**Travel and Tourism Organisations in a Global Context**

This unit aims to develop learners understanding of the issues organisations face operating within a global context. This understanding will allow learners to review the issues currently impacting on businesses. Learners will base some of their work around businesses in a chosen national context.

**Indicative Content**

**1. Understand the context within which global travel and tourism organisations operate**

Key differences

* Overview of the sector – size, value, number of organisations, numbers employed
* Legal status/ownership – e.g. sole trader, partnership, company, corporation (e.g. limited and unlimited, public limited and international equivalents), joint ventures
* Structure and size – changes in structure and size of tourism businesses due to globalisation e.g. small businesses can promote themselves without the input of larger tourism agencies
* What they offer (products and/or services)
* Where they operate
* Image e.g. eco-tourism, luxury travel, budget etc.

Travel and tourism organisations e.g.

* Travel agency
* Tour operators
* Resort management
* Internet based businesses
* Visitor attractions
* Transport services, transport terminals e.g. airports
* Government based tourism services etc.

The responsibilities of tourism businesses

* to shareholders
* to employees
* to other stakeholders
* to customers
* to the environment
* to people in tourist destinations
* ethical issues
* to Government
* to supply chain – businesses involved in travel and tourism offer

Strategies employed by tourism businesses

* human resources policy
* environmental strategy
* equal opportunities policy
* ethics
* financial policy
* international partnering policy

electronic modes of marketing and communication

**2 Understand the impact of external factors on the travel and tourism sector**

Changes within a national economy

For example the UK economy

* Size – population, labour market, education/training levels
* Growth/wealth - gross national product (GNP), balance of payments, inflation rates, government borrowing, trade balance, public finances, taxation, national debt, availability of credit
* Business confidence – investing, cost of borrowing, consumer buying/confidence, government policies
* Global patterns of supply and demand for tourism
* Influences on holiday and travel activities of economy, policies etc. e.g. influence on holiday choices – home or abroad, propensity to travel

Government policies

* Monetary policies, interest rates, quantitative easing, unemployment
* Fiscal policies, spending (in central and local government), fiscal policies to encourage tourism or encourage sustainable tourism (e.g. tax on fuels), public sector borrowing, controlling demand, taxation, distribution of income
* Competition Policy – how general policy affects tourism organisations e.g. in airline sector
* Sector regulation e.g. limits on tourism, support for tourism
* Environmental policies – sustainable and ethical tourism
* Regional policies – e.g. development of tourist areas
* Skills agenda, apprenticeships in travel and tourism in UK and similar training programmes internationally
* Visa restrictions/freedom to travel e.g. Shengen Agreement

National and global events

* Political unrest
* Natural disasters
* Accidents and disasters caused by human error e.g. sinking of Costa Concordia, BP oil spill.
* Major sporting events e.g. Olympics, world cup

**3 Understand the impact of global factors ontravel and tourism organisations**

Global integration

* trading blocs
* World Bank, IMF, Global/trading bloc policies and directives (e.g. EU), G20, OPEC and other relevant organisations
* market size
* transnational corporations

International tourism

* Opportunities e.g. emerging markets and new destinations
* Growth
* Trade duties and tariffs – general and travel taxes e.g. airport tax
* Increased competition
* Increased supply of tourists/visitors

**Impact of global economy**

* Increased competition –
* Increased customer choice – of destinations and of businesses
* Increased need for innovation in designing travel products
* Economic downturn and upturn

**New Technologies**

* Remote workforce – advantages of being able to locate workforce in other countries where labour may be cheaper/may have more relevant skills etc.
* The role of the internet in tourism
* Easy communication e.g. skype, email, social networking
* Customer choice – customers can book direct with businesses in destinations, customers can design and book own packages
* Comparison websites

**4 Be able to review current issues impacting on a named travel and tourism organisation that operates globally**

A review

* Domestic tourism market in chosen country
* Global tourism market
* Domestic and global policies e.g. sustainability, ethical tourism, government support for tourism
* Other global factors e.g. war and unrest, natural disasters
* Other issues – fashions in tourism destinations, desire for eco-tourism, costs of air travel etc. (eco-costs and financial)
* Characteristics of global travel or tourism business
* Development issues for a global business organisation

Strategies

* New markets
* New destinations
* New environments e.g. move business
* New technologies
* Growth/shrink
* Change of suppliers, importers, exporters
* Change in business structure e.g. from sole trader to company/ corporation

Opportunities to deal direct with businesses internationally e.g. smaller hotel groups etc. due to ease of communications etc.