclusively improved transportation system.

The reason behind the changes in the travel and tourism have discussed in the below points:

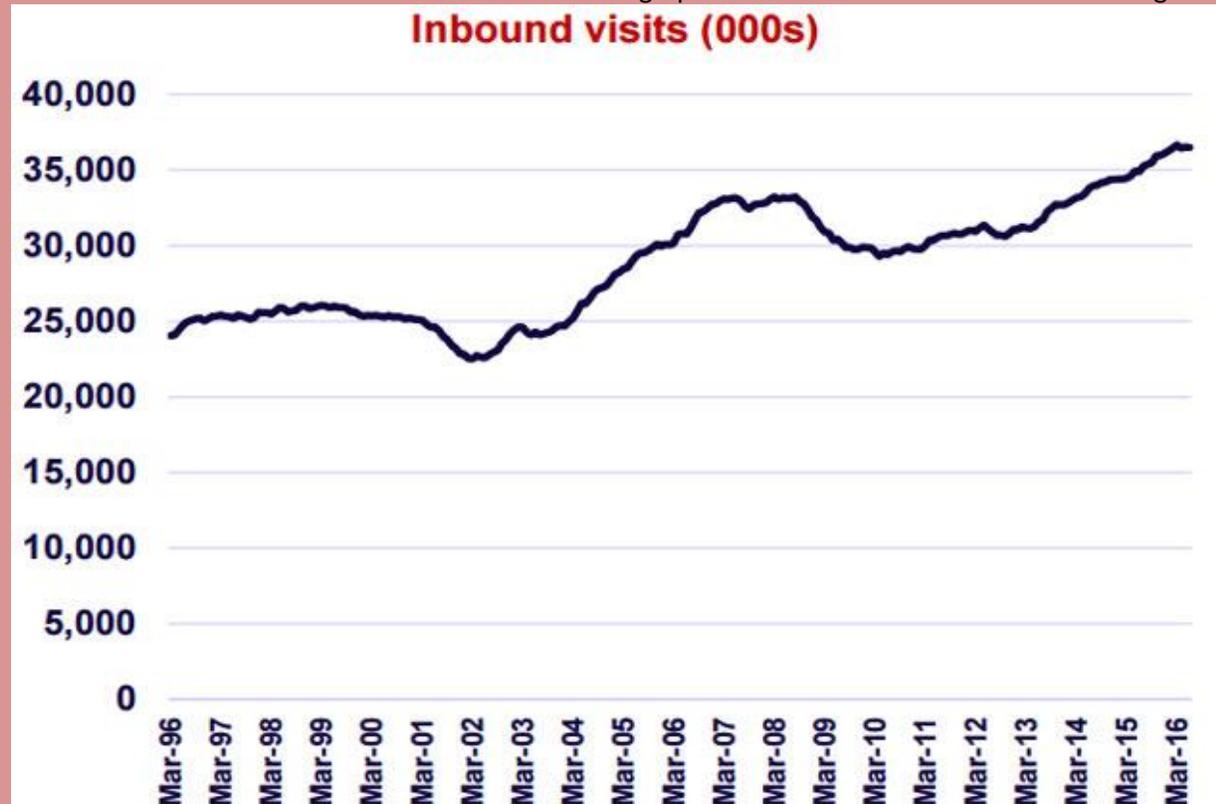
- **Excessive usage of internet:** Internet has become the new age basic needs. The extreme usage of internet is the reason behind the changes of tourism and travel industry. People no longer hesitate to book a package for the foreign trip. A concrete trip plan is now one click away. There are several sites and travel agencies to plan a successful trip. The travelers no longer have to stand in the queue to book an airline ticket because people can book it at home through online sites. The new trend is exploring the different places; nobody has fear about an unknown place. Google map has now simplified the life. Hence, the world is literally just in our palm. The new age hotels and home stays are not only available for the outbound tourists but now it is also available for the inbound tourists. The inbound tourists can book online those home stays very easily.



- **Enhancement of Inbound Tourists:**

Inbound tourists are those who are coming from the foreign countries to visit a particular country. The increased number of inbound tourists is the important reason behind the current changes. Many people visit UK in the purpose of travelling. The lucrative tourists' spots attract the travelers. The historical places in London, Manchester, Edinburgh, British museums are famous among tourists. Attracting foreign tourists has become a competition between different countries. Not only travelers', students from different countries come to study in London and around the UK. Among students, traveling is the

new options to spend their leisure time. Inbound tourists are easily getting home stays through the sites like Airbnb etc. Airbnb provides rooms and home-stays in cheaper price. The affordable charges are also reason behind the tourists enhancement. The below graph is the clear evidence of the new changes:



- **Decreasing outbound tourism:** Tourists who are going out from their resident country is outbound tourists. The socio-political changes are the main reason behind decreasing outbound tourists. The new economic scenario can be a reason behind the changes. UK constantly innovate their structure of tourism and destinations hence they never fail to attract their own resident to visit their own country. (Agnew, 2006)

## 1.2 Analyzing the issues with suitable resources and methods:

The above issues are the major issues behind the current changes in travel and tourism in UK. The excessive use of internet makes people aware of different countries. The lucrative sites attract people in order to maximize the customers. The increasing number of travelers also enhances the fear and risk of terrorism. The risk factors comes when government become more lenient about providing tourists visa. On the other hand, the past incidents can terrorize tourists from visiting other countries. The decreasing number of outbound tourists reflects this because of France attack in past years increased the fear of visiting France (Cragin, 2017).

The current socio-economic problem of UK is also responsible for the changes. The remarkable incident of BREXIT can make a change in tourism of UK. The inflation that has started in around 2008 has feared the world tourists to visit UK because the condition of their economy reflected that it might affect the tourists as well. Their exit from UK and joining in EU is the greatest decision. It has made an impact on the share markets hence it is evident that it influenced their own economy as well (Dhingra, Ottaviano, Sampson and Reenen, 2016).

UK is the 8<sup>th</sup> biggest tourist destination among other countries and the last reports says maximum number of domestic people visited UK more than any other countries.

The numbers of tourists are increasing but the question is how many responsible tourists are there among those increased tourists. WTM or World Tourist Market has organized many events to increase the responsible tourists as well. The WTM is the event for global travel industry inaugurated at London Olympia in 1980. Now UK is facing a huge competition from Germany and other EU countries. The report says around 28.4 million people visited UK in 2011(Laws, 2011).

However, UK has a long history and pervasive culture. Their colonialism through their English language and culture has made them famous and attractive. Every people has a clandestine desire for a trip to UK especially London. The socio-economic scenario will change in coming days and that can change the situation of tourism.

## **Task 2: Information Pack and Poster**

As an assistant product development manager for the UK based tour operator, the current trends dominating the tourism industry is discussed hereafter. This is going to provide the organization the idea to plan the strategies that are required to respond to the changes, operate within industry with sustainability, and gain competitive advantage as well.

## 2.1 Evaluating the current trends that influences the changes in the travel and tourism sector

With considerable growth in the travel and tourism sector there have been changes as per the demands of the customers, that is dominating the industry (Horner and Swarbrooke, 2016). These are often appearing as issues to different organisations. Therefore, it is very important to go for the identification of the trends within the industry. These include the following:

**Nature Tourism:** The travellers of today are more inclined to the spots that take them close to the nature which are offbeat places and are not frequented by many owing to unavailability of typical fealties that the luxurious places and hotels provide the customers (Xiang *et al.* 2015). These generally include the national parts of the country or the destination, the botany, zoology, the sanctuaries. It is renowned as the Eco-tourism as well which is the fastest growing in this industry that counts for the preservation of the flora and the fauna of the destination (Fennell, 2014).

**Adventure Tourism:** This is another trend s among the travellers to carry out adventurous activities in different off-beta places that provide them the chance to go for rock climbing, scuba diving, ski-diving, river rafting, jungle safari and the like (Alves *et al.* 2016). These generally cater the demand of the younger customers that is the millennial.

**Health Tourism:** The countries that are I tech in providing health care that tourists are flocking to those places. These generally include different types of health care for which the tourists travel. These generally include the medicinal system of Ayurveda, incorporation of Yoga, different types of therapy. These generally include the Asian countries like India, Japan and the like.

**Faith Tourism:** These include the travellers who for religious purposes visit the paces. With the availability of developed transport, the travelling of the tourism has become very prominent that attracts the customers with holy destinations.

**Dark Tourism:** These include the incoming of the visitors to the destinations that are famous as haunted. The inclination to the paranormal world and activities makes the place attractive for targeted travellers like these. This is one of the latest trends prominent in the travel and tourism industry.

**MICE tourism:** The flocking of the travellers for the purpose of business or conferences,

exhibitions and the like is known as the MICE industry for which travellers flock from different places to the destination (Xiang *et al.* 2015). These generally include the meetings, conferences, conventions, incentive travels. For instance, within the Indian Economy where these are prominent these days in the cities like Hyderabad, Kolkata, Chennai, Mumbai and the like.

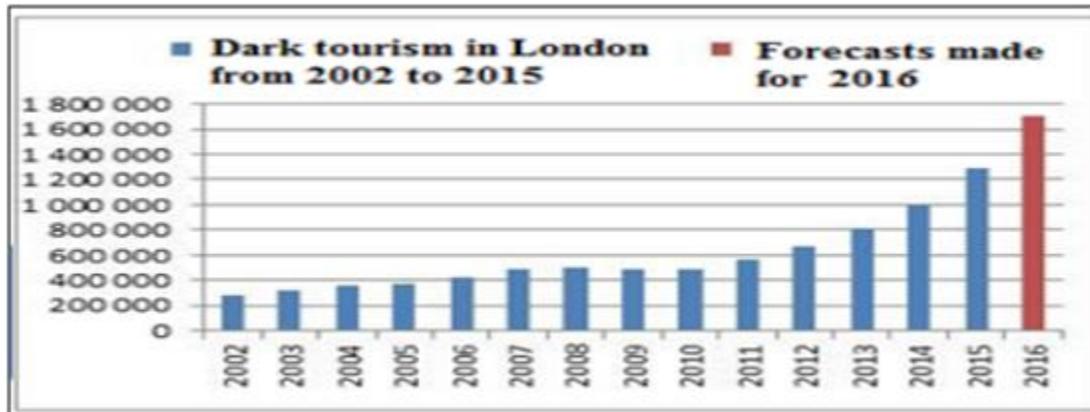
## **2.2 Analyse a current trend using suitable techniques and resources (Refer to Poster)**

The travel and tourism industry carries out market research in order to understand the present market trend. The concept of niche market enables an industry to fulfil the requirement of customer. Law *et al.* (2015) stated that niche market is associated with several characteristics that need to be considered by the travel and tourism industry. These are:

- To fulfil the requirement of products and services
- It is associated with particular needs and specifications
- The market need to be wide in order to generate enough profit
- Having great economic condition will allow in incurring expenses

With an increase in demand of niche market in the travel and tourism sector, they almost rely on the type of niche tourism market. This enables the tourism sector in sustaining in the market place and achieves competitive advantage for long run business. Besides, several benefits are also enjoyed by the in terms of achieving direct incentives to the local communities. In addition, the negative impact on the environment is also minimised. For the niche market the changes in demand is also regulated. Moreover, for the niche market the travel and tourism industry for the disadvantages in terms of high market effort and low-level income. In term of Titan Travel niche market plays a vital role as it helps them in increasing country's economy. The statistical data shows that the travel and tourism industry has contributed 3.1 GDPP in the year 2016 however, they predicted for the year 2017, which is 3.8%, which is almost met. On other hand Kim *et al.* (2016) stated dark tourism as the activities that the organisation undertakes to acquire the interest of youth . Besides, UK is rich in cultural and historical values

as it is having museums, Tower of London and many more.



**Figure 3: Dark tourism as Niche Market**

(Source: Law et al. 2015)

Besides, with a rise in demand of niche market is also found in the dark tourism as it is associated with the present generation. However, several surveys are carried out for gathering data to know the interest of young people. The data shows that travel and tourism industry is investing for the present activity as well as to carry out suitable future activity.

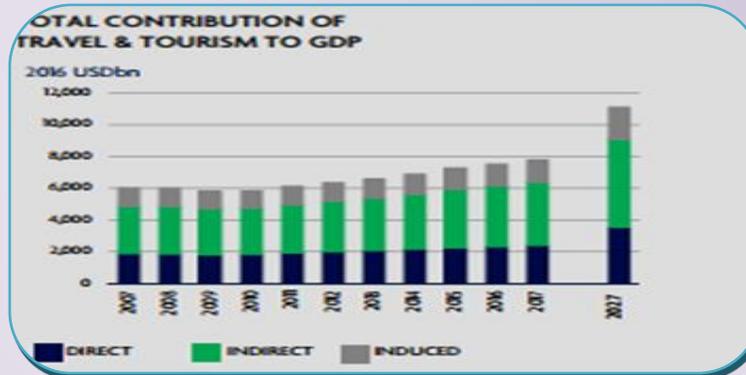
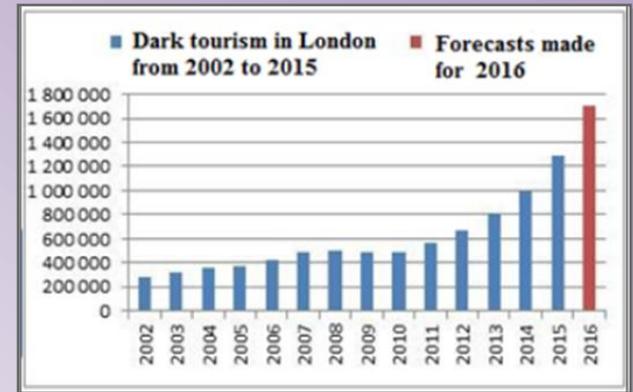
## Current Trends for Expanding in Niche Market

Niche market is associated with several characteristics that need to be considered by the travel and tourism industry. These are:

- To fulfil the requirement of products and services
- It is associated with particular needs and specifications
- The market need to be wide in order to generate enough profit
- Having great economic condition will allow in incurring expense

### Disadvantages for the niche market

- low level income
- High marketing efforts



In term of Titan Travel niche market plays a vital role as it helps them in increasing country's economy. The statistical data shows that the travel and tourism industry has contributed 3.1 GDPP in the year 2016 however, they predicted for the year 2017 which is 3.8% which is almost met.

On other hand Kim *et al.* (2016) stated dark tourism as the activities that the organisation undertakes to acquire the interest of youth . Besides, UK is rich in cultural and historical values as it is having museums, Tower of London and many more.

## Task 3

### 3.1 Analysis of how Whitbread business cloud response to change

Whitbread is one of the most improved and largest restaurants of United Kingdom that comprises both the coffee shop and the hotels all over the globe. The company is subdivided into two divisions that include Premier Inn & Restaurants and the other one is Costa along with employees of more than 48,0000. Hence, it is essential for the company to develop strategies in order to response properly to the change management. It is worth saying that, Whitbread has developed number of strategies in order to cater the requirements of the company thus changing according to the changes to reach to the business objectives.

#### **Vision and Mission of Whitbread**

Whitbread vision is to deliver better hospitality and leisure to make people happy.

The mission of the company is to expand the company and give value to all the stakeholders.

Premier Inn & Restaurant has developed a strategic review tin order to focus on the effective structural growth. With the help of this, it becomes easy for the company to enhance the growth opportunities in the highly competitive market (Evans, 2016). Because of this, the company decides to enhance the market share by the effective strategies in the form of accommodation.

On the other hand, Costa considers some of the different strategies in comparison to Premier Inn & Restaurant in order to bring the same. Hence, Costa focuses on the improvement in number of stores in United Kingdom thereby introducing self-service coffee machines to enhance the number of customers in the key location (Fraj *et al.* 2015). Further, the concerned company Whitbread considers some of the effective strategies to aid both Costa and Premier Inn significantly. Those are

- Introducing new ideas regarding product development based on the consumer preferences and requirements
- Motivating the workforce to ensure most effective result from them
- Developing the infrastructure of the both the business process and the workplace environment in order to improve the quality of the products and the services
- Further, it is important for the company to provide training facilities to the employees to improve the productivity of the workforce

Hence, SWOT analysis might help to gain in-depth understanding about the strategies.

<b>Strengths:</b>	<b>Weakness:</b>
Barriers of market entry Domestic market Skilled employees Monetary assistance	Competitive market Pricing of price Change in inflation
<b>Opportunities</b>	<b>Threats</b>
Growing economy is the most effective opportunity of the company Maximization of the rates of occupancy Flexible price structure	Increasing rates of interest Lower profitability Growing competition in the market

**Table 1: SWOT analysis of Whitbread**

(Source: Molina-Azorín *et al.* 2015)

### 3.2 Development of the strategies for efficient response towards changes

There are different strategies that can help the travel and tourism industry to respond towards change. Hence, Whitbread might consider some of the strategies in order to achieve competitive advantage in comparison to the close rivals. Analysis of 4 P's of marketing for both the organizations Premier Inn & Restaurants and Costa will help Whitbread to develop strategies.

<b>4P's of marketing</b>	<b>Costa</b>	<b>Premier Inn &amp; Restaurant</b>
--------------------------	--------------	-------------------------------------

<b>Price</b>	Costa Coffee encompasses diverse price offering into its marketing mix. All the products that are offered by Costa are priced at premium range due to brand value	The price is directly proportional to the quality of the services and products. Further, the price varies as per the added supplement
<b>Product</b>	It is one of the most popular coffee chain outlets. The company sells Cappuccino, Latte, Americano, Flat white. Further, some of the ice blended products include coffee cream, Mocha cream Frostino and like	This company continues to support guests in developing healthier choices. The company launched “Counting Calories dishes on its main menu
<b>Promotion</b>	The premium brand does not rely upon the advertisement on print media, TV and other. It encompasses word of mouth publicity from the customers.	It uses online advertising strategies for the promotion. Further, it uses promotional campaign to the customers.
<b>Place</b>	The company operates near about 3300 outlets over 31 countries.	It is the UK’s largest hotel brand along with 750 hotels and 65000 rooms.

**Table 2: Marketing Mix of Costa and Premier Inn & Restaurants**

(Source: Della Corte and Aria, 2016)

### 3.3 Justification of the strategies for Premier Inn & Costa to response towards change

The strategies that are developed in the above section to tackle the changes within the industry are very crucial. This is because; the recent trends need to be identified that directly impacted the travel and tourism industry (Dewatmoko *et al.* 2018). From this perspective, it can be stated that, the issues need to be reduced in order to gain competitive advantage in this market among the competitors. Hence, it can be stated that, utilization of the adaptation and development of the new products and services and marketing mix strategies have that potential to help the concerned company and the business by delivering the opportunity to attract more customers and retain the existing ones. With the help of SWOT analysis, it becomes helpful for the company to understand the recent market trends and the number of the present competitions in the market. This analysis helps Whitbread to use the strengths in developing different strategies in the entire mode of business in some of the effective manners (Lillestol *et al.* 2015). Further, the use of information technology will help the company to understand the preferences of the customers. With the help of this, the company becomes able to enhance the number of customers. Whitbread can offer different services and products at different prices to develop a strong customer base.

Besides these strategies, the company needs to develop some of the more relevant strategies to carry out the entire business and management process significantly thereby providing successful response towards the changes (Connell *et al.* 2015). Whitbread further deals with the changes by utilizing the advanced information technology, which helps the company to restructure the entire business process within less time. It is thus, the responsibility of the manager to make sure that all the methods and procedures are carried out effectively by focusing on the strengths and weakness accordingly.

## Task 4

### 4.1 Impact of trends and issues driving change within travel and tourism sector

In the modern world, the scope of competition is also increasing with the increasing demand of modern approach within an industry. Therefore, in case of Trailfinders Ltd, the privately owned tour operator requires a particular format for their strategy development team. In addition to it, the impact of change on travel and tourism sector has been marked in terms of the following trends:

#### **Cost factor**

The cost of fuels has been considered as the most common yet an effective issue faced within the travel and tourism sector of UK (Kim and Ritchie 2014). In addition to discussion, cost effectiveness marked in case of fuel prices impact the tourists to take decision for their travelling. However, the role played by the Government is important in order to maintain tourists destinations that are responsible for attracting most of the tourists within UK.

#### **Service Quality**

In the travel and tourism sector the quality of services that are expected by the tourists must be met in order to make them potential customers of the specified tour companies. However, issues are faced in situations where the employees are not well trained and caterers confusion among themselves for serving the tourists (Ricci 2017). Therefore, by maintaining quality of their accommodation services, the tour operators can attract more tourists towards their firm.

#### **Poor infrastructure**

In addition to the held discussion, the poor infrastructure within the tourists destination caters a negative impact on the tourist and their perception regarding the place. However, the efforts made for the infrastructure of the tourist destination are more dependent on the efforts of the Government of the country.

### 4.2 Consequences for businesses failing to respond to market change

The failure to respond to the changes within the market change in the travel and tourism industry. This is going to threaten the sustainability of the organisation within the industry. The inability to provide the services to the customers as per the changes discussed above is going to impact the arrivals of the tourism industry. These include the following:

**Loss in the business:** The loss in the business is evident owing to the changes in the industry. The changes in the practices are impacting the business leading to the loss in the business.

**Reduction in Sales:** The sales in the reduction are also evident since the organisation will not be able to cater to the demands of the customers that are influenced by the trends of the organisation. Consequently the sales of the services of the tour operators will decrease since the customers will not be satisfied of the services and the tour operations as well (Cook *et al.* 2014).

**Unemployment:** The failure of the business will lead to the reduction in the employment of the jobs since paying the employees will become harder for the organisation. The loss of the jobs of the employees is quite evident.

**Increase in the debts:** The increase of the debts is quite evident as the failure of the organisation to cope up with the change and cater the demands as per the trends. The financial condition of the organisation becomes weak owing to the loss of the organisation.

## **Conclusion**

In the ever-awaiting conclusion part, it can be concluded that, the identification of issues and trends helps the industry to determine the growth in terms of financial profitability. All the issues thus been thoroughly analysed with particular emphasis on the impact in the key UK. The trends for Whitbread have been demonstrated to identify the strategic decisions based on the Premier Inn & Restaurants and Costa. Further, the impact of change that drive change within the industry has also been analyzed. Along with this, how the travel and tourism sector responds towards the change has been effectively demonstrated in the study.

## References

- Agnew, M.D. and Palutikof, J.P., 2006. Impacts of short-term climate variability in the UK on demand for domestic and international tourism. *Climate Research*, 31(1), pp.109-120.
- Cook, R.A., Hsu, C.H. and Marqua, J.J., 2014. *Tourism: the business of hospitality and travel*. Boston, MA: Pearson.
- Cragin, R.K., 2017. The November 2015 Paris Attacks: The Impact of Foreign Fighter Returnees. *Orbis*, 61(2), pp.212-226.
- Dhingra, S., Ottaviano, G., Sampson, T. and Van Reenen, J., 2016. The impact of Brexit on foreign investment in the UK. *BREXIT 2016*, 24.
- Evans, N.G., 2016. Sustainable competitive advantage in tourism organizations: A strategic model applying service dominant logic and tourism's defining characteristics. *Tourism Management Perspectives*, 18, pp.14-25.
- Molina-Azorín, J.F., Tarí, J.J., Pereira-Moliner, J., López-Gamero, M.D. and Pertusa-Ortega, E.M., 2015. The effects of quality and environmental management on competitive advantage: A mixed methods study in the hotel industry. *Tourism Management*, 50, pp.41-54.
- Della Corte, V. and Aria, M., 2016. Coopetition and sustainable competitive advantage. The case of tourist destinations. *Tourism Management*, 54, pp.524-540.
- Dewatmoko, S., Hasan, M., Sucherly, S. and Hilmiana, H., 2018. Business Strategy Based on Opportunity and Unique Competency to Improve Competitive Advantage of Tourism Business in West Java. *Sustainable Collaboration in Business, Technology, Information and Innovation (SCBTII)*, 1(1).
- Lillestol, T., Timothy, D.J. and Goodman, R., 2015. Competitive strategies in the US theme park industry: a popular media perspective. *International Journal of Culture, Tourism and Hospitality Research*, 9(3), pp.225-240.
- Connell, J., Page, S.J. and Meyer, D., 2015. Visitor attractions and events: Responding to seasonality. *Tourism Management*, 46, pp.283-298.
- Fraj, E., Matute, J. and Melero, I., 2015. Environmental strategies and organizational competitiveness in the hotel industry: The role of learning and innovation as determinants of environmental success. *Tourism Management*, 46, pp.30-42.
- Kim, S.S., Prideaux, B. and Timothy, D., 2016. Factors affecting bilateral Chinese and Japanese travel. *Annals of Tourism Research*, 61, pp.80-95.
- Law, R., Leung, R., Lo, A., Leung, D. and Fong, L.H.N., 2015. Distribution channel in hospitality and tourism: Revisiting disintermediation from the perspectives of hotels and

travel agencies. *International Journal of Contemporary Hospitality Management*, 27(3), pp.431-452.

Godfrey, K. and Clarke, J., 2000. *The tourism development handbook: a practical approach to planning and marketing*. Burns & Oates.

Horner, S. and Swarbrooke, J., 2016. *Consumer behaviour in tourism*. Routledge.

Xiang, Z., Magnini, V.P. and Fesenmaier, D.R., 2015. Information technology and consumer behavior in travel and tourism: Insights from travel planning using the internet. *Journal of Retailing and Consumer Services*, 22, pp.244-249.

Fennell, D.A., 2014. *Ecotourism*. Routledge.

Alves, M.D.S., De-Bortoli, Â.L., Kirst, F.V., Messias, S.M.C. and De-Bortoli, R., 2016. Normalization of ecotourism and adventure tourism in Brazil. *Revista Brasileira de Ecoturismo*, 9(3), pp.433-444.

Kim, J.H. and Ritchie, J.B., 2014. Cross-cultural validation of a memorable tourism experience scale (MTES). *Journal of Travel Research*, 53(3), pp.323-335

Laws, E., 2011. *Tourist destination governance: Practice, theory and issues*. Cabi.

Ricci, G.R., 2017. *Travel, Tourism, and Identity*. Routledge.