

Changes in supply

It is not always clear whether the demand for tourist destinations follows the supply of tourist destinations, or whether the supply of tourist destinations responds to the demand for tourist destinations. What is probably clear though is that the supply of tourist destinations and associated tourist services has changed with the advent of the internet.

Over the years the way the supply of holidays are accessed has changed dramatically:

- **Travel Agents** - The traditional way to book a holiday. Like a shop you can walk in and discuss your holiday plans, budget, etc. with a travel advisor. They will then book your holiday for you. Travel agents can be independent and allow you to book through different travel companies or the travel agent can be the shop front for a travel company. Thomas Cook and TUI AG are two of Europe's biggest travel companies. TUI AG has about 3,500 travel agencies across Europe.
- **The phone** - Most travel companies will have call centres. Travel companies usually provide travel brochures and increasingly internet sites. Customers who don't want to book online can then call and speak to advisor. In the past people may have phoned hotels directly, but this now happen less and less.
- **Post** - This may now seem like a very slow way to book a holiday. However, before the internet and even widespread landline connection, you may well have had to write to a hotel to check on prices and availability. Before credit cards may have also been necessary to post a cheque.
- **Holiday Brochure** - Many travel companies will provide brochures in shops or mail brochures to you. Some travel companies like Portman only used brochures to try and cut costs (no need to rent travel shops). All the tourists would be able to find their chosen holiday in the brochure they would still have to phone up to book or post a booking form.
- **CEEFAX** - CEEFAX has now disappeared and been taken over by interactive services. However, ten years ago CEEFAX was still a popular way to locate holiday deals. CEEFAX was a service provided through the TV. Potential customers could view offers through CEEFAX and then phone up to make the booking.
- **The Internet** - Now one of the most popular way to plan and book a holiday. There are multiple way to book through the internet. You can contact hotel and tour companies directly, you can through an agent or travel company. You can also chose to pay online. The internet in particularly has allowed small independent hotels and operators to enter the tourist market.



Travel Agent



Travel Brochures



Call Centre



CEEFAX

It is the internet that has caused the biggest changes and allowed the supply of smaller independent hotels, hostels and tour providers to be accessed and booked more easily. Before the advent of the internet, most booking would have been made through travel agents or by the phone using travel brochures.

There has been a massive growth in tourist related services. The availability, variety and speed of transport has increased as has the variety and availability of accommodation. Related services like dive centres and golf courses has increased along with advice and recommendation sites.

Transport: the supply of transport has grown massively in recent decades. The quantity, speed, size and type of transport have all increased. The increase in the speed of travel has effectively made the world smaller - this phenomenon is sometimes called space/time convergence. You will learn more about this in the global interactions section.



(1500-1840) Average speed of wagon and sail ships: 16 km/hr

Industrial Revolution

*1850-1930 Average speed of trains: 100 km/hr.
Average speed of steamships: 25 km/hr*

1950 Average speed of airplanes: 480-640 km/hr

Modern Era

1970 Average speed of jet planes: 800-1120 km/hr

1990 Numeric transmission: instantaneous

Air Travel	Railways	Cars	Cruise Ships (Royal Caribbean International)
The development of cheap commercial flights are partly blamed for the decline of the traditional British sea side holiday. Suddenly it became possible to fly to the Mediterranean and experience more reliable	Railways was the main reason for the birth of the beach holiday in the UK. Before the developoiment of the railways it was simply not possible to travel to beach for a holiday in a limited period. Even though in the UK	Car ownership is not strictly a tourism service (although high carsdo form part of the tourist industry. However, an increase in car ownership and affordability does allow more people to access	Traditionally cruises have been associated with the rich and retired. However, in recent years cruises have become more popular with a braoders socio-economic group. Cruises have become more popular because of the

<p>wheather. Today the airline industry is still growing, especially in emerging markets like China, India and Russia.</p> <p>The emergence of low-cost airline like Ryanair (now Europe's biggest airline), Easyjet, Air Asia and Air Arabia has made travel much more affordable for the masses.</p> <p>As well as the emergence of low-cost airlines, traditional airlines are also growing their networks (while consolidating their positions with mergers at the same time). Delta airlines is the world's biggest airlines, but the mergers of Air France and KLM, British Airways and Iberia, Continental Airlines and United Airlines as well as TACA and Avianca has made some airline giants. Many airlines also forge alliances like One World and Star Alliance.</p> <p>Long haul budget airline unveiled - BBC article Superjumbos first commercial flight - BBC article China to add 97 airports in 12 years - China Daily article Air Asia and Airbus announce record deal for 200 planes - BBC article</p>	<p>today, most people travel to the beach by car and the railway network has actually shrunk, in other countries the railways are seeing a huge boom.</p> <p>By 2012, China is expected to have 110,000km of railways. It already has the world's fastest commercial railway, a maglev serving Shanghai airport. The train is capable of travelling at 431km/hr.</p> <p>First Beijing Train reaches Lhasa - BBC article World's fastest train unveiled in China - BBC article</p>	<p>holidays, particularly domestic holidays.</p> <p>Again big growth markets for both the construction of roads and car ownership are the emerging markets. This year China is expected to become the second biggest car market in the world, overtaking Japan. In 10 years the numbers of cars on China's roads will double to nearly 200 million. At the same time the number of highways are also increasing (see India below). Although cars and roads are also used for business, shopping, etc. they play an important role in domestic tourism.</p> <p>Will India's highways project be path to growth - BBC article Tourists face car hire shortages - BBC article Car ownership in China expected to overtake Japan - People Daily article</p>	<p>variety of destinations on offer and the cost. In 2005 Easycruise was launched opening up cruises to an even bigger market. Easycruise was launched by the owner of Easyjet (one of the world's biggest low-cost airlines).</p> <p>The world's biggest cruise company is Royal Caribbean International (US/Norwegian owned) who control 25.6% of the world market and has a fleet of 42 ships, including the world's two biggest cruise ships. The world's two biggest ships; MS Aluure of the Seas and MS Oasis of the Seas are both able to accommodate 6,296 passengers each.</p> <p>One million Britons take cruises - BBC article Easyjet founder lands cruise ship - BBC article On board the World's biggest cruise ship - BBC article</p>
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Accommodation: Once you have reached your destination, you obviously need somewhere to stay. For some this involves sleeping in a tent or caravan, for most this involves a hotel or some other permanent structure. Types of accommodation;

Resorts: Resorts tend to be large-scale and often found by the coast. They cater for package holidays and often include everything e.g. food, drinks, water sports and entertainment. Some resorts cater more for families, while others may cater for couples and honeymooners.

Hotel: Hotels come in many forms, ranging from large TNC owned brand hotels with hundreds of rooms to much smaller independent hotels (posadas) with maybe only three or four rooms. Before the advent of the internet small independent hotels would not have been able to attract international tourists. However, a lot of these small hotels now have their own websites and e-mail addresses and are reviewed on sites like TripAdvisor. In some tourist destinations the local tourism board may have set-up an internet site that you can book rooms through.

Hostel (Dorm): Hostels tend to be a lot more basic than hotels and aim for the more budget traveller e.g. backpacker. Hostel rooms will often have shared bathrooms and sometimes shared rooms. Rooms that contain multiple occupants are known as dorms.

Bed and Breakfast (B&B): B&B's are usually a converted house and run by a family who usually still lives in the same house. They are small and intimate and offer a personal service. As their name suggests they provide a bed and breakfast. Breakfast is sometimes eaten with the family.

Boutique Hotels: Boutique hotels are becoming increasingly popular. They can be independent or owned by a multi-national. What makes them different is their size and individuality. They will only have a limited number of rooms and usually be designed along a theme making it unique.

Caravans: Some people own caravans which they tow behind their car and take with them. This is only possible in countries with good road networks e.g. Europe. Other times caravans are placed in one location, these are known as static caravans and are often not owned by individuals but rented.

Tents: Traditionally tents have been a budget option. However, recently permanent tent sites have emerged and more luxury camping has caught on. Luxury camping has become known as glamping. [Luxury camping or glamping takes off in Wales - BBC article](#)

Even though the internet has undoubtedly increased the variety and availability of hotel accommodation, the world market is still dominated by a small number of international hotel chains. The world's biggest is the InterContinental Hotels Group (IHG), which includes brands like the Intercontinental, Holiday Inn and Crowne Plaza. In 2010 IHG had over 4,500 hotels in over 100 countries. IHG has a variety of brands so that it can target different socio-economic groups. Most of the hotels are operated under franchise.

2009	2008	Group		Hotels		Evolution	Rooms		Evolution
				2009	2008	Hotels	2009	2008	
1	1	IHG	GB	4186	3949	237	619851	585094	5,9%
2	2	Wyndham Worldwide	USA	7043	6544	499	592880	550576	7,7%
3	3	Marriott International	USA	3088	2921	167	545705	521201	4,7%
4	4	Hilton	USA	3259	2967	292	544361	498174	9,3%
5	5	Accor	FRA	3982	3871	111	478975	461698	3,7%
6	6	Choice	USA	5827	5570	257	472526	452027	4,5%
7	7	Best Western	USA	4032	4035	-3	305387	308636	-1,1%
8	8	Starwood Hotels & Resorts	USA	942	896	46	284800	274535	3,7%
9	9	Carlson Hospitality	USA	1013	971	42	151487	148551	2,0%
10	10	Global Hyatt	USA	373	720	-347	114343	138503	-17,4%
Total				33745	32444	1301	4110315	3938995	4,3%

Source: MKG Hospitality database, Hotel CompSet

Tourist Services: Tourist services are basically anything that tourists use while on holiday, this may range from tour companies, to money exchanges, to taxi companies to restaurants. I am going to look at the growth of two tourist related services. Both these services attract specific tourists, often on speciality holidays i.e. focusing on one activity.

GOLF COURSES	DIVE CENTRES
<p>China has seen a massive growth in the number of golf courses. A lot of this growth is to accommodate the growing middle class in China, but it is also trying to attract international and domestic tourists to visit its resorts. China's first golf course only opened in 1984 and by 2009 it had over 600 courses. In the next five years it plans to build 14,000 new public courses. This figure excludes all the private courses that will be built at the same time. Mission Hill Golf Centre alone has 12 courses. Mission Hills invites tourists to stay for one and two weeks to play all of its courses. To promote the golf industry further China now hosts several major international golf tournaments including the Volvo China Open and the HSBC Champions Event.</p> <p>China's Mr Golf looks to tee up business - BBC article</p>	<p>Diving is becoming an increasingly popular pastime and is often done just on holiday. Divers will often go on holiday just to dive and may even stay on a 'live aboard', which is basically a floating hotel just for divers. PADI is one of the biggest providers of diving certification. It has seen massive growth in recent years and now certifies nearly 1 million people a year. It has over 5,300 recognised dive centres in over 180 countries (El Salvador only has three, but Honduras has over 40)</p>

Travel Agents and Travel Recommendation Websites: Even though there has been a growth in independent hotels and tourist operators the majority of holidays are still booked through travel agents or tour operators. Tour operators like TUI AG actually decide in advance the number (supply) of package holidays that are going to be offered. They have to decide the supply in advance because they need to book flights, hotels rooms, tour guides, coaches, etc. These predictions are not always correct. If they supply too many holidays then prices will go down and if they don't provide enough then prices will go up.

Along with the growth in tourism that has been a growth in travel review websites. By far the biggest is TripAdvisor which is actually owned by a travel agent (Expedia). Review websites allow tourists to make a more informed choice and also allows small independent websites to compete with large companies providing they offer a good service and have good reviews.

TripAdvisor: TripAdvisor.com is the world's largest travel site that assists customers in gathering travel information, posting reviews and opinions of travel related content and engaging in interactive travel forums. TripAdvisor.com is part of the TripAdvisor Media Group, operated by Expedia Inc. TripAdvisor is a pioneer of user generated content. Anyone can become a member and write a review about any hotel, airline or that they may have used. TripAdvisor was founded in February 2000 and operates under 17 brand names.

TUI AG: TUI AG is a German multinational travel and tourism company headquartered in Hanover, Germany. It was founded in 1968 and today it is one of the world's largest tourist firms with interests across Europe. It owns travel agencies, hotels, airlines, cruise ships and retail stores.

- approx. 3,500 travel agencies

[TripAdvisor chief meets north Wales hoteliers - BBC article](#)

- 79 tour operators in 18 countries
- over 120 aircraft
- 37 incoming agencies in 31 countries
- 12 hotel brand in 28 countries with 285 hotels and around 163,000 beds
- 10 cruise liners

[Holiday shortages and prices rise ahead - BBC article](#)

[TUI travel reports jump in profit - BBC article](#)