

Understanding the Tourism Industry

Understanding the Tourism Industry – Study Notes

1. What Is Tourism?

Aspect	Description
Definition	Travel and stay outside one's usual environment for leisure, business, or other purposes, lasting at least one night.
Key Components	Tourists (domestic & international) + Tourism Services (transport, accommodation, attractions, food & beverage, travel agencies, etc.).
Economic Role	Generates income, creates jobs, stimulates infrastructure development, and influences cultural exchange.

2. Types of Tourism

Category	Main Purpose	Typical Activities
Leisure (Recreational)	Relaxation & enjoyment	Beach holidays, sightseeing, adventure sports
Business (MICE)	Meetings, Incentives, Conferences, Exhibitions	Trade fairs, corporate retreats
Cultural & Heritage	Exploration of history, art, traditions	Museum tours, UNESCO sites
Eco?tourism	Conservation & nature appreciation	Wildlife safaris, hiking in protected areas
Medical & Wellness	Health treatment or wellbeing	Spa resorts, surgery abroad
Sports & Adventure	Participation or spectating	Skiing, surfing, marathon events
Rural & Agritourism	Farm life & countryside experiences	Vineyard tours, farm stays
Dark/Heritage Tourism	Visiting sites linked to tragedy or conflict	Battlefield tours, Holocaust memorials

3. Core Sectors & Services

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Sector	Primary Offerings	Example Companies
Transportation	Air, rail, road, cruise, ferry	Airlines (Delta, Emirates), Rail (Eurostar)
Accommodation	Hotels, resorts, hostels, vacation rentals, homestays	Marriott, Airbnb
Food & Beverage	Restaurants, cafés, street food, catering	McDonald's, local eateries
Travel Intermediaries	Tour operators, travel agencies, online booking platforms	TUI, Expedia
Attractions & Activities	Museums, theme parks, natural sites, events	Disney, National Parks
Support Services	Destination marketing organizations (DMOs), tourism boards, travel insurance	VisitBritain, World Travel & Tourism Council (WTTC)

4. Value Chain of a Tourist Trip

1. **Planning & Research** – Information search, itinerary design (DMOs, review sites).
2. **Booking & Purchase** – Ticketing, accommodation reservation (OTAs, direct booking).
3. **Travel & Arrival** – Transportation, customs/immigration processes.
4. **On-site Consumption** – Stay, meals, activities, souvenirs.
5. **Post-Trip** – Reviews, word-of-mouth, repeat visitation.

Each step creates revenue for different industry actors and influences overall satisfaction.

5. Economic Impact Metrics

Metric	What It Measures	Typical Source
Tourism Receipts	Total foreign exchange earned	UNWTO, national statistics
Employment	Jobs directly/indirectly supported	Labor force surveys
GDP Contribution	Share of tourism in national GDP	World Bank, WTO
Average Length of Stay (ALOS)	Days tourists remain	Airport/border data

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Metric	What It Measures	Typical Source
Occupancy Rate	% of available accommodation used	Hotel industry reports
Spend per Tourist	Average expenditure per visitor	Survey data

6. Key Drivers & Trends (202