Alexis Papathanassis (Ed.)

The Long Tail of Tourism

Holiday Niches and their Impact on Mainstream Tourism

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Prof.Dr. Alexis Papathanassis

Editor's Foreword

This book is the result of my attempts to counter a major challenge faced by tourism educators. Namely: How to prepare students for a fast-evolving business sector within a formal educational institution?

Given the temporary nature of knowledge and the fast evolving tourism-cruise industry, there is arguably little value at passing over information and facts, descriptive case studies and personal wisdoms. For a graduate to survive and be successful in a competitive and complex tourism/cruise industry, they need to be critical, innovative and systematic in the way they approach new tasks or projects. In line to my experience, the tourism industry is traditionally quite 'un-academic' and 'front-office' experience remains decisive. Formal qualifications are not as highly regarded as in other industries and this makes it very difficult for young tourism professionals to climb up the career ladder. Soft skills and intercultural competence are fairly self-understood and wide-spread amongst tourism professionals. In other words, basic knowledge and social competences are not an exceptional value-added of the formal education programmes, but an absolute minimum. Thus, a competitive advantage (in terms of career development) in such a context is the ability to ask the right questions, clearly express thoughts, substantiate arguments and do this consistently over time. This is especially the case in larger companies - tourism is highly concentrated - where 'political' reputation is the key to top management.

According to my opinion, our current education system in Germany does not sufficiently encourage independent and critical thinking. Our economic and political development, as reflected in the introduction of, and experiences with, compact bachelor programmes, ultimately aims at producing functional members of society, cost-effective workers and team-players. Nonetheless, professional success requires social-shapers, effective managers and leaders. This may well be the price of mass-education.

Colourfully stated:

"The mere consumption of knowledge produces consumers, not knowers"

"Conformity and standards lead do not trigger creativity, but simply strengthen its monopolisation"

Therefore the question posed here is: How can we nurture and educate our students in becoming motivated, critical, and independent thinkers? And how can it be done within the resource restrictions present. In order to help our students develop those meta-skills, I utilised the scientific process / research as a teaching method:

Research-Based Learning (see table 0 bellow):

	Research Coaching	**Traditional Lecturing**
Thematic Scope	Specific (Depth focus)	General (Width focus)
Student Role	Active / Creative	Passive / Receptive
Professor Role	Coaching / Supportive	Explaining / Directive
Teaching Method	One-to-One Sessions / Idea Exchange / Discussion	Group Lecturing / Questioning
Learning Process	Question → Application → Understanding → Description → Reflection	Description → Understanding → Question → Application→ Reflection
Critical Success Factors	Motivation / Trust / Emotional Support	Content / Structure / Rhetoric / Entertainment factor
Evaluation / Feedback	Colloquium feedback in person + detailed thesis evaluation report	Written Exam / Presentation / Essay / report grade + comments
Desired Outcome	Experience with a Knowledge Domain	Knowledge within an Experience Domain

Table 0: Research-Based Learning vs. Traditional Lecturing

Thus, this book can be seen as a cumulative research effort, aimed at understanding the development dynamics of tour operating and shedding light on some of its key questions. The research team, comprising of undergraduate tourism students, systematically examined 20 case-studies, and documented their results. Apart from the insights provided, this documented effort also serves as a demonstration of applying research-based-learning and its usefulness; not just for students, but for the academic community as a whole.

Finally, it is my hope that this book will encourage a wider integration of students in empirical research and knowledge creation. After all, at least where the tourism knowledge domain is concerned, we can only be students.

Prof.Dr. Alexis Papathanassis

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1.0 The long tail of tourism

A hypothetical scenario?

Alexis Papathanassis

1.1 The Tourism growth paradox

Over the last years the tourism sector has grown substantially in a number of ways. According to the World Tourism Organisation (WTO, 2004a), over the previous decade international tourism expenditure has practically doubled. In terms of tourism arrivals (WTO 2004b), a similar trend is to be observed. During the period 1990-2004, world tourist arrivals have grown by approx. 43%. The European Travel Commission (ETC, 2007), reports that between 2004 and 2007:

> *"This was the 4th successive year of very substantial growth overall... In spite of growing concerns about the health of the world economy, the rising price of oil..."*

At a global level, tourism appears to be a crisis-resistant, growth industry. Moving from the global market, to national markets and market segments this trend becomes less visible. A number of source markets are experiencing less growth than others, whilst some are even declining. A brief scan of the tourism trade press creates the impression of an industry suffering from a permanent state of crisis. Restructurings, mergers, declining profit margins, insolvencies are frequently reported. Indeed, the concentration evident in the packaged tourism sector is indicative of a sector seeking economies of scale and scope to maintain profitability and competitiveness (Papathanassis, 2004). On the other hand, segments such as cruising as experiencing unprecedented growth (Papathanassis, 2009).

It has become imprudent to generalise about the development of the tourism sector in general. In fact, defining the boundaries of what constitutes tourism and what not, has become a semantic nightmare. One is left with industry wisdoms and subjective perceptions such as: 'the demise of the package holiday', 'travel agencies need to specialise to survive', 'internet is enabling a disintermediation in the tourism distribution chain', etc.

In contrast, the traditional, standardised, holiday package accounts for the larger proportion of holidays sold (at least in Europe). Despite the enormous number of brands, it is 5 tourism groups own 80% of the holiday market share. Nonetheless, those groups are continuously striving to reach the 5% profit margin (Mundt, 2000; Hildebrandt, 2001; Papathanassis, 2004)! Travel agencies are practically present in every high-street. Instead of replacing stationary travel agencies or rendering tour operators irrelevant, the internet has become simply a complementary distribution channel. Has tourism entered the 'Porterian Zone',

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where cost-leadership and differentiation are the only strategic alternatives? Does the future belong to a powerful holiday-cartel (Liedke, 2002), comprising of a few companies? If anything, the tourism sector has grown in terms of concentration, complexity, availability and variety.

1.2 The emergence of a tourism long tail?

On the one hand there is an observable concentration in the tourism sector and general growth trend. Concurrently, the sector is characterised by increased segmentation, low profit margins and a plethora of brands and offerings. At first sight, such contradiction may seem as a paradox or simply scoping challenge. Upon a closer look, the observed state of affairs, is compatible with Anderson's (2006; 2009) theory of the long-tail.

According to Anderson (2009:52):

> *"Our culture and economy are increasingly shifting away from a focus on a relatively small number of hits (mainstream products and markets) at the head of the demand curve, and moving towards a huge number of niches in the tail."*

Even though their examples mainly comprise of information-intensive products (e.g. books, music) the authors content that this is an overreaching trend. Information and communication technologies (ICS) play a central role by enabling a democratisation of production and distribution, whilst rendering it easier to connect demand and supply. In other words, the reduction of entry barriers and transaction costs essentially leads an explosion of niche products, which in their sum, complete with the mainstream. In turn, this hypothesised development implies dramatic changes in industry structures, distribution channels, company practices and strategies. Ironically, from a strategic perspective, understanding the future in this context may well lie with studying the 'sum of exceptions' and not the 'validity of the rule'. Mainstream marketing and strategic analysis tools and practices require re-conception and re-definition.

Tourism in general and tour operating in particular are context where those characteristics are highly relevant. Holiday component suppliers (i.e. transportation, accommodation, entertainment) have become directly available to everyone with an internet connection, some time and the ambition to assemble an individualised holiday package. With the aid of websites such as: holidaycheck and trip advisor, end-customers often seem to be better-informed about destinations and prices than the mainstream travel agent. Online flight consolidators and hotel portals are challenging the business model of mainstream tour operators and specialists are bypassing the existing distribution channels and GDS (Global Distribution Systems) through direct bookings.

Looking at the distribution of tour operator market shares in Germany (figure 1a), one can observe a rather long tail with specialists comprising approx. 30% of the total market share.

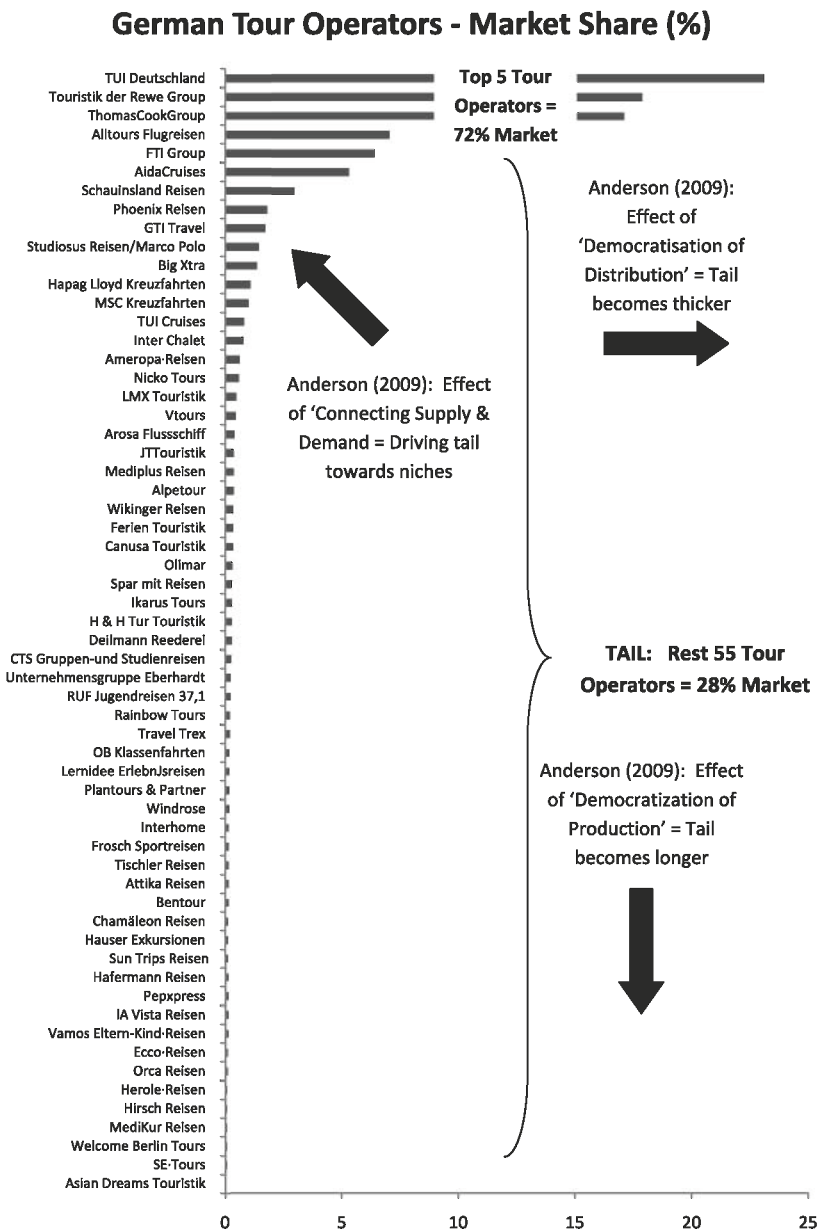

Figure 1a: Market Share *Distribution of German Tour Operators (%)* (Source: FVW, 2010)

The 70/30 proportion between mainstream tour operators and specialists has remained fairly stable over the last years. A closer observation reveals that the 'tail' is not just long, but also flat.

According to Anderson (2009), the democratisation of production and distribution will render tails in different industries longer and thicker. In other words, provided that the diffusion of ICS in tourism will reduce entry barriers and transaction costs, the number of specialists / niches will increase, together with their market share.

1.3 The tourism long tail and its implications

Should the long-tail scenario of Anderson materialise in the tourism sector, one could expect a number of challenges for the entire tourism value chain; and more specifically for tourism intermediaries (i.e. tour operators and travel agencies). A potential explosion of tourism niches and ever-expanding specialists raises a number of questions.

Assuming a more granular demand for holiday products and an abundance of holiday component suppliers, does vertical integration still make economic sense? During the late 80s and early 90s large tourism companies engaged in extensive M&A activities acquiring hotel chains, airlines and travel agencies (retailers). Their motives were fairly straightforward and compliant with classical strategic theory. In an environment where particular capacities are scarce (e.g. airplane seats, hotels at high demanded destinations / beaches), owning them ensures competitive advantage and profitability.

In Europe, a handful of players emerged, dominating the 4S holiday package (i.e. Short-haul, Sun, Sea, and Sand). Every summer, millions of northern Europeans were (and still are) mass-transported to southern Europe and the Mediterranean, accommodated and catered for in large units, populating the beaches in 'tourist-customised' resorts. Through their control of large tourism volumes, those large tourism groups were able to negotiate favourable conditions with suppliers, lower their cost-base and even influence (economically and politically) the infrastructural development in holiday resorts. This can be described as the epitome of holiday mass-production, promising a 'place under the sun' for the masses. One is tempted to paraphrase the 'Fordism doctrine':

"A holiday for everyone, as long as it is an all-inclusive, 2 week summer in Mallorca"

During the last decade, mass-tourism experienced a crisis, attributed to economic recession, terrorism and epidemics. For large tourism groups, vertical integration transformed from a competitive advantage to inflexibility. Large own capacities, becoming increasingly difficult to sell, represent a capacity utilisation risk. As a consequence the industry initiated a wave of horizontal mergers across source markets and tourism intermediaries. This was justified by the possibility of shifting risk capacity across different national markets and through different distribution channels. The emergence of fully-integrated tourism groups proved highly challenging, revealing a number of infrastructural, process-related and political issues

(Papathanassis, 2004). As it seems, the most difficult part has been to 'integrate' the different customers.

Is the recurring crisis of the holiday packaged industry over the last decade a temporary phenomenon due to economic cyclicality and unfortunate global events? Or is it the signalling of the realisation of the long-tail scenario?

New, non-tourism, players such as Google are becoming increasingly active in the holiday distribution chain, hotel referral sites are long-integrated into the purchasing decision process and the brand portfolios of tourism groups are steadily expanding. Could it be that the gradual abundance of flight and hotel capacities, coupled with the diffusion of the internet and the emergence of web 2.0, have empowered creative specialists and demanding individualists?

At the end of the day, the main questions we are attempting to address here are:

- To what extent is the long-tail hypothesis relevant for the tourism sector?
- What are the strategic and managerial implications (if any) for tourism companies?

1.4 The structural logic and rationale of this book

According to Anderson (2009), the emergence of a long-tail essentially reflects a so-called 'powerlaw distribution'. In other words, it reflects a pattern ubiquitous in many different contexts ranging from the distribution of wealth to the frequencies of word usage. Powerlaws tend to be 'fractal' in that each long-tail comprises of smaller long-tails.

In our context, if we are looking at tourism as a whole, the demand distribution is effectively the accumulation of its submarkets' demands. Consequently, to understand the development of cumulative demand distribution in tourism, one could begin looking at the demand developments and supply challenges of the segments comprising it. Stated differently, by examining the parts one can better understand the whole.

Following this analytical principle, this book systematically looks at 20 holiday niches in terms of their main characteristics, demand development and supplier landscapes. Upon the completion of this examination an evaluation of the tourism long-tail scenario in provided (last chapter) and conclusions are drawn; not just for specialists but also for mainstream tour operators. In line with the 'tail' analogy, each of those niches is a 'vertebrae' (spinal bone) stacking with others to form its anatomy; the development of which we are trying to understand.

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2.0 Dark tourism

The commoditisation of suffering and death

Söndra Brand & Nina Platter

2.1 Introduction

Guided bus tours giving tourists the eligibility to enter and take photos of the aftermath of Hurricane Katrina in New Orleans, wandering around the radioactive fields of Chernobyl, visiting the concentration camp in Auschwitz-Birkenau and travelling to prisons such as Alcatraz Island (Freire-Medeiros, 2008, p. 3), all exemplify the phenomenon of dark tourism. Stone defines dark tourism as "the act of travel and visitation to sites, attractions and exhibitions which has real or recreated death, suffering or the seemingly macabre as a main theme" (2008).

The following chapter explores "death-related tourist activity" (Stone& Sharpley, 2008, p.2), also described as:

- "Thanatourism" (Seaton, cited in Stone &Sharpley, 2008, p.2),
- "Morbid-tourism" (Blom, cited in Stone & Sharpley, 2008, p.2),
- "Black-spot tourism" (Rojek, cited in Stone & Sharpley, 2008, p.2),
- "Atrocity heritage" (Rojek et al., Strange & Kempa, 2003, p. 2) or according to Dann's (Stone & Sharpley, 2008, p. 2) alliteration "milking the macabre ".

After outlining the extent of the dark tourism spectrum and the related challenges associated with this topic, this chapter aims at elucidating both the demand and supply side of the tourism branch "associated... with death, disaster and depravity"(Lennon & Foley, cited in Miles, 2002, p.1). The market-focus section discusses the rather complex target segment, emphasising on different dark touristic 'shades' (Miles et al., cited in Stone & Sharpley, 2008, p. 2), classifications and visitors motivation. Moreover, demand expectations and future dark tourism trends are addressed. The supplier-landscape section concentrates on providing an overview of the key market players, their environment and the challenges they are facing. Finally, a summary of main dark touristic aspects is provided.

Due to its diverse spectrum, it is very difficult to attach an all-embracing label to the dark tourism domain (Stone et al., 2008, p.5). More specifically, the term encompasses sub-sections such as: "holocaust tourism, slavery-heritage tourism, prison tourism, cemetery tourism and battlefield tourism" (University of Central Lancashire, 2008). Indeed, classifying dark tourism as a new phenomenon is questionable (Mac Cannel et al., cited in Freire-Medeiros, 2008, p.3), as people have been drawn to the "consumption of death or disaster

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as a tourist experience of both the distant and recent past" (Rojek et al., cited in Strange & Kempa, 2003, p.2).

Several factors continue to carry on uncertainty such as "why and how dark sites/experiences are produced or supplied. Motives include: political purposes, education, entertainment or simply economic gain" (Ashworth & Hartmann, Stone, cited in Stone &Sharpley, 2008, p. 4). Another key issue is "whether dark tourism is demand or supply driven" (Stone & Sharpley, 2008, p.2). It is arguably if "tourist interest in recent death, disaster and atrocity" (Lennon & Foley, cited in Stone & Sharpley, 2008, p.2) has immensely increased recently or if there has been an "ever-increasing supply of dark sites and attractions" (Stone & Sharpley, 2008, p.2). Furthermore, Stone et al. (2006) questions whether the various "'shades of darkness' in dark tourism are related to the nature of the attraction or to the intensity of interest in death or macabre on the part of tourists" (Miles et al., cited in Stone & Sharpley, 2008, p.2). In any case, the importance of visitors' motivations cannot be neglected. This raises the issue whether such holiday experiences are the consequence of "a basic fascination with death or whether there are more powerful motivating factors and, if so, what ethical issues surround these" (Lennon, cited in Stone & Sharpley, 2008, p.2).

2.2 Market focus: Dark tourism 'shades', classifications and motives

Dark Tourism demand and supply are characterised by an "enormous diversity both of dark tourism places and of the needs, experiences and expectations of visitors" (Stone & Sharpley, 2008, p.14). Seaton (cited in Stone & Sharpley, 2008) states a "continuum of intensity" concerning tourist requests, desires and the appeal to death can be identified, labelling dark tourism as "a behavioural phenomenon" (ibid). This continuum of intensity reflects Sharpley's et al. (cited in Stone & Sharpley, 2008, p.6) concept of differing 'shades' of dark tourism, as he describes dark touristic sites and experiences as "paler"or"darker" (ibid). A visit to Auschwitz-Birkenau for example is embodied as "'darker' than one to the US Holocaust Memorial Museum in Washington DC" (Miles, cited in Stone & Sharpley, 2008, p.5), which will later on be described in more detail. The target market segment can be described as diverse as the actual sites, visitor motives and shades of the dark tourism domain itself.

According to Seaton (1998, p. 2), thanatourism is made up of five general divisions, including "travel to witness public enactments of death" becoming apparent by visiting and gazing upon places of sudden accidents such as plane crashes or terrorist attacks. The most ordinary thanatouristic attribute, namely "travel to see the sites of mass or individual deaths, after they have occurred", embraces visitation to:

- "Atrocity sites" (holocaust camp of Auschwitz);
- "Disaster sites" (Pompeii);

- "Sites of individual, celebrity death" (JFK assassination);
- "Visits to Battlefields"

Further categories comprise "travel to internment sites of, and memorials to, the dead" made up of travel to "graveyards, catacombs, crypts, war memorials and cenotaphs, travel to view the material evidence, or symbolic representation, of particular deaths "in places not associated with the incident or event, the epitome being the Holocaust Museum in Washington DC, and "travel for re-enactments or simulation of death [...] largely confined in European culture to religious presentations which restaged the death of Christ or other Christian figures" (ibid).

Coherent with these classifications and Seaton's mentioned assertion of dark tourism being a 'behavioural phenomenon' are the diverse motives that drive tourists to visit and experience dark tourism sites. The "extend and 'interest' in death as the dominant reason" (Stone & Sharpley, 2008, p.4) is rather ambiguous, for visiting such sites "may come simply 'out of curiosity or because it is the thing to do'" (Tarlow, cited in Stone & Sharpley, 2008, p.15) instead of adding any further function or role to the visit.

On the contrary, dark tourists can have "tasteless, ghoulish motivations", differing in their degree, ranging "from morbid fascination or 'rubber necking', through empathy with the victims" (Stone & Sharpley, 2008, p.6). As stated by Dann (cited in Stone & Sharpley, 2008, p.3), who established eight factors that have the ability to motivate tourists, the consumption patterns of dark tourism vary from:

> *"the fear of phantoms (e.g. overcoming childlike fears); the search for novelty; nostalgia; the celebration of crime or deviance; basic bloodlust; and, at a more practical level, 'dicing with death' – that is undertaking journeys, or 'holiday in hell', that challenge tourists or heighten their sense of mortality".*

However, as a result of the descriptive character of these classifications he indicates that such motives might very well be only applicable to particular properties, sites or conditions than being the driver for people to undertake such travel activities. These 'shades', classifications and motives are vast and thus suggest a substantial market segment size, however, due to this extensiveness and lack of reliable data/figures it remains unclear to explicitly define the segment quantity.

2.3 Demand expectations and relevant trends

Even though the "recreation of tragedy can easily pander to ghoulish voyeurism" (Strange & Kempa, 2003, p.17), dark tourism might possess the strength to face and challenge the "inevitably of one's own death and that of others"(Stone & Sharpley, 2008, p.12) and, furthermore might act as "a mechanism for confronting, understanding and accepting death" (Stone & Sharpley, 2008, p.14), thus letting the tourist absorb mortality from the site and the therewith associated experience instead of solely aiming to "contemplate death and dying as a primary motivation" (Stone & Sharpley, 2008, p.15). Arguably, dark tourism themed travel is partially helping individuals, regardless their awareness of this kind of coping mechanism, to deal with mortality. This supports the contention that dark tourism represents an ever-continuing and enduring activity increasingly in demand. Stone (2005), states that the "socio-cultural environment offers conditions of expansion for dark tourism concerning thanatopsis and the confrontation of death".

Contemporary technologies are of much significance in producing dark tourism locations (Smith, 2002, p.1). Dark tourism is not only remarkably manifest in "television news and programming" (Walter et al., cited in Stone & Sharpley, 2008, p.11), "cinema production" (Mortimer, cited in ibid) and "music" (Wass et al., cited in ibid) but furthermore in the "print media" (Trend, cited in ibid) and in jokes alluding thanatourism, described as "gallows humour" (Sayre, Thorson, cited in ibid). Foley and Lennon label dark tourism as "an intimation of post-modernity" (Lennon & Foley, cited in Stone & Sharpley, 2008, p.4) which is underpinning the statement that today's population – whether eager, prepared or not – "increasingly consumes [...] both real and commoditised death and suffering through audio-visual representations, popular culture and the media"(Stone & Sharpley, 2008, p.7). Rojek (cited in Stone & Sharpley, 2008, p.4) develops this further as he asserts that thanatourism is "largely dependent on the ability of global communication technology to instantly report them and repeat them ad infinitum". Contemporary technology, especially the Internet, might indeed "pave the way to darkest tourism"(Miles, 2002, p.2) as "virtual tours" have been established where "museum cyber guides [...] take their virtual tourists on real time tours of active detention camps, killing fields, death rows, and execution chambers"(Miles, 2002, p.3). This development of virtual dark tourism consumption, which is strongly correlated with cyber-tourism, might be an emerging trend and therewith "favour increasing public awareness of dark tourism" (Stone, 2005).

2.4 Supplier landscape

"Through presentation, whether real or fictional, death has become a commodity for consumption" (Stone, 2004). This commodity is exemplified by concentration camps, battlefields of World War I and II, Waterloo, Hiroshima and Nagasaki, Ground Zero, as well as the Favelas in Brazil or the assassination site of J.F. Kennedy.

According to Stone and Sharpley (2008, p.16) "dark tourism production is multi-faceted, multi-tiered and exists in a variety of social, cultural, geographical and political context". Not only the demand, but also the supply of dark tourism is "diverse and fragmented" (ibid) and therefore hard to define. Furthermore, Stone and Sharpley (2008, p.5) point out that at a great number of dark touristic attractions, "the boundaries between the message (educational, political) and their commercialisation as tourist products have become increasingly blurred".

Miles (2004, p.1) distinguishes between dark and darker tourism. He describes dark tourism as "recreational visitation to sites associated with death, disaster and depravity", for example the "US Holocaust Memorial Museum in Washington DC" (Lennon & Foley, 1999, cited in Miles, 2004, p.1). However, the darker tourism is explained as "the journey/excursion/pilgrimage to sites of death, disaster and depravity with a further degree of empathetic travel", for example visiting Auschwitz-Birkenau (Miles, 2004, p.1). He differentiates both forms on the one hand because of the spatial difference, and on the other hand because of the time gap: dark tourism sites describe commemorative sites associated with death, whereas darker tourism indicates travel to actual sites of death. Furthermore Miles (cited in Stone & Sharpley, 2008, p.6) demonstrates a further form, darkest tourism, which "emerges where the spatial advantage of a site of death is amplified by either the recentness of events (i.e. with recent living memory of visitors) or where past events are transported in live memory through technology". Coherent with the different dark tourism demand categories are Stones' (2008, p. 6) "broad categories of 'suppliers' [which are] characterised by a variety of spatial, temporal, political and ideological factors which, in turn, determine a perceived intensity of 'darkness' within any given dark tourism product".

Popular dark tourism tours are guided tours to the areas of the First and Second World War in Northern France, Belgium, Turkey and Italy. The War Research Society (n.d.) "has taken thousands of Pilgrims, Veterans, Widows and Children to visit the Battlefields, Memorials and last resting places of the fallen". Other tours are focused on the battlefields Somme in Northern France and Ypres in Belgium. They offer not only guided tours but also self-drive tours where the tour operator only arranges the accommodation and transport, while the actual tour is planned and conducted by the tourists themselves.

Often, cities themselves and/or their tourist offices offer guided tours to special historical sites and museums and promote them in guidebooks and on their website, the epitome being Ground Zero in New York or the Memorial of murdered Jews in Europe in Berlin. Also the Dungeons, for example in London or Hamburg, can be added to dark tourism sites as "within its walls lie more than 2,000 years of gruesomely authentic history vividly brought back to life...and death"(The Dungeons, n.d.) and therewith representing real historical events like Jack the Ripper or the Great Plague in 1665 (ibid).

One of the major operational challenges for dark tourism tour operators might be to "bridge the existential gap between the here-and-now of the tourist and the event (or events) of [in some cases] more than half a century prior" (Miles, 2002, p.2) and to "convert the memorial thing into a live memory" (ibid). Moreover, such tour operators need to provide not only the educational aspect by the confrontation with death, but furthermore arrange the tour as sensitively and tactfully as possible, as some of dark tour participants want to remember a particular dead person, possibly a relative, or a group of dead people, which is frequently the case in cemetery tourism and battlefield tours. Miles (ibid) suggests that recalling or stimulating historical events and the associated education is not the critical success factors for dark tourism suppliers. Rather, in order “to be successful, any dark touristic attraction must also engender a degree of empathy between the sightseer and the past victim” (ibid). Obviously, the degree of experiential realism possible is restricted by the safety regulations and standards tour operators are obliged to adhere to. This is especially the case with reality tours and active battlefield tourism. Facilitating empathy under those inherent restrictions remains the main challenge in the production of dark holiday experiences.

Historical tours are the competitors to dark tours. Besides historical aspects, dark tourism entails nostalgic features. Thus tour operators offering so-called 'medieval tours' can build the competitive environment of dark tourism providers, as medieval tours often deal for example with the Jewish heritage. The visit of Auschwitz-Birkenau, Holocaust Museums and Jew cemeteries are offered by those operators. A phenomenon, which can also be related to dark tourism are reality tours. Reality tours possess the idea “that travel can be educational and positively influence international affairs” (Global Exchange, 2007). Moreover they are giving their participants the opportunity to learn about unfamiliar cultures and understand the political, environmental and economic issues beyond what is communicated by the mass media (ibid). An embodiment for reality tours are the slums in Brazil, called favelas, which are eluded by local elites and “are turned into much valued attractions for international tourists, becoming sites of sophisticated commercial activities”(Freire-Medeiros, 2008, p.3). They furthermore:

> *“allow the engagement with an altruistic sense of good citizenship (tourists would be contributing to the economic development of a poor area by paying for a visit to it) at the same time it motivates a sense of adventure and tourism-related pursuits”* (ibid).

According to Freire-Madeiros (2008, p. 5), “Rocinha”[1] is mainly supplied by seven agencies, however, there have been signals for “a rather busy, but informal, circuit of tourists being shown around by cab drivers and private guides, the precise number of which is impossible to assess”.

As stated by The Dark Tourism Forum (2008) there exists a modicum of fringe tour operators, which market guided tours to occupied battlefields, concrete examples being the battlegrounds of Israel or Afghanistan, while important characteristics are that such “tours are difficult to find and the tourists are not of the same like as those who visit the historical sites” (ibid). It is important to recognise that sites like active battlefields do not attract the majority of dark-tourists and therefore those tour operators should not be counted as (direct) competitive environment.

Due to the increased use of the Internet, darkest tourism, where “the dark cyber tourist may not in fact sense a substantial difference between walking and browsing through Auschwitz” (Miles, 2002, p.3), representing a form a cyber-tourism could act as a competitor to dark tourism tour operators.

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[1] *A favela in Rio de Janeiro “where a regular tourist market has been developed for over a decade now with an average of 3000 tourists visiting the site each month.” (Freire-Madeiros, 2008).*

2.5 Conclusion

According to Bryant and Shoemaker (cited in Stone & Sharpley, 2008, p.11), “thanatological themed entertainment has been and remains a traditional pervasive cultural pattern, and has become [...] a prominent and integral part of contemporary popular culture”. A distinctive attribute of dark tourism is its characteristic of being a 'behavioural phenomenon' and its possession of a 'continuum of intensity' concerning visitors motivation. This can also be applied to dark touristic sites and attractions or as Stone (cited in Stone & Sharpley, 2008, p. 6) defines, a “'spectrum of supply' ranging from the 'darkest' to the 'lightest' forms of dark tourism” prevails, which is coherent with the supply of dark tourism of being diverse and fragmented (op cit). A distinction between forms of 'dark', 'darker' and 'darkest' tourism has been made, while emphasis is put on the spatial difference as well as the time gap concerning the two former types. The latter form “would transcend both the ‘spatial’ differences that distinguish dark from darker type and the ‘time gap’ that separates both dark and darker from the remembered tragedy” (Miles, 2002, p.2) with technology being the primary enabler.

Modern technology indeed plays an important role, not only in promoting dark touristic products, but rather dark tourism is described as “an intimation of post-modernity” (op cit) as contemporary society thereby absorbs death related themes to an increasing extend. A trend arising from the Internet might be virtual dark tourism, as “virtual tours” (op cit) through concentration camps are possible, making it easily accessible for the audience and therewith raising dark tourism consciousness.

Principal considerations of this chapter were the five different types of dark tourist activities defined by Seaton, which are exemplified by differing motivations on behalf of the consumers. Travel to dark sites or attractions can be driven by “remembrance, education and/or entertainment” (Tarlow et al., cited in Freire-Medeiros, 2008, p.3). More specifically stimulating factors can range from pure curiosity, basic bloodlust, spending 'holiday in hell' and so forth (op cit), while attentive behaviour should be paid to whether certain motives only apply to specific sites or attractions. Resulting from the large quantity of visitor motives and dark touristic classifications, the (potential) target market size cannot be estimated, nor were any related figures found during the research.

Products offered by (dark touristic fringe) tour operators are markedly different from one another. A considerable amount offer guided tours whereas others focus on 'self-drive tours' (ob cit) providing solely the accommodation and transport. It is important to recognise that numerous products, such as the London Dungeon, which might not be perceived as a dark touristic attraction instantly, are actually classified as such. A difficult task for dark tourism suppliers and their products is to transform past 'things' into a live 'memory', especially with locations and the therewith associated happenings being a period of hundreds or more years ago. Tour operators furthermore are challenged by providing tours that show respect to victims and their families, while Miles states that there should be a certain 'degree of empathy' enclosed between visitors and victims for operators to be profitable. The dark tourism competitive environment is shaped by realms such as reality, medieval, or historical tours as well as cyber-tourism, while these become increasingly blurred and difficult to distinguish with the domain of dark tourism.

Even though "the level of mortality meaning to the individual will [...] depend upon their socio-cultural background and to the varying 'intensities of darkness' perceived in any given dark product and/or experience" (Stone, Sharpley, cited in Stone & Sharpley, 2008, p.15), dark tourism could have the ability or play the role of a coping catalyst with reference to dealing with one's own death "within a socially acceptable dark tourism environment"(Stone & Sharpley, 2008, p.15) or on a more general basis, to put it in the words of Stone and Sharpley "dark tourism may have more to do with life and living, rather than the dead and dying" (Stone and Sharpley, 2008, p.17). Therefore, we assume that demand for dark touristic products will remain or might even increase. This paper has, due to its small scope, neglected ethical issues about "the refashioning of punishment as a tourism product" (Lennon & Foley et al., cited in Strange & Kempa, 2003, p.16) and the debate whether dark tourism is demand or supply driven, for which further evidence-based research must be induced.

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3.0 Sex tourism

The economic impact of prostitution in the tourism industry with a focus on sex tourism in Asia

Daniel Bunn

3.1 Introduction

The following chapter addresses the sex market as an economic sector of tourism. It does not reflect the author's personal opinion on religious, health, criminal or moral issues. This chapter is divided into two parts, examining the demand and the supply side issues respectively. More specifically, it addresses questions regarding the sex tourism segment's estimated market size, consumption patterns, geographical fragmentation and its particular psychological and sociological aspects.

The American Heritage Dictionary defines sex tourism as a tour to a destination where sexual services are available to tourists (American Heritage Dictionary, 2006). If this is to be taken literally, we are all sex-tourists. In real life, it is very difficult to define what sex tourism comprises. Available prostitution at the destination and the willingness to compensate another for sexual relations are the two major characteristics of sex tourism. In other, more basic terms, it can be defined as travelling to a destination with the intention of sexual contact in exchange of money or valuable goods.

Even though prostitution is often referred to as the oldest business in the world, the economical significance of sexually motivated travel has only become noticeable during the last century. Because of the industrialisation in the early 1900's and the resulting globalisation, destinations have become easily accessible especially for tourists from the developed countries. During the Vietnam War the U.S army helped to establish sex tourism in south East Asia, when thousands of marines went to Thailand and other boarding countries looking for sexual contact with women (O'Grady, 2008).

The economic extent of sex tourism goes way beyond the exchange of sex for money. Related institutions like airlines, bars, hotels, entertainment facilities and travel agencies employ worldwide millions of workers. But even in spite of the size and economic importance of prostitution, it is almost entirely unregulated and goes unrecognised in official statistics of almost all countries worldwide (Ives, 2001).Due to the fact that in most of the affected countries the sex business is illegal and considering the sensitivity surrounding it, obtaining reliable facts and figures on this subject represents a challenge. Although numbers are commonly cited they often have little basis in reality, but due to the fact that they are so

A. Papathanassis (Ed.), *The Long Tail of Tourism*,
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frequently quoted they are being accepted as facts (Brown, 2001). Therefore, researchers are forced to work with estimations of diverse reliability and objectivity.

3.2 Market focus: How does the market for sex tourism work and where is it mainly located?

3.2.1 The sex tourist

People who plan their vacation primarily for the purpose of having sex often do this because it is too expensive, illegal or difficult in their home countries. Furthermore the motivations for sex-travel are often of psychological nature, like the desire to satisfy what they imagine to be a biological or emotional need (Ives, 2001). Moreover the sexual contact with children and other sexual preferences, which are socially condemned, lead to the decision of "escaping" to another country. Especially if they believe that there are no social taboos in that country regarding their sexuality.

> *"Nearly half of prostitute users have been found to be married men, often with children. The majority of users is Caucasian, employed full-time, self-identified as heterosexual, and have personal incomes in excess of $30,000USD per year. Transience is a key factor in male prostitute use. Men who are military personnel, truck drivers, seasonal workers, or conventioneers are more likely to exploit children for sex." (Jeff Heinrich, 2007)*

But even though the majority of sex tourists have proven to be hetero- and homosexual males and female, sex tourism is showing uprising trends. Estimations are that over 600,000 women have already been involved in sex travel within the past 25 years, often more than once (Ins, 2002). Unfortunately there is little information on the full extent of homosexual (i.e. 'gay') travel.

3.2.2 The service

It is false to standardise a sex tourist as someone who interacts primarily with traditional prostitution. Particularly women tend to pay for the sexual services in a more indirect way than men. For example, males in Kenya are often compensated with valuable objects like cars and cell phones or loans for businesses (Heinrich,2007). In addition, a main differentiation factor between traditional prostitution and tourism-related prostitution is that the services offered exceed the pure sexual aspect. Oftentimes, the prostitutes act as girl/boyfriends for the full length of the stay. It is not unusual that a prostitute accompanies a single tourist for several weeks. Especially women tend to prefer this kind of prostitution because it provides space for a more romantic experience (Ins, 2002).

Furthermore sex can be seen as a product through which, especially men, define themselves. The materialistic lifestyle of humans is defined through commodities that represent a certain status. Often, being with women or men is seen as part of these commodities (Brown, 2001).

3.2.3 Destinations

The U.S. State Department's 2008 Trafficking in Persons Report lists over 150 countries which are involved in or are under the threat of human trafficking (Office of the Undersecretary for Democracy and Global Affairs and Bureau of Public Affairs, 2008). Sex tourism is a worldwide phenomenon which cannot be pinned down to a few destinations. However while male sex tourism is mainly to be found in Southeast Asia, Eastern Europe and South America, female sex tourism is focused on Africa and the Caribbean (Microsoft Encarta Online-Enzyklopädie, 2009; Ins, 2002; The Independent UK, 2006).

3.2.4 Distribution channels

Due to the fact that prostitution, especially child prostitution, is illegal in most parts of the world, there are no traditional direct distribution channels like travel agencies or printed brochures. But even though hotels and travel agencies refrain from advertising sex tourism areas in their catalogs they are often simply described as 'not suitable for families'. On the other hand though, in some countries the sexual service is being promoted and offered via ads in newspapers or by direct promotion on the street. But in general, prostitution is usually kept outside the public sight.

In this respect, the uprise of the internet over the recent decades has provided sex tourism with a very effective marketing place. Websites like www.slyguide.com and www.sex-tourism.org are community-based online portals where sex-tourists exchange their experiences. They provide explicit information about the destinations and their attractiveness for sex travels. Child sex seekers, for example, are informed by other sex tourists via the internet about the various destinations and are given precise guidelines for procedures and prices for the sexual exploitation of children (Gore, 2009).Some websites, for example www.thailandguru.com, even advertise sex tourism and provide startup guides with mind easing excuses for potential new sex tourists. Most of the above is also to be found in the world of gay tourism. Websites and books like www.gayguide.net or "Utopia Guide to Cambodia" by John Gross, organise information for gay tourists about certain destinations. However, they seem to be more focused on creating international gay communities rather than providing information for a sex-based travel.

3.2.5 Estimated market size (On the basis of Thailand)

A segment of the Asian sex market is concentrating on serving foreigners; this market is relatively small in terms of number of sex acts performed. Because of the willingness and ability of foreigners to pay higher prices than most domestic consumers, it is more lucrative and also far more visible (Brown, 2001).

The report "The Sex Sector" on the basis of South East Asia, written by Lin Lean Lim in 1998, states that between 0.25 and 1.5 percent of the female population of Indonesia, Malaysia, the Philippines and Thailand are engaged in prostitution. Projecting these proportions to the total female working population in Thailand, this produces some compelling results. The

Economic and Social Statistics Bureau of Thailand, estimated that the total female workforce of Thailand in 2008 (July-September) was 17,653,600. Assuming similar proportions of prostitution in its female population this would result to 44,134 – 264,804 women engaged in prostitution in Thailand right now. These numbers do not include child prostitution or illegal immigrants and are therefore highly speculative.

In 2002 the total tourist arrivals in Thailand were 10.8 million (Thailand Investor Service Center, 2003), generating a total of 10.39 million US$ tourism receipts (UN Data, 2008).Male tourists had a higher market share than females, at a proportion of 60:40. Of the total arrivals, about 89% were for the purpose of holiday making leaving approximately 12% business travellers and others (Tourism authority of Thailand, 2003). Assuming that the male-female proportion of business travellers is also 60:40 it makes a total of 5.78 million male to 3.86 million female holiday makers. The male surplus is therefore 1.92 million.

Because of this, the sex industry is thought to account for at least several percent of Thailand's Gross Domestic Product (GDP). Some estimation from 1998 suggests that the sex industry in the four Asian countries Malaysia, Thailand, Indonesia and the Philippines account for between 2% and 14% of the GDP (Lim, 1998). The Japanese sex sector's annual earnings have been between 4 and 10 trillion yen which sum up to 1% - 3% of its Gross National Product (GNP). Between 1993 and 1995 profits from the Thai sex industry were even thought to be three times higher than from its drug trade (Brown, 2001). Because of this, both people involved in prostitution and policy advisers have been pushing for legalisation and taxation of the local sex industry (Murphy, 2003).

Nevertheless, for nations like Thailand only assumptions on the total extent of the sex industry can be made. European countries, which have mainly legalised prostitution, deliver far more reliable numbers. The Royal Economic Society found that approximately 770 million pound is spent on prostitution every year in the UK alone (BBC News Online, 2001).In Germany it is estimated that the number of prostitutes is around 400,000 and the turnover of brothels, bars and other institutions related to paid sex sums up to approximately 4.5 billion US Dollar annually (Murphy, 2003).

3.2.6 Legal environment

While prostitution is legal in some countries, especially in Europe, it is still outlawed in most parts of the world. Nevertheless, a worldwide trend towards the legalisation of prostitution is noticeable.The sexual exploitation of children and the trafficking of humans are and are expected to remain illegal. In September 1995, 178 countries have ratified the Convention on Rights of the Child which covers everything from a child's right to be free from sexual and economic exploitation (United Nations Department of Public Information, 1995).

In the recent years there have been efforts by tourist-receiving countries to fight child exploitation. Their efforts have been matched by some tourist-sending countries, some of which have passed new laws to allow the prosecution of crimes against children outside their territory. Men who escape justice in foreign countries can now be prosecuted in their country of origin. The Australian government passed a law that would imprison its citizens for up to 17 years if they were found guilty of sexual offences against children abroad. Countries like the UK, Norway, Germany, France, Belgium, New Zealand and Sweden have similar laws (Harrison, 2001).

3.3 Supplier landscape: How does the source market handle the demand for prostitution from incoming tourist?

3.3.1 The sex worker

Most people who sell themselves in exchange of money are often doing so due to economic and social inequalities or restricted life chances which are forcing them to do so. Basically, the different types of sex workers can be subdivided by the following criteria:

- Male – Female – Child
- Forced - free will
- Exploited - none exploited

In Asia all of the above criteria occur in various combinations, nevertheless female sex workers clearly outnumber male sex workers. In the poorer countries of the region, sex work enables unskilled women to generate income beyond their possibilities in other occupations, thereby pushing many women from underdeveloped areas into prostitution. The materialistic lifestyle has created a large supply of women to the market, which willingly trade their body in order to be able to buy symbols of modern consumer culture. Elite sex workers can earn tremendous sums within a short period of time, in developed as well as in undeveloped countries. These financial benefits often outweigh the social disapproval which the prostitutes are facing. Many people sell sex because of insufficient funds to support their desired lifestyle, rather than absolute poverty; even an undocumented number of young women from Asia's middle class are involved in prostitution. However, the debate over the legalisation of prostitution and economic benefits that some sex workers experience do great injustice to the large number of people who are exploited against their will. They are often trafficked into the business and have to work in brothels were they are held like slaves in debt bondage or violence with little or no share of the money paid by the clients (Brown, 2001). There have also been reports of street gangs putting young girls on drugs as a way of forcing them into prostitution (Ives, 2001).

Especially prostitutes of lower ranks and children are the ones suffering the most from organised crime and trafficking throughout the sex industry. Research in Thailand showed that a third of women working in massage parlors and brothels started sex work before they reached legal maturity; a fifth of the brothel-based women were between thirteen and fifteen years of age. At the moment there are estimated 16,423 foreign prostitutes in Thailand of which around 30% are under 18.

A trend towards globalisation of the sex workforce can also be observed as a result of trafficking and the increasing mobility, of people willing to migrate in search of work overseas. It has become usual, for example, to find prostitutes from the former USSR working in Asia and Asian women working in European brothels (Brown, 2001).

3.3.2 The sex tourism institutions

Differing from more traditional tourism segments, the sex tourism industry is not served and organised by legal institutions like Travel Agencies, Tour Operators and Incoming Agencies. But there are similarities to mass tourism in the way things are organised. The basic tourism infrastructure like Airlines, Hotels and means of transportation are being used by the sex tourist. Once in the country there are two kinds of sales approaches: The direct sale where a pimp or a prostitute approaches the tourist directly on the streets and the indirect sale through Bars, clubs, karaoke bars, restaurants, massage parlours and other venues. In all Asian countries have been clear trends towards the indirect sales approach (Brown, 2001). Most of the sex industry in Asia is controlled by the mafia and prostitution rings. In the sex tourism segment the organised crime has adopted the role of the Incoming Agencies, making the access to prostitution as easy as possible for tourists. In many countries, even government institutions are involved in the prostitution and trafficking of women, men and children via corruption and blackmailing (Lim, 1998). The rise of the internet and mobile technologies has created a new distribution base for both organised crime as well as free lancing prostitutes to offer their service to tourists.

3.4 Conclusions & outlook

In the future, the sex tourism industry is expected to rise or at least not to diminish. Like all other tourism industries, the sex sector is dependent on the economic developments of the tourist's country of origin; if an economic crisis prevents people from leaving their countries due to insufficient funds, sex tourism will diminish. Because prices for air travel have decreased dramatically during the recent years, the sex tourism industry has boomed, a quick increase in prices could have the exact opposite effect.

Summarising, one can say that sex tourism is probably the most controversial sector in tourism. It is located in a 'grey zone' were legal activities mix with highly illegal ones. In some areas of the world it belongs to the biggest tourism segments, which literally millions of people are somehow involved in. High turnovers are being generated and many of the big tourism companies are profiting from it, while some of them are not even aware of their participation in the sex industry. Most in depth analysis of the sex sector have outdated or are of little important due to insufficient information on economical developments. There is too little government control, because the concerned countries either turn a blind eye or some simply have other priorities. Even though Western countries have made attempts to diminish sex tourism, their efforts had little impact on the industry. While aid organisations struggle to raise awareness on sexual exploitation of people in primarily underdeveloped countries, there is no official international institution focused on the activities in the sex sector. However there are the ones that deal with exploitation of children and the trafficking of humans. The conditions under which the prostitutes are working are often poor and under no supervision, since the workers do not have any unions to defend their rights.

Even though many countries are trying to get rid of sex tourists in order to establish a more family-based holiday destination, the consumer has enough alternatives to shift to. Sex tourists are known to be very flexible and easily satisfied when it comes to the destination. On the other hand they tend to be very price inelastic. While the four "S's" of tourism - Sun, Sand, Surf and Sex - are still the main choice criteria, one more letter would have to be attached: "C" for "Cheap".

It is due to these attributes of sex tourists, that makes them attractive for less developed destinations. Often these countries have deficits in infrastructure or safety which in turn are required by traditional tourism operations but they have the sources and the ability to serve the sex tourists' needs. Therefore it has often been the case that sex tourists act as some kind of herald to mass tourism as they provide the destinations with the required funds, knowledge and experience to deal with foreigners. Legalising prostitution could help striving countries to get a foot in the tourism market, due to an increase in tax revenues and in tourism.

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3.6 Recommended reading

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ECPAT International – End child prostitution, child pornography and trafficking of children for sexual purposes, URL: www.ecpat.net

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4.0 Agro-tourism

Stefanie Greif, Carolin Rauscher & Caren Söntgerath

4.1 Introduction: What is agro-tourism?

This chapter deals with agro-tourism. Our objectives are to identify and assess the agro tourism industry, showing advantages and limits of this industry. We will look at the previous and current supply and demand for this market while also analysing future trends.

But what is agro-tourism?:

> *"The concept of agro- tourism is a direct expansion of ecotourism, which encourages visitors to experience agricultural life at first hand. Agro-tourism is gathering strong support from small communities as rural people have realised the benefits of sustainable development brought about by similar forms of nature travel. Visitors have the opportunity to work in the fields alongside real farmers and wade knee-deep in the sea with fishermen hauling in their nets." (Ecotourdirectory, 2007)*

In other words, agro-tourism offers customers the possibility to spend their holiday on a farm while actively participating in the farm life, e.g. working on the fields and cleaning barns.

In respect to this segment there are a number of key questions and challenges to be addressed, such as what does the target market look like? What are the advantages and disadvantages of agro-tourism? How can the environment benefit from agro-tourists? Why do many farms become tourism destinations additional to their agricultural holdings? Who are the key players? What does the competitive environment look like? Is agro-tourism truly sustainable? Is this industry going to increase greatly in the future? Is agro-tourism only relevant for Germany?

These are only a few questions we identified during our research. In most cases, we tried to draw our conclusions by answering the central question referring to the key determinants of supply and demand in the agro- industry and their impacts for the segment´s future.

4.2 Market focus

The following section aims to identify and define the target group for agro-tourism. We will describe any particular traits of the segment and evaluate on future expectations and main trends.

There is evidence to suggest that an agro-holiday is particularly attractive for people living in a busy city or for families with young children not getting the chance to visit a farm, to see animals in reality or to experience where their food comes from. However, 55% of agro-

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tourists are couples or singles without children, being interested in travelling and acquiring new experiences. Students are found to be interested in spending time on a farm as they can use the environment to relax and prepare important assignments while revitalising themselves before returning to university life (Wagner, 1997).

German agro-tourists are most commonly aged between 30 and 49 years. Agro-tourists in most cases have a household net income ranging between 1,500 and 2,500 Euro per month. Since they live in families with more than two children, the pro capita income is lower as the one of an average tourist. They usually have a lower and simple education and they are found to be predominantly from Bavaria or North Rhine-Westphalia (Grieshaber et al., 2008).

The main motives for an agro-holiday are listed in order of importance bellow (Schipfer, 2007):

- being around animals and nature
- calm and relaxing environments, ideal for spending time alone or together
- meeting new people, in a new region with a difference perspective of life in nature
- providing lots of space for children to play in a safe environment
- the opportunity of a vacation with the whole family for all generations to enjoy
- participate and experience the working process on a farm and the daily-life routines
- activities and sports, such as hiking or canoeing etc.

Although one might think that agro-tourism only provides holidays for middle income earning holiday-makers, there can be luxurious agro-tourism holiday offers found on the market as well which targets the high income earning holiday-makers. Presumably, agro-tourists with higher incomes would prefer a more fitness and wellness-oriented vacation, where they could expect a higher level of quality and service.

Regarding this wellness and health trend, agro- tourists are showing increasing interest in consuming products produced on a farm. These are often tested to compare them with standard supermarket products. Hence a farm holiday can affect their future shopping habits and their health-awareness (Grieshaber et al., 2008).

Taking into account the demographical, economical and social changes that have taken place over the past few years, there are justifiable concerns about the evolution of the agro-tourism target group. Studies suggest that despite a reduction in certain strata, like the classical family with one or more children, over the next years the holiday industry will remain unaffected due to an estimated increase in travel intensity from 75% (2007) to 85% (2015). On the one hand, the most important target group for agro-holidays, the 30 to 49-year-old travellers, will be decreasing from 24 million to 22 million people in 2015. On the other hand, the portion of over 50-year-old people will increase from 32 million to 36 million. Growth is expected in the proportion of elderly holiday makers as these are living longer and healthier. They have more travel experience, are in a good physical condition and have sufficient disposable time, allowing them to regularly travel (Federal Statistical Office, 2006; Grieshaber et al., 2008).

Despite the fact that middle-aged people, families with children and households with an average income are already the target group with the biggest market share in agro-tourism, they show the highest growth potential. Additionally, people wanting to experience nature and playing with kids in a safe environment are also very important when analysing trends and potential target groups.

Currently the potential target group is already a big customer of agro-tourism, which can be seen as an advantage, e.g. in respect of the financial situation for farmers, their available time, their capabilities and their flexibility. The first priority for farmers should be to optimise the structure of supply rather than creating new offers and products for potential new target groups.

However, the potential of completely new agro-tourists and interested parties is still important and should be strongly considered by the market. Emerging target markets will be the so-called “patchwork” families, couples without children, homosexual couples with or without children and singles (Grieshaber et al., 2008).To attract those groups agro-holiday suppliers may need to reconsider and adjust their marketing to address the new social trends. However, tourists aiming to understand new countries, cultures, religions and those intending to expand their knowledge are representing low market shares with low growth potential. Just like tourists enjoying vacations with campers and caravans (Grieshaber et al., 2008).

4.3 Supplier landscape

4.3.1 Generic product description

A typical agro-tourism holiday could involve working and helping on a farm or partaking in other rural activities such as feeding animals, hiking, fishing, cycling, harvesting crops, caring for horses and therapeutically riding, experiencing wellness treatments and staying in unusual places such as a rural castles (bauernhofurlaub.com, n.d.).

Many of the farms providing holidays or ‘break-aways’ encourage people to experience the actual working process. The educational aspect of working on a farm could be considered particularly appealing for a family with children or people who have been brought-up in the city. In fact, the agro-tourism industry supplies products for a wide range of people with different interests. Hence there are few generic agro/farm holidays. Most important for an agro-tourist is having time to enjoy a more natural surrounding and rural environment. Part of this experience would involve living with local people and farmers who can offer a very different lifestyle to the holiday-maker. Additionally, tourists prefer the rural ambience and traditional atmosphere at the farm (Lorenz & Schiefer, 2006).

However, the agro-tourism industry shows a very low degree on specialisation; 32% of the suppliers are registered as family- and children farms, only 1%- 8% are target group-oriented and specialised on i.e. seniors, horses, health and tourists with disabilities.

73% of the farms provide 1-3 holiday flats, 2% offer more than 9 holiday flats on their farm and 64% are equipped with 1 vacation home. 29% do not offer any catering on their farm, 11% offer half/ full board and 48% offer their own produced food (Grieshaber et al., 2008). In the rural industry farm-rooms are the most expensive accommodation alternative opposed to the cheaper vacation homes for example. In 2005 a farm vacation cost an average of 575 Euro per person, which is significantly less compared to a standard holiday with 833 Euro. A farm holiday therefore can be considered as a less expensive vacation.

Main arrival means of transport is the car with 75% and 10% of the agro-tourists arrive with the train, other transportation options like airplane or ship do not play a major role in this industry (Grieshaber et al., 2008).

4.3.2 Key players and comparison

More than 120 million national and international guests spend their holiday each year in Germany. Germany lists around 360 million overnights per year in 54,000 commercial/ industrial accommodations and on 3,600 campgrounds. The number of farm holiday-accommodations amounts to 25,000 and Germany experiences 20 million farm holiday overnights per year. This shows that the agro-tourism industry is still a small market; however it plays an increasing role for the German tourism industry. Between 1991 and 2000 the total revenue in agro-tourism has more than doubled, summing up to over a billion Euros in 2000. 25,000 farmers provided a farm holiday in 2003 and in the same year around five percent of the German tourists selected a farm as their preferred form of accommodation, which equates to 3.3 million vacationers (Lund-Durlchacher & Zeppenfeld, 2006).

The 3 main German associations supporting the agro-tourism industry are shown below:

- *The Federal association of farm holidays and agro-tourism in Germany*, having been founded in 1991,is the most important farm holiday association with around 20,000 members. They represent interests from about 8,300 suppliers and support, popularise and promote the rural tourism industry and opine their supplier of political enterprises and other institutions (Federal government association of farm holidays and agro-tourism in Germany, n.d.).
- *The German Agriculture-Society* (called DLG) was founded in 1885 by Max Eyth. It is another important organisation for the advancement and assistance of agro-tourism and registers about 10,000 farm holiday accommodations. The DLG designed a quality certification scheme in 1972 which guarantees high quality in comfort, hospitality and adventure through strict ISO standards based on a star categorisation. Its label is

common and well known from tourists and agro-tourism organisations (German Agriculture-Society, n.d.).

- *The ECEAT* (European Centre for Ecological and Agricultural Tourism) is an association concerned with sustainable tourism on organic farms and was founded by polish farmers in the beginning of the early nineteenth century. It includes 138 farm tourism organisations in Germany, pan-Europe it lists around 1300 small-scale accommodations. ECEAT has members and partners in over 20 European countries. Those members have to meet the ECEATs sustainability criteria and need to be officially certified organic farmers. They distribute their products through the ECEAT- travel guide published by "baerens & fuss" which is available in different languages (ECEAT Germany; Lund-Durlchacher & Zeppenfeld, 2006).

Such organisations are very important for farmers, as they help them to distribute their tourist products and raise funds to build and maintain the necessary infrastructure.

4.3.3 Advantages of those specialists in relation to mass tourism providers

Unlike mass tourism providers farm accommodation providers use their own locally produced food and do not have to transport it from distant regions. The investor and owner of the tourist area would most commonly be the landlord, meaning that there is little profit leaking outside locality. Other mass tourism resorts, such as hotels and facilities are mostly owned by large corporations and the participation of local populations in the profits is limited. Agro-tourism specialists have more restrictions on destination planning because of the aim of protecting the natural environment, for example limited access roads, car free zones and waste disposal. Agro-tourists focus on learning and understanding the local nature and culture; they have higher expectations for their vacation and are looking for unique experiences. This is an exacting desire which agro-tourism providers challenge to satisfy more than mass tourism providers, whose customers are more easily satisfied (Delman; McNab & Fung, n.d.).

4.3.4 Competitive environment

The German agro-tourism industry faces direct and indirect competitors. The agro-tourism market is characterised by a high rivalry amongst national and international agro-tourism destinations. The most popular destinations in Germany are Bavaria, Mecklenburg-Western Pomerania and Schleswig-Holstein. 51% of the German agro-tourists spend their vacation abroad, whereby the most chosen destinations are Austria, Italy and Spain. However the East European countries, like Poland are now becoming important rivals, offering lower prices but failing to meet Austrian and German quality standards. Farm holidays are usually not booked as a packaged tour. Hence, agro-tourists still need to do much of the research and bookings themselves (Lorenz & Schiefer, 2006; Grieshaber et al., 2008).

Additionally the competition from other market segments has been increasingly noticeable in the agro-tourism industry; especially for destinations in Eastern Europe, camping trips and holiday parks (such as Centerparcs, Disneyland) which are focusing on the same tourists. In particular, German camping trips need to be spotlighted, as they present an inexpensive accommodation alternative and the quality standards and equipment components have been improved over the last few years. Holiday parks address with a wide variety of activities for families with children, which are the main target group for agro-tourism suppliers (Grieshaber et al., 2008).

Trough the significant upturn of low-cost carrier such as the Irish airline Ryanair or the booming cruise industry agro-tourism providers will only survive the increasing travel industry competition if they offer demand-driven products meeting quality expectations of tourists and operating target group-oriented marketing. Agro-tourism providers also need to be aware of the tourism future trend leading towards shorter holiday trips booked (Grieshaber et al., 2008).

4.4 Conclusions & outlook: What does the future hold for agro-tourism?

As the German tourism industry has become increasingly competitive, agro-tourism is facing a number of current trends:

There are numerous suppliers in the German tourism regions.

- Many different offers which cannot be compared as they are not standardised. This can be an advantage for some single suppliers who have created a competitive advantage. However, most customers do not have an overview over this broad range of products.
- Although many agro-tourism providers are investing more in marketing and own websites, tour operators still have more influence on the customer when it comes to selling products via internet.
- The attractiveness of agro-tourism can hardly be influenced by the agro-tourism providers as their attractiveness mainly depends on local infrastructure, local popularity and image.

The decrease in demand for agro-tourism holidays is not necessarily a result of dissatisfaction among the customers but rather a result of various tourism offers on the market. This means that customers who have spent their holidays on agro-tourism farms in the past do not come back because they would like to gain new experiences. Other reasons might be demographical and social changes. However, concerning the demand for agro-tourism one could say that there are several motives for people to spend their holiday on a farm like relaxing, gaining new energy, spending time with their family and so on (Grieshaber et al., 2008).

The conclusion which can be drawn from these trends are that agro-tourism suppliers need to adapt to customer wishes and become more flexible in payment and booking possibilities, etc. In addition several communication channels most important the internet and mouth-to-mouth communication have to be exploited. Furthermore, in order to be successful it has been very important for agro-tourism farms to offer a high quality holiday, consisting of a good accommodation, exciting free time activities, attractive landscapes and unique farm experiences. High quality does not necessarily mean luxury, but the quality of a farm holiday should be comparable to general holidays (city breaks, sun and beach, etc.). 'Escaping from town' becomes a valuable selling point. Busy lifestyles, continuous noise, traffic congestion and pollution are part of many people's lives and to escape this for a few weeks a year is becoming increasingly enticing.

Agro-tourism contributes to the prevention of the rural exodus (migration into cities) in Germany, by creating employment, encouraging education and generating income for otherwise poor rural areas. Due to the fact that holiday makers spend additional money in the neighbouring region, i.e. for water parks, local cinemas, local supermarkets and shopping. Moreover, agro-tourism has to consider the fact that agro-tourism farms are very dependent on the infrastructure around the farm; e.g. roads, shops, cinemas which often are not present and very expensive to build. However, in the last years the infrastructure in those areas has been subsidised in different ways. In effect, hiking trails and bridleways have been extended and different nature conservation projects have been implemented. There are some sustainability-related risks agro-tourism will need to consider; namely preventing tourists from ruining the landscape or annoying animals through carelessness. Also overestimating their opportunities may be a risk to agro-tourism farms which do not bear this in mind, because agro-tourism must be careful not to lose its uniqueness and special features like seclusion, silence and contact to nature by trying to implement mass tourism and building large hotel resorts etc. Then agro-tourism margins would suffer as the sector would gradually lose its differentiation advantage.

In addition agro-tourism offers a family-friendly environment, interpersonal communication and contact to animals. Such social aspects cannot be offered within a mass tourist hotel with a capacity of for example 1,000 beds. In this respect agro-tourism enjoys a sustainable differentiation advantage over mass tourism.

The target group of agro-tourism are middle-class families with a medium income, and bigger households. In the future the target group of 50+, singles and couples without children will gain in importance. Overall, one can say that roughly 9 million people will be interested in agro-tourism. 6.75 million out of 9 million people could imagine to spend this holiday in Germany (Lorenz & Schiefer 2006).

In order to create a competitive advantage agro-tourism farms should try to meet customer needs by specialisation, for example specialising on families with small children and offering for them baby hotels containing childcare for very small children. Another example would be, as we have already recommended, specialising on the target group 50+ by offering hiking farms, wellness and health farms. To conclude, there is great potential for agro-tourism in Germany provided that additional target groups are taken under consideration.

4.5 Future scenario

In the future there will be some general trends in the tourism industry to which agro-tourism providers will need to adapt. Firstly, there will be an increase in demand for high quality in the tourism sector which means that customers will demand a certain accommodation standard and expect additional benefits or delighters. Agro-tourism providers will be advised to obtain official quality certification. Secondly, vacations are getting shorter, the customer wants more short trips instead of one long vacation and holiday decisions become more spontaneous. Thus, agro-tourism suppliers have to adapt by providing special offers for weekends, last-minute bookings and by using more intensively distribution channels like the internet. Thirdly, tourists seek more experience-driven and meaningful vacations which is an advantage for agro-tourism, because is a niche product offering the possibility to experience nature on your own, to return to life´s basics, to self-reflect and contemplate. Fourthly, many German farmers are struggling with greater demand for their products and the lower prices demanded by retailers, so agro-tourism has become a solution for many farmers to earn additional revenue which may have been reduced from farming. Consumers will demand more health- and wellness-oriented holidays which could be an advantage for agro-tourism as it inherently provides silence, healthy food, nature and the opportunity for physical activity. Fifthly, the profile of customers will shift towards a more hybrid and multi-optional consumption, which is unpredictable in terms of priorities and tastes. Hence there will be fewer repeaters and agro-tourism supplier will need to increase the variety of their offering as to attract new customers. Sixthly, the tourism industry will become even more standardised due to the want of customers for transparency, efficiency and calculability in order to decide for a specific holiday. Here, agro-tourism needs to create strong and reliable brands.

All in all, the future of agro-tourism will be affected by the evolution of a number of factors such as: households' size, disposable income and time, social norms like environmental protection, health issues, quality and competitors (increasing supply in other countries) which we have already discussed in previous paragraphs (Grieshaber et al. 2008).

Finally here are our predictions on how agro-tourism will look like in ten years:

- Agro-tourism and farm holidays will be tailored to the needs of older people due to the aging society which enables old people to experience farm life, perhaps as they had already experienced it when they were young.
- As people become increasingly aware of environmental issues, agro-tourism will become even more popular and farmers will have to remain specialised order to maintain their uniqueness and prevent the commoditisation of their offering.
- Farms will be increasingly depend on tourists; some will keep animals only for entertainment purposes and farm work will be demonstrated for educational reasons, due to the advancement and the development in the food industry and the cost

insufficiency. We assume that artificial farms within larger theme parks (e.g. Center Parcs, Disneyland) will become increasingly popular.

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5.0 Visiting friends & relatives (VFR)

Ambiguity of an underestimated form of tourism

Martin Hänsel & Tobias Metzner

5.1 Introduction: Developing a definition

What exactly is 'Visiting Friends and Relatives' (VFR) tourism? Where does its scope start and where does it end? Can visiting friends and relatives really be regarded as a form of tourism?

According to Asiedu (2008) visiting friends and relatives involves travelling with "the major purpose of visiting friends and/or relatives" and "is one of the foremost tourism motivators or categories in tourism, alongside those of business, recreation, convention or conference, religion, education and health."

Furthermore, King (1996) suggests that VFR tourism can be seen from four different perspectives: As a motivation for travel, as a trip purpose, as a vacation activity and as a form of accommodation use. The same author mentions that the literature describes VFR tourism as a synonym for ethnic tourism, what would have to be corrected, because the two terms may not be exactly the same: While ethnic tourism can both be seen as people visiting destinations in order to explore their own ethnic origins and as people visiting destinations to experience the culture of particular ethnic groups, the former may or may not involve VFR tourism, but the latter may usually not be categorised as VFR. In this context VFR tourism can be seen as an "umbrella term to accommodate all these variants whose motivations are based on exploring the trip maker's past" (Asiedu, 2008). Until 1990 very little research about VFR tourism had been conducted. In this year, Jackson (1990) implemented an analysis in Australia and found out that over 50% of visitor nights spent in Australia were generated by VFR tourists. Although, he stated, that VFR tourism requires much less foreign investment than other forms of tourism, it's "significance is greatly underestimated" (p.20). Seaton and Palmer (1997) suggested that this underestimation has three reasons: The limited impact of VFR tourism on host communities (local destination friends or relatives go to), difficulties in stimulation by marketers (in order to attract more VFR tourists) and the resulting lack of special marketing attention ('VFR tourists cannot be stimulated by marketing campaigns).The chapter at hand tries to contradict all three assumptions by:

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Market Focus	-	focusing on particularities of the heterogeneous VFR market in order to highlight difficulties in segmentation processes
	-	emphasising the possibilities and needs for tailor-made marketing strategies
Supplier Landscape	-	exploring local destinations and hosts as two important suppliers to VFR tourists
Conclusions &Outlook	-	Finally giving an outlook regarding the impact and scenarios of VFR tourism in the future

5.2 Market focus: Particularities of a heterogeneous market

How should someone define the market for VFR tourism? Although we deal with a niche tourism field, its particular market cannot be clearly described by specific target groups willing to buy a particular holiday product. While for example Ecotourism has a relatively definable market, which can be segmented into different target groups in order to develop tailor-made marketing strategies, VFR tourism is an issue for everybody: Actually everybody has relatives or friends and will at least spend some time with visiting them at specific points of the year.

Because of the heterogeneity of the VFR market and the fact that it is in many cases underestimated, there are relatively few market-specific studies regarding the profile of a generic VFR tourist. In this context Nickerson and Bendix (1991) argued that there is a lack of information about both VFR travellers as such and their particular roles played in local tourism.

Nevertheless some socio-economic groups have a larger tendency toward visiting friends and relatives. Asiedu (2008) summarised the literature on the socio economic profile and travel characteristics of VFR travellers, which may give at least some idea of a a generic VFR tourist, besides existing difficulties as mentioned above.Asiedu uses four different variables when describing personal characteristics of VFR travellers: *Age, education, occupational status and income.*

In the following, Asiedu's composition of different literature regarding the four influencing factors will be summarised:

- *Age:* Studies in this field found out that most of VFR tourists belong to younger and middle age groups. Seaton and Palmer (1997) and ETC (2002) mentioned that more than 50% of UK VFR travellers were aged 15-34 years. Similar findings could be observed in Northern Ireland and the USA.
- According to Seaton and Palmer (1997) and Oppermann (1995), possible reasons for this particular age group are the trend towards disbanding family relationships in this specific age group, the higher propensity of the younger generation to have larger friendship cycles and their fortune of having more time available (pupils, students).

- *Education:* When comparing VFR tourists with business and leisure travellers most studies observed that VFR tourist are in average better educated than leisure travellers, but worse than business travellers.
- *Occupational status:* Most VFR tourists were found to be either in some form of education (pupil, student), what correlates with the associated age group, or retired (Braunlich & Nadkarni, 1995). This in turn is a plausible explanation for the relative lengthier average period of stay of VFR tourists, which will be revived under VFR travel characteristics.
- *Income:* Generally VFR tourists are low-income earners, what again correlates with age and occupational status. Braunlich and Nadkarni (1995) observed that the income of VFR travellers in the USA, is about the same of leisure travellers, but significantly less than the business travellers' income.
- Additionally a difference between VFR tourists using hotel beds and VFR tourists, who use their friends' or relatives' accommodation, could be examined.

Furthermore Asiedu summarises the main travel characteristics under the categories average length of stay, frequency and timing of trips and travel information sources.

- Average length of stay: Both short break and long stay holidays were observed by Seaton and Tagg (1995), while Lee et al. (2005) found out that VFR tourist in France stayed for longer periods than pleasure and business travellers. An additional reason for longer periods of stay may be the accommodation in non-paying residences (besides age and occupational status).
- Frequency and timing of trips: Not astonishing seems to be that VFR tourists account for a high number of repeat visitations. According to an international passenger survey, 84% of VFR travellers were repeaters compared to only 60% of leisure travellers (Gurry, 2005).
- Moreover Seaton and Palmer (1997) concluded through their studies that VFR tourism acts as a "seasonal compensation" to the unfavourable seasonal patterns of the tourism industry. For example when during December normal tourists arrivals are relatively low, relatives go home for visiting their families for Christmas.
- Travel information sources: Most studies in this field found out that instead of using package tours, VFR tourists put together their own holiday based on the information provided by friends and relatives. According to Morrison (1995) friends are the most important information sources for VFR tourists, followed by relatives, business colleagues, travel agencies and motoring organisations.

After having described the VFR tourists' socio-economic background and their specific travel characteristics, a few questions may arise: Are there any options regarding an appropriate market segmentation of the VFR market? And furthermore, do possibilities in attracting a higher number of VFR tourists to a particular destination exist, while using tailor-made marketing campaigns and promotions for a specific segment?

Morrison, Woods, Pearce, Moscardo and Sung (1999) analysed the VFR market in four different countries (Australia, New Zealand, Canada and USA), describing Marketing director's attitudes toward the VFR market in order to generally direct more marketing attention to the VFR market. In their study respondents were asked to elaborate on specific positive and negative features of the VFR market. Positively perceived was the useful economic benefits of VFR tourists for local economies (will be discussed later in this chapter), word-of-mouth communications as an enabler of a positive economic impact, repeat visitations, the large size of the market and the longer lengths of stay of VFR tourists. Negatively mentioned was the lack of use of commercial accommodation facilities, less spending than other types of visitors and the impossibility of using promotional activities to attract VFR tourists as a part of a tailor-made VFR marketing strategy.

The article suggests that these negative assumptions are inaccurate and hence gives examples of possible market segmentation options and moreover distinguishes between 3 different marketing approaches to successful attract VFR tourists:

VFR tourists may be segmented in terms of splitting them up into visiting friends (more short breaks) and visiting relatives (more long haul trips), as 1995 suggested by Seaton and Tagg or by differentiating between different motivators of travel, for example VFR as an activity (main aim: Visit of friends/relatives) versus VFR as a trip purpose. In order to more successfully attract VFR tourists, the authors recommend to directly encourage non residents to visit friends and relatives, local residents to identify their potential VFR tourists and suggest them to invite VFR tourists, while giving them incentives like discounts on local tourist attractions. In this context the role of incoming agencies (DMCs) may be of particular importance.

5.3 Supplier landscape: Destinations and hosts as important parts of a big supply 'cake'

Who are the suppliers of VFR tourists? Is there a VFR industry? And moreover: Should there be one? In the context of who to regard as 'the suppliers' to VFR tourists, various perspectives are possible, while different 'supply parties' are involved, supplying their individual service to the VFR tourist and thereby holding one individual piece of the total 'supply cake'.

One may regard different modes of transportation as one of the main group of suppliers. The airline market's deregulation processes and the tremendous growth of low cost carriers, offering cheap air fares to relatively price elastic leisure markets, can be seen as one enabler of increasing VFR tourism. As in the field of transportation a lot of studies have been conducted, it may be of particular interest to explore two other points of views regarding the supply to VFR tourists: Firstly the host as the supplier at the destination friends or relatives go to and secondly the destination itself, which supplies the VFR tourists with tourists attractions and hence gains important economic benefits.

Jackson (1990) and Lee *et al.* (2005) mentioned in their studies that VFR tourism could bring considerable economic benefits to destinations and local economies. In 2002 Boyne and Hall carried out a study in Scotland in order to find out about average host and VFR-tourist spending. They noticed that there's a "hidden multiplier" concerning the VFR tourists' and hosts' expenditure leading to even higher total expenditure compared to other forms of tourism. Unfortunately the money spent by VFR tourists oftentimes goes to participants of the local economy, which are not directly related to the tourism industry (for example grocery stores, petrol stations). Hence these expenditures are not directly visible in statistics, what causes the economic impact to be underestimated. Besides these indirect expenditures, VFR tourists significantly use restaurants, casinos, coffee shops, night clubs and discos etc. (Morrison, 1995).

Conversely some other studies found out that VFR tourists spend less than other types of tourists (Denman, 1998; Langlois 1999), which may be compensated by longer lengths of stay and repeat visitations according to Seaton and Tagg (1995).

One negatively perceived issue in VFR tourism, as mentioned above, is the lack of commercial accommodations being used by VFR tourists. However Braunlich and Nadkarni (1995) stated in their study that 21.4 % of VFR tourists in the East-North-Central regions of the US, used hotel beds and also Navarro and Turco (1994) found out that VFR tourists do use commercial accommodation facilities. After having examined the local destination and its economy as a supplier to VFR tourists, it would be interesting to take a more detailed look at the local economy and its little 'players', meaning the hosts VFR tourists may go to.

As mentioned above, there is evidence of multiplier effects in local economies, stimulated by both VFR tourists and their hosts. In this context hosts can act like tourists "in their own backyards", spending larger amounts of money than normal (Young, Corsun & Baloglu, 2006).

But what exactly is the role of hosts? And moreover what does this role imply for possible marketing activities by incoming agencies? In order to find this out and contribute to the poorly researched supply side of VFR tourism, Young, Corsun and Baloglu (2006) tried to examine the role of hosts in the tourism destination Las Vegas, by segmenting them into four main types of hosts. They came up with a taxonomy based on two dimensions: First the number of tourists attracted by hosts (high vs. low) and second the hosts' word of mouth behaviour regarding local tourism attractions (high vs. low). Thereby they identified "Talkers", "Ambassadors", "Neutrals/Passives" and "Magnets".

Figure 4a shows the resulting schema followed by a short explanation of each host segment:

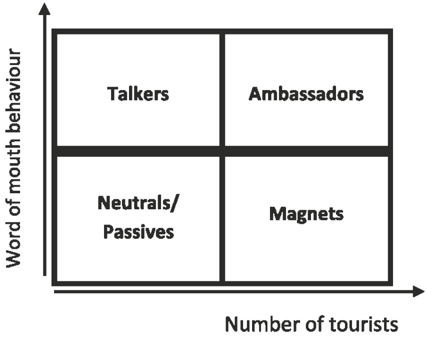

Figure 5a: *Taxonomy of hosts* according to Young, Corsun and Baloglu (2006)

Ambassadors: They attract a relatively high number of VFR tourists, while actively using word of mouth communication to awake the interest in tourism attractions. Therefore they can be seen as "active salespeople", when encouraging their guests to engage in local activities while spending more money than all other three groups.

- *Talkers:* This type of host attracts a relatively low number of VFR tourists, but actively uses word of mouth communications in order to sell local attractions to their friends or relatives. Furthermore the study found out that "Talkers" are more likely to be married.
- *Magnets:* They attract relatively high number of VFR tourists, but do not engage in selling local activities to them, what makes them being more "passive hosts". Moreover the study states, that "Magnets" tend to be married and belong to low and middle income groups.
- *Neutrals/Passives:* Neutrals are both passive in attracting high number of VFR tourist and in using word of mouth communication as an active tool. Hence this group brings in the fewest economic benefits to local economies.

Furthermore it is interesting to remark that the key difference between "Ambassadors" and "Magnets", attracting relatively high number of VFR tourists and "Talkers" and "Neutrals", is the "presence of family in the VFR host household". Hence "Ambassadors" and "Magnets" tend to be visited by a unit of friends and family, while "Talkers" and "Neutrals" may accommodate only friends.

Although the study's results are limited by the focus on a single community (Las Vegas), which also happens to be a tourist destination attracting comparatively high number of tourists, the taxonomy can be seen as an example of how such a segmentation of hosts may work in other kinds of destinations and where the "hidden multiplier" has its origins. Moreover the taxonomy implies a marketing perspective: Each group of hosts may be a possible segment to target by incoming agencies with tailor-made communication strategies.

In addition by helping talkers to be more successful in attracting friends or relatives the “hidden multiplier” may be increased.

5.4 Conclusions & outlook

If an expert in VFR tourism was forced to describe this form of tourism with only one word or one issue he/she immediately has in mind, this might be ‘underestimation’ or ‘negligence’ of an important form of tourism.

Beginning with the first serious study of Jackson in 1990, almost every study conducted in this particular field of tourism, concludes that the impact and importance of VFR tourism is highly underestimated. Moreover one may make the same experience in our daily lives: Everybody is part of VFR tourism, but nobody really has an awareness of its impact or regards visiting friends or relatives as a form of tourism. For almost the same reasons VFR tourism is neglected by tourism professionals: VFR tourism happens anyway, regardless of any specific marketing activities and hence there’s no reason to explore the specific behaviour of VFR tourists and their hosts in order to develop tailor-made marketing strategies.

Furthermore the economic impact of the VFR tourists’ and their hosts’ expenditure on local destinations is poorly researched and understood and hence is not yet positioned in the heads of responsible tourism professionals.

In order to contribute to the actual discussion and highlight the importance of VFR tourism, the chapter at hand analysed particularities of VFR tourists and possible marketing activities under the section ‘Market focus’ and explored two important suppliers to the VFR market under the section ‘Supplier landscape’: Local destinations as ‘benefit seekers’ and hosts as ‘benefit enablers’. When analysing the VFR market, we can observe a relatively heterogeneous structure, what seems to be not too astonishing given the fact that almost everybody is somehow part of VFR tourism. Nevertheless Asiedu (2008) found out that VFR tourists tend to be young, better educated than the average leisure traveller, either retired or in some form of education and oftentimes low income earners. Additionally they have higher average lengths of stay, are repeat visitors and tend to put together their own ‘holiday package’ while using the information of friends and relatives. Moreover the part tries to overcome the bias of seeing no sense in segmenting VFR tourists to approach them with adequate marketing activities: Plausible suggestions, how to segment and how to encourage more VFR tourists to visit a particular destination, are made.

The section ‘Supplier landscape’ introduces different literature regarding economic benefits for destinations in order to conclude that due to the “hidden multiplier”, VFR tourism can bring considerable economic benefits to local markets. Furthermore the section uses taxonomy of hosts in Las Vegas as a ‘pars pro toto’: This type of systematic host segmentation can be taken as an example and model of how something similar may get realised in other destinations. The taxonomy identifies four different types of hosts

(Ambassadors, Talkers, Magnets and Neutrals/Passives) and suggests using the implying marketing perspective: Target different hosts with tailor-made communication strategies, in order to increase the “hidden multiplier”.

Last but not least it might be of particular interest how the future of VFR tourism may look like. But which are important impacts on VFR tourism and how will these factors change in future? According to Wilkonson (2008), who analysed predictions of future tourism in past and present, “predicting the future is, to use a colloquial English phrase, a ‘mug’s game’”. Especially in the case of tourism a “vast array of factors” may be involved, making predictions extremely complex and difficult. Does it then make sense to write about future scenarios?

In order to reduce complexity VFR tourism could be described through 3 basic variables, which determine the actual state of VFR tourism and may have critical influences on possible future scenarios: *Family structures, friendship structures and transportation structures.*

What might be the influence of each of these 3 factors on future VFR tourism? *Family structures*, depending on to what extent they are stretched over space, influence the intensity of VFR travel. Wilkonson (2008) compares the past predictions regarding multiple factors influencing tourism of Burkart and Medlik (1974) with his own assessment and concludes that the family size trends to shrink down. In China, particular important “as the world’s largest importer and exporter of tourism (...), a single-child family is national policy” (Wilkonson, 2008).However the deregulation of labour markets in an increasing globalised world will lead to even more stretched family structures, which may compensate the effect of shrinking family size. Furthermore, according to Wilkonson (2008), second- and third-generation people from immigrant families, travelling back to their family’s original country (Ethnic tourism: see introduction), will be important markets.

Also *friendship structures* may tend to follow the same trend caused by globalisation and labour market deregulation: Although technology advances enable networking and friendship cycles over long distances, people may want to visit each other personally, as their working life developed friendships at different places of the world.

Finally now the question: will people be able to afford visiting each other in the future? How will *transportation structures* change and how may they affect VFR tourism? “Money Morning” a free daily newsletter that delivers global news and investment advice titles in one of their “Outlooks 2009”: “The ‘Cheap Oil Era’ is Ending Soon”, hinting at a current discussion, which could have huge impacts on the future price of transportation. Although oil prices have fallen by 70 % since the record price of $147.27 a barrel in July 2008 the International Energy Agency (IEA) expects the oil price to rise to $100 a barrel by 2015 and then to even $200 a barrel. Hence rising demand and a lack of supply-side investments will lead to a “Supply Crunch” (Simkins, 2009). How will low cost carrier, depending on offering cheap air fares be able to cope with these future cost conditions and what will be the effect on the business model of full service carrier? Moreover: Will driving a normal gasoline based car be affordable in times with an oil price of $200 a barrel? If companies offering different transport services and thereby enabling VFR tourism will not be able to change the form of energy they use, VFR tourism may suffer from increasing transportation costs. Nevertheless transportation companies, as well as the automobile industry have started to rethink and adjust their future strategies to the described energy problem.

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6.0 Religious tourism

Niche or mainstream?

Fiete Seyer & Daniel Müller

6.1 Introduction

Religious tourism has increasingly won in popularity in recent years. There is no general definition of religion; actually almost every religion has its slightly different explanation. The most represented religion groups are Christians, Islamists, Hindus, Buddhists and Jews. According to an American dictionary religion is defined as follows:

> *"a set of beliefs concerning the cause, nature, and purpose of the universe, especially when considered as the creation of a superhuman agency or agencies, usually involving devotional and ritual observances, and often containing a moral code governing the conduct of human affairs."(Dictionary.com, 2009)*

All through history, those religions have brought out stories supporting their beliefs connected to different places, which have evolved to sacred places, monuments or shrines that millions of people visit every year. Those sites can be small micro spaces such as gravesites and home altars, macro spaces such as Jerusalem, Mecca, or even a whole nation like Israel. They can also be natural sites like mountains or lakes, or man-made attractions like temples and synagogues (Mazumdar & Mazumdar, 2004).

Religious travel is probably the oldest type of tourism in the world. Anthropologists and archaeologists found evidence that for example Stonehenge and the cave dweller paintings had the same function as today's religious sites. Religious tourism experienced its first upturn in the Ancient world among the Celts with the holy groves and burial sites. Among the people of the early high cultures, religious and political power was closely related and attracted thousands of pilgrims in the religious centres in ancient Egypt. Because of the political situation in Europe and high costs of living in the Middle-Ages, only a small and privileged part of the population could afford a typical faith voyage from Western Europe to the Holy Land Israel, which took around half a year (Rinschede, 1992). All this changed in 1860 when Thomas Cook organised the first tour to the Holy Land. By the end of the century there was sufficient infrastructure and accommodation to handle 1,000 tourists per day (Fleischer, 2000). Today religious tourism has diversified from the early pilgrimage and missionary travel to twelve religious vacation segments (Wright, 2007).

According to the definition of the World Tourism Organization, a specialised agency of the United Nations, tourism is "the activities of persons travelling to and staying in places

A. Papathanassis (Ed.), *The Long Tail of Tourism*,
DOI 10.1007/978-3-8349-6231-7_6,

outside their usual environment for not more than one consecutive year for leisure, business and other purposes." (2009)

This chapter is supposed to point out the linkages between those places of faith and the belief of the people, including the will to visit those sites, which defines them as religious tourists.

On the one hand, this chapter will take a look at the demand side including market segmentation and size. Furthermore it points out customer expectations and trends. On the other hand, it will be clarified what opportunities religious tourists have on how to spent their vacation. Finally the elaborated information will be analysed and evaluated whether religious tourism is still a niche or a booming industry. The last part of this chapter will be used to carefully forecast how the future market might look like.

6.2 Market focus

There are numerous religions worldwide, but in order to get an organised overview this chapter in the following section concentrates on the five world religions: Christianity, Buddhism, Islam, Hinduism and Judaism (Arte, 2006).

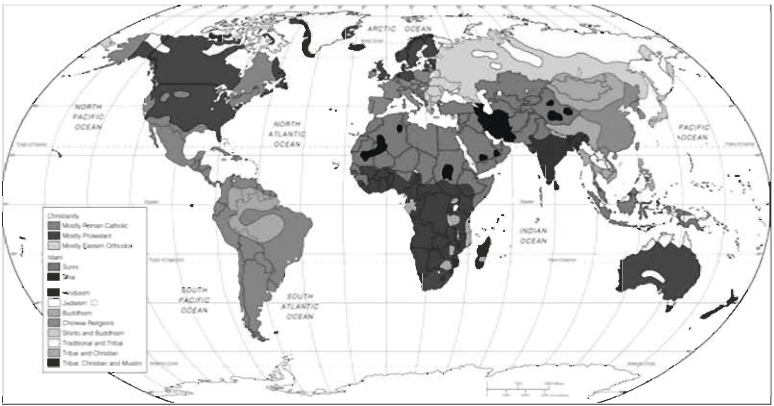

Figure 6a: ***Most represented religions worldwide***

(http://www.wadsworth.com/religion_d/special_features/popups/maps/matthews_world/images/w001.jpg)

Today, faith tourism is an $18 billion global industry with 300 million travellers and 600 million trips with religious purposes taken annually. North America generates $10 billion alone (World Religious Travel Association, 2008).

Israel, one of the most visited countries in religious tourism experienced a growth from 1.8 million travellers in 2006 to 2.4 million in 2007. In 2008, Israel recorded the highest number of visitors in their whole history, counting 2.8 million tourists, which is an increase of 55% compared to 2006 (Levit, 2008).Nevertheless, the current war at the Gaza Strip and many cycles of terror and war in Israel's history have made tourism fragile and created periods of crisis and recovery.

Because of the fact that many religious people are attracted by sacred places, several cities with sacred characteristics like Jerusalem are often described as "centres of the earth, and places of creation, devotion, and power" (Mazumdar & Mazumdar, 2004).Travelling to these locations can be an important part of the people's identity formation, and believers feel awe and wonder because they think that god has been there. Many of them pray at the Western Wall, because they believe that they are closer to god in such a sacred place. Sacred structures, for example places of prayer, veneration, meditation and education, help to bring the person closer to religious ideals, spirituality, and community.

Religion / **Sacred place**	**Hinduism**	**Judaism**	**Islam**	**Buddhism**	**Christianity**
Sacred cities	Banaras, Mathura	Jerusalem	Mecca, Medina	Budh Gaya, Sarnath	Rome, Jerusalem
Sacred structures	Roadside shrines, temples	Wailing Wall, synagogues	Mosques, roadside shrines	Temples, stupas, monasteries	Cathedrals, churches, monasteries, shrines
Sacred burial sites	---	Tombs of religious personages	Tombs of religious personages	---	---
Sacred places in nature	All of nature (esp. mountains, rivers, lakes)	Specific places made significant due to special events	Specific places made significant due to special events	Mountains, rivers, lily ponds	Sites of healing waters / miracles / visions of Virgin Mary (e.g. Lourdes)

Figure 6b: Consumer expectations – religious place attachment

(Mazumdar & Mazumdar, 2004)

The most represented religious group worldwide is Christianity. There are more than 2.1 billion Christians and they are more or less subdivided into Catholics and Protestants (adherents.com, 2007).Even within a religious group the partisans have different needs and expectations. Tour operators quickly recognised those different needs and fulfilled the expectations by offering two different packages. Catholics, mostly coming from Western Europe reap spiritual benefits from being in the spot where events of the bible took place.

Catholic tourists search for institutional sites like churches, holy sites or monuments. In comparison, Protestants mostly coming from Northern America are interested in biblical scenery together with its landscape, and the country that inhabits the Holy Land today(Fleischer, 2000). Additionally to 2.1 billion Christians worldwide there are 1.5 billion Islamists, 900 million Hindus, 376 million Buddhists, 14 million Jews and over 750 million people with other confessions (adherents.com, 2007).

Between 1995 and 2000, the Ministry of Tourism in Israel has conducted a tourist survey about the purpose of their visit and their pattern of behaviour. The following tables (Fig. 6c, 6d & 6e) will show that the traditional image of religious tourism from the mid-20th century, which included retired people in a budget market and primarily pilgrimage, has changed (World Religious Travel Association, 2008).

Religion	Pilgrims	Other tourists
Protestant	33	23
Catholic	45	19
Other Christian	8	6
Jewish	7	33
Moslem	6	4
No affiliation	1	15
Total	100	100
Number of observations	4.093	14.052

Figure 6c: *Distribution of pilgrims and tourists by religion (in %)* (Fleischer, 2000)

15 % of the 14,052 other tourists have to be subtracted because of atheists with no affiliation, which results to 11,944 religious tourists. That results to a percentage of only 34% pilgrimage.

Table 6d shows that Israel's tourism is, except of the up to 18-year old tourists, more or less equally split up in all age groups.

Figure 6e shows that religious tourists use hotels intensively and not necessarily very low-budget ones, such as youth hostels and Christian hospices. A usual pilgrim spends around 350 Euros, 34% of their whole vacation spending, on accommodation. Other tourists spend even twice as much (Fleischer, 2000).

Age	**Pilgrims**	**Other tourists**
Up to 18	3	5
19-29	11	24
30-44	22	27
45-54	22	20
55-64	24	14
65+	18	10
Total	100	100

Figure 6d: *Distribution of pilgrims and tourists by age (in %)* (Fleischer, 2000)

Type of accommodation	**Pilgrims**	**Other tourists**
Hotel, Holiday village	85	63
Youth hostel	2	6
Christian hospice	7	1
Rented apartment	2	5
Friends, relatives	3	21
Other	1	4
Total	100	100

Figure 6e: Distribution of pilgrims and tourists by type of accommodation (%) (Fleischer, 2000)

To keep in mind, Israel is only attractive to Christians and Jews. Hindus make pilgrimages to the Ganges which is the Holy River, and Buddhists to places Buddha "consecrated" by his life. For the Islamists the pilgrimage to Mecca or Medina once in a lifetime is even one of the five pillars, duties of their religion (Morpeth & Raj, 2007).

All in all the demand of religious travel has increased during the past years and suppliers have already recognised the potential of the market. The number of Northern Americans travelling overseas for faith travel purposes has increases by 30% from 491,000 in 2002 to 633,000 in 2005 (US Office of Travel and Tourism Industries, 2009).This growth is representative for an increase in the globally religiously motivated travel market (Morpeth & Raj, 2007). Still pilgrimage and missionary travel are the most popular ways of spending a faith-driven vacation, but tourists have also the opportunity to choose between ten more niche segments within the religious tourism market, served by the suppliers, which will be discussed now in more detail.

6.3 Supplier landscape

The remaining part of this chapter aims at giving an overview of the suppliers serving the religious tourism market and its segmentation. Religious tourism does not only consist of pilgrimage and missionary travel. Through the exponential growth of this market more and more tourism companies want to achieve a slice of the market share. Therefore new segments beyond pilgrimage and missionary travel are evolving.

Nowadays there are twelve vacation segments in the religious tourism market:

- Pilgrimages
- Missionary
- Cruises
- Leisure/getaways
- Religious conferences/conventions
- Destinations/attractions
- Retreats/guesthouses
- Christian camps
- Adventure/active
- Volunteer vacations
- Student/youth
- Family/intergenerational

6.3.1 Pilgrimage

The forefront of faith-based tourism is pilgrimage. "It is a journey to a holy site for a religious purpose" (Wright, 2007). Annually, 150 to 200 million people are participating in pilgrimage only coming from the Christian religion. Furthermore those streams of pilgrims have a huge impact on the development of pilgrim's sites. For instance Lourdes had 4,000 inhabitants when it developed to a pilgrimage site. In 1990 this number increases to 18,000 inhabitants due to accretive rate of pilgrims (Rinschede, 1992). Traditionally this segment is dominated by small- and medium-sized religious tour operators. However, in the recent years larger competitors got aware of this promising sector (Wright, 2007).

6.3.2 Missionary travel

Another traditional form of religious tourism is the mission. This is:

"a trip whereby an individual or group travels to another destination (oftentimes to a foreign country) to share one's faith with the local population while assisting with humanitarian needs."(Global Travel Industry News, 2007)

Another definition for missionary travel is that a certain religious person travels to a foreign country to convert those who do not share his or her religious believes. Especially the North Americans are highly interested in this kind of vacation. Due to the large volume and high demand nearly every tour operator, specialising in religious tourism, has missionary travel opportunities in its business portfolio (Wright, 2007).

6.3.3 Cruising

The boom in the religious tourism is also visible in the cruise industry. Christians and other faith groups decide to go on a cruise to visit several sacred places. The motives for going on a cruise can be explained by the "three cocoons" of cruising being a synonym for why people prefer going on a cruise. The first one is the feeling for security followed by the reduced complexity on board, but the most important cocoon is the community feeling on board (Vogel, 2004).People with the same interests are meeting each other at the same place to exchange their experiences and in addition to share their beliefs. For cruise operators the most important aspect is that most of the faith-based cruisers are first time cruisers. Currently the Caribbean, Alaska and Europe are the most popular destinations for the religious travel market. Annually 2 million faith-based travellers go on a cruise (World Religious Travel Association, 2007). Full ship faith-based charters are growing in popularity hosted by large ministry organisations or movements. Every year a new one is founded (Wright, 2007). For instance the tour operator "Biblische Reisen" offers eight different cruises with religious destinations in the year 2009. The main focus of these cruises is not the cruise itself but the destinations. Special services for the guests are scientific tourist guides like historians and theologians underlining the faithful atmosphere of the cruise (Hübner, 2008).Moreover the leading company in the cruise market Carnival Cruise Line tries to attract faith groups with special Holy Land itineraries.

6.3.4 Leisure/getaways

Leisure or getaways have a huge growth potential in the religious tourism. It is estimated that this area provides 20% of the entire religious tourism market. Unlike the received opinion, people of faith prefer travelling within a community and for fellowship purposes. The main destinations are Hawaii and the Canadian Rockies (Global Travel Industry News, 2007).

6.3.5 Conferences and conventions

Especially in the Northern American religious travel market conferences and conventions are very popular. According to the Religious Conference Management Association 15 million people joined 17,000 religious events in 2006. International events like the World Youth Day can attract more than one million people in every target group (Wright, 2007).Millions of people in one place are lucrative for the whole tourism industry. All components of the industry (e.g.: tour operators, hotel owners, airlines) receive a lot of benefits out of these events. The Religious Conference Management Association (RCMA) organises annually such an event with thousands of attendances (Religious Conference Management Association, n.d.).

6.3.6 Destinations/attractions

Religious tourism increasingly becomes a premium product. The United States welcome millions of faith travellers every year. Due to the change in demand, suppliers are forced to offer a high value product. Hence attractions like a "Christian Broadway" were developed (Global Travel Industry News, 2007).

6.3.7 Retreats/guesthouses

"The concept of embarking on a retreat is centuries old" (Wright, 2007). A wide range of facilities from budget to luxury are attracting a wide range of the faith travellers. Moreover, this marketplace generates more than 400 million dollar every year.

6.3.8 Christian camps

One out of four churches joins in Christian camps every year. To be more precisely there are 120,000 churches participating in such camps. Traditionally the Christian youth is attracted to this market. Furthermore thousand of facilities currently exist to serve the 8 million camp attendees.

6.3.9 Adventure/active

This, often underestimated, segment serves mainly the younger target group. For instance skiing, hiking and other action trips are often done in groups. "With more people of faith embarking on both domestic and overseas adventure trips each year, this segment is set for possible explosive growth within religious tourism" (Wright, 2007). By the way key distribution channels are faith based websites; for instance a Himalaya Action tour through Nepal, Tibet, India, Bangladesh and Sri lanka.

6.3.10 Volunteer vacations

Although missionary tourism is one of the most popular segments, volunteer vacations have become an attractive option, too. People doing these vacations are offering their help in destination where a disaster has occurred e.g. after Hurricane "Kathrina" in New Orleans. Moreover, 100 million people of the American population are willing to do such a trip. Additionally 55 million Americans already did a volunteer vacation and would repeat it anytime (Global Travel Industry News, 2007).

6.3.11 Student/youth

The size of this travel market is enormous. Worldwide there are millions of young travellers. Supported by religious schools, boarding schools and other educational facilities, this market segment has one of the highest growth potentials in the next year (Wright, 2007).

6.3.12 Family/intergenerational

The huge growth of the whole religious tourism market offered religious families new opportunities. They do pilgrimage, cruising, visit conference, etc. The interesting aspect is that the segments are able to attract the whole family. Furthermore faith communities see themselves as families and they prefer travelling together. Faith tourism attracts nowadays all age groups.

6.4 Conclusions & outlook

Summarising, there are billions of religious people, some with an urge to travel for that purpose worldwide which shows the huge potential of that target group. According to the WRTA, faith tourism is not only the oldest (Rinschede, 1992), but also the fastest growing segment within the tourism industry(World Religious Travel Association, 2008).Furthermore the traditional image of religious tourism from the mid-20th century, which included retired people in a budget market and primarily pilgrimage(World Religious Travel Association, 2008) has changed. Nowadays the target group ranges from all age groups and religions with preferences to hotels and products, which are not only located in the budget market anymore. Suppliers have identified the potential of the religious tourism market and therefore have diversified from pilgrimage and missionary travel into ten additional niche segments within that market. Throughout the increasing growth, business entries have become very attractive to companies in order to get a 'slice of the cake'. Consequently companies are taking their existing product and slightly adjusting it to the needs and expectations of the religious customers. Furthermore, they aggressively market it within their existing sales mix and provide products that serve all twelve religious tourism segments.

Nevertheless, the increasing demand in this industry can also have a negative impact on the capacity of those sites and the religious merit they have. Wall and Mathieson (2006) already criticise that development:

> "Religion has been a powerful force which has long caused people to travel to religious centres in many parts of the world. [...] There is concern that holy places are being developed for tourism and that this is detracting from the religious significance which has made them famous."

Justine Digancea (2003) points out that tourism is seen as a helpful source of revenue for cathedral maintenance and repair. But in order to keep the religious merit, the religious atmosphere and activities of cathedrals must not be exploited by the tourists themselves or by commercialism (Digancea, 2003). She has also identified three different types of religious tourists: "traditional pilgrims, members of packaged religious tours, and mass-tourists ticking off sites from their vacation itinerary" (Digancea, 2003). Especially the last two groups are increasingly winning in market share.

Over the time, wars and religious conflicts in key areas have always affected the tourism development and resulted in economic crisis. Between 1950 and 1996, religious conflicts added up to 40% of all conflicts (Fox, 2004). According to the National Security Research Division, "religious motivated violence becomes pervasive element of modern conflicts". The "Holy terror", killing in the name of god, becomes a main element in modern faith conflicts (National Security Division, 2005).

One needs to be aware of the fact that most sacred places including the whole environment are dependent on religious travellers. A decrease in demand will result to a struggle in existence for many facilities and people. Additionally the tourism multiplier effect would suffer.

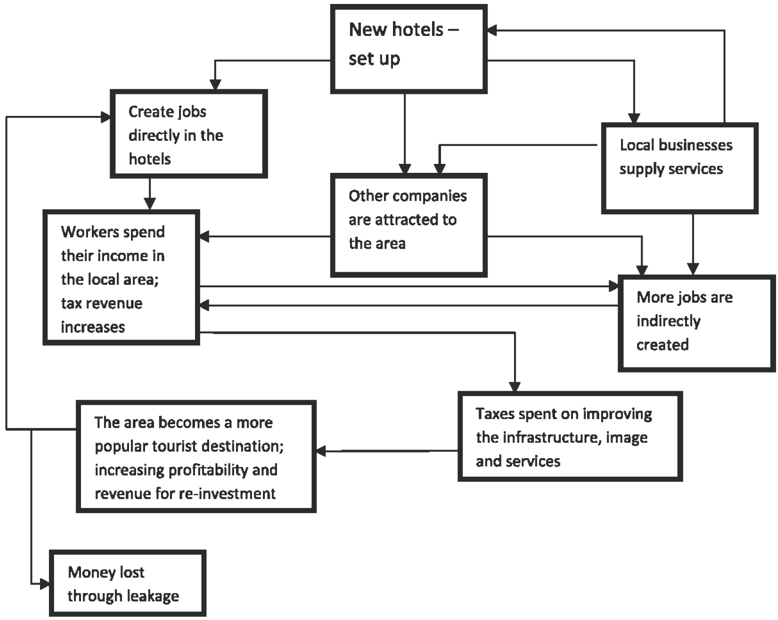

Figure 6f: *Tourism Multiplier Effect* (Barcelona Field Studies Centre, 2009)

Contrary to the general opinion tourism also encourages growth and creates jobs in the primary and secondary sectors of the industry, and not only in the tertiary sector. "This is known as the multiplier effect which in its simplest form is how many times money spent by a tourist circulates through a country's economy" (Barcelona Field Studies Centre, 2009).

Concluding it can be stated that forecasts ought to be made with caution, because of the unpredictability of events such as wars and religious conflicts. The main future focus of religious destinations is sustainability. This necessitates that different religions worldwide learn to tolerate each other. Perhaps this is the true potential and value of religious tourism.

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7.0 Health & medical tourism

Simply synonyms?

Vivien Breitrück & Elena Nunn

7.1 Introduction

When reading about health and medical tourism one might think that both terms apply to the same category of tourism, based on: caring for one's health, stress relief, personal well-being, fitness and body attractiveness. Indeed, many times these two terms are used as synonyms for one another. For a better understanding of the whole subject, the separation between health tourism and medical tourism is vital to show that both categories are not the same but yet related to one another. Both trends have emerged due to changes in demographics, today's education, standard of living, social behaviour, and lifestyle.

The foundations of the traditional European health tourism were laid in ancient Greece. From 460 B.C. to 370 B.C. doctors claimed that diseases base on inner imbalance of one's character with the four basic elements: water, fire, air and earth. To medicate these illnesses, the doctors prescribed a balanced lifestyle. These prescriptions included diets, massages and foremost baths in natural water enriched with sulphur. In contrast to that, the Romans preferred the balneotherapy, a collective bath, for hygiene, medical applications and especially for socialising. Even at the end of the Holy Roman Empire of the German Nation, the balneotherapy was continued in Islamic regions. In the middle of the 18th century the balneotherapy was mainly used for curing diseases of the wealthy people, like overweight caused by a lack of movement, which was a side effect of their aristocratic lifestyle. In addition, these baths provided social stimulation by offering afternoon tea parties and gaming nights for the upper class. Cure destinations like Carlsbad in the Czech Republic or Heiligendamm in Germany became famous destinations on account of their magnificent and representative parks, spa rooms, mineral springs, cafés and hotels. During the 19th and 20th century, a lot of European cure destinations followed another direction of development. While in Germany a prohibition of casinos resulted in a decreasing number of visitors to the cure destinations, other European regions became a substitute and experienced an increasing number of visitors. After the Second World War, especially German cure destinations mainly treated injured soldiers. Later, with the emergence of social insurance companies, the middle class was also able to afford cure trips. Since the 1990s, the continuing expansion of health tourism with modern offers like wellness and spa treatments influenced the traditional cure tourism. There are still a lot of cure destinations in untouched areas intended for the treatment of diseases. However some cure destinations

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developed to bigger cities and the modern health tourism disbanded the traditional therapeutic bath.

Further political, social and technological changes such as changes in health policies, age distribution and means of transportation, caused not only a transformation of the cure destinations but also a development of a new branch, namely medical tourism.

The first part of this essay will be dealing with health tourism. It will provide a general overview on the subject including further sub-categories of health tourism. Furthermore the market segment will be analysed and the development and future trends of health tourism will be explained.

The second part discusses medical tourism, introducing people's motives for travelling for health care. It outlines what caused the emergence of medical tourism and moreover focuses on the countries and organisations offering medical treatments for people from abroad.

Finally the conclusion underlines the dependency of both tourism categories on each other.

7.2 Health tourism

Nowadays the tourism sector plays an important role in the economy, concerning growth and employment. It is characterised by a diversity of products and services as well as destinations and therefore always remains tied to changes of certain concentrations and globalisation.

The WTO (World Tourism Organization) defines tourism as the following: "Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes." (Rulle, 2008, p.19).

As a result new trends and destinations emerge and demand becomes more fragmented. Thus, it is an advantage to subdivide the whole tourism sector according to its fragments into different categories. As every tourism category shapes destinations and regions, health tourism influences certain destinations as well, especially in Europe.

The WTO defines health tourism as "[...] associated with travel to health spas or resort destinations where the primary purpose is to improve the traveller's physical well-being through a regimen of physical exercises and therapy, dietary control and medical services relevant to health maintenance." (Rulle, 2008,p.20-21).

Continually health tourism can be seen as a general term for cure tourism and spa or wellness tourism. Cure tourism and the less medical form of spa tourism are two overlapping types as both forms are unified in the same destinations, offering health oriented services, and attracting people for the same reasons, namely the regeneration of one's physical and psychological well-being as well as treating diseases.

7.2.1 Market focus: Customer segmentation and trends

It can be observed that seaside baths suffer from stagnating visitor numbers. But why is that the case? Therapeutic baths seem to be perceived as 'boring'. Compared to a holiday resort they do not offer a lot of entertainment and sports activities. Therapeutic baths are subjected to conditions and rules of the FEMETEC (Fédération Mondiale du Thermalisme et du Climatisme). These conditions become important when health insurances and other foundations allocate subsidies. In addition, the FEMETEC sets regulations concerning the environmental protection and preservation of the traditional revival of the baths. Therefore in most therapeutic baths all over Europe, discotheques, fast food restaurants and other health disturbing arrangements are strictly forbidden. The health is of greatest importance here.

Originally, the cure destinations were developed for senior citiziens and had therefore an outdated image associated with diseases, past times and less fun. Nevertheless for being economically successful nowadays, it became important for these destinations to address younger target groups without chasing the older ones away. Due to this aspect Dr. Roland Bässler divided the travel motives for health tourism, according to his study "Verhaltensmuster Wellness", into three categories:

- Relaxing and well- being
- Prevention of diseases
- Spoiling oneself

Based on these motives Bässler identified four different target groups:

- The young segment (active)
- Families
- Seniors (passive) and employed people without children
- Seniors (passive)

Today's younger segment prefers wellness as a kind of luxury for their body and soul. They are very ambitious and look for a passive wellness treatment linked with an active fitness programme. In addition they look for individual offers. The family segment is also a very challenging one. The needs of parents and especially those of their children should be met. Therefore a wide-ranging offer of activities has to be available. For the segment of the employed people without children, the motive of seeking silence and relaxation is predominant. Massages, sauna, exploring the environment, a healthy lifestyle, and in some cases weight reduction is what they seek. The characteristics of this segment reflect the definition of health tourism most acurately. The segment of the seniors has similar travel motives. They require a calm, stress reliefing and natural environment.

Health tourism is characterised by its provision of rehabilitation and prevention of the physical and psychological well-being through certain health oriented services in specially chosen destinations. Such destinations are characterised by prestigous hotels, sanatoria, medical institutions or other accommodations offering health oriented services. The enlargement of the infrastructure, capacities and service supplies caused a movement away from the only medical oriented destinations to more health oriented ones and thus following the characteristic development of a tourism destination towards serving the mass market. Therapeutic baths are closely linked with wellness hotels and accommodations, which receive a huge demand nowadays. At present, therapeutic baths call people's attention by showing a new side of health tourism: alternative medicine combined with wellness and spa, antique combined with the modern. Therefore the traditional European health tourism decreases, whereas the trend of general health tourism is increasing. This trend will continue to increase, because of a new perception of lifestyle and quality of living.

7.2.2 Supplier landscape: Categories and characteristics

As mentioned before, health tourism is a general term used for cure tourism as well as wellness tourism. The word *cure* derives from the Latin word *cura*, which means *care, welfare*. In Europe it is assigned the meaning of a medical cure therapy in therapeutic bath destinations, but exposed to a worldwide use, the word *cure* is more commonly translated into *spa* or *wellness* and has therefore a second, less medical implication to it. As a result of the double meaning and slightly different uses just applied to the mere word *cure,* the same overlapping applies to the categories of cure tourism and spa tourism. In Europe both terms are viewed separatedly, rather than being analysed together as one.

Cure Tourism

In the European tourism context *cure tourism* is defined as "...the totality of relations and phenomena resulting from a stay of persons striving for relaxation of the human organism by a cure linked with the transport of travel". (Rulle, 2008, p.20-21).

From the traditionally view, "a cure should provide stabilization of a weak health and support convalescences of all kinds of diseases or sufferings in intended therapeutic baths" (Wikipedia.org: Kur, n.d.). Therefore the main motives for making such a cure are the prevention of diseases, the therapeutical treatment and the rehabilitation after a disease or an accident. A therapeutic bath is characterised by its natural remedies like special qualities of the earth, sea or well, clime or other special conditions for the prevention of diseases like the *Kneipp* treatment.

For a better understanding, an example for illustration purpose:

Therapeutic Bath Bad Sulza - Tuscany of the East, Thuringia Brine

Bad Sulza is a small city and a state approved therapeutic bath in the north of the German federal state Thuringia, located at the river Ilm. Bad Sulza became famous because of its graduation house named *Louise*. This building is equipped with a colonnade and a hall where brine from the *Johann Agricola well* trickles down the pillars and walls. Brine contains iodine and iron and has officially been verified to be used for therapeutic purposes in cases where patients suffer from a cardiovascular or metabolism disease or an affection of the airways. The local health accommodations and the rehabilitation clinic, the so called "Tuscany Thermae", offer a huge diversity of therapies and nowadays even wellness treatments.

Wellness tourism

The WHO (World Health Organization) defines the term *health* as the following: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." (Rulle, 2008, p.29-30).

This definition is the basis for health tourism and thus for wellness tourism. We are led to the question why people seek out wellness or spa weekends. Obviously they are striving for the best health conditions available, but why is the demand for wellness steadily growing? It is the modified health awareness caused by medical advancements, education and rising standards of living. Nowadays, wellness is a criterion that is increasing the quality of life. In 1961, the American doctor Halbert Dunn created the word *wellness* out of well-being and fitness, as specified in his publication on the subject of high-level wellness. He was the first who described the situation of a high level of well-being including body and soul. This idea grew and spread out across Europe. Despite that, wellness is no competition to the traditional cure tourism. It is more an enrichment to the existing supplying of the cure destinations. Generally these destinations are situated a little bit isolated from urban centres. The hotels in these destinations offer a huge range of wellness products, such as vital kitchen, beauty treatments, and massages and fulfil specific requirements to meet the needs of the guests. In contrast to cure destinations they do not demand attendance at medical and health care treatments, but offer a high quality service concerning the hospitality and catering as can be seen in the following example:

Terme di Saturnia Spa Resort, Tuscany/ Italy

In the middle of the Tuscany, situated between olive trees, Etruscan sepulchre and medieval mountain villages, surrounded by natural stone walls and away from stress and noises is the four star hotel named Terme di Saturnia with its 1,800 square meter thermal valley built directly over a volcanic fountain. The hotel offers 8 suites and 65 junior suites, a restaurant named *Aqualuce,* specialised in the Mediterranean and Tuscan diet kitchen and a *Centro Benesser,* concentrating on special massages, cabins where the guests can choose a certain music and fragrance, a thermal valley with bubbling thermal water for underwater massages and a gym with a varied offer of fitness courses. The surrounding is characterised by idyllic landscapes, a well-feeling climate, a driving range and a golf course.

In addition to hotels and resorts offering wellness and spa holidays, there are several tour operators that compile the hotels's offers and transportation and bundle them up to holiday packages. Tour operators like *TUI Vital, Thomas Cook Wellness* and *Care* or *Mediplus Reisen* offer a huge range of wellness products. Even cruise companies like *AIDA* or *Royal Caribbean Cruise Lines* include wellness as a large part of their cruise product.

7.3 Medical tourism

Due to the growing awareness of one's well-being, the development and globalisation of new technologies, the decreasing transport costs and the fact that health care costs are rising and demographics are shifting towards an ageing society in the developed countries, the demand for affordable medical treatments offered in countries abroad has been constantly increasing. Consequently a whole new tourism industry, namely medical tourism, has evolved.By definition medical tourism is defined as "...the set of activities in which a person travels often long distance or across the border, to avail medical services with direct or indirect engagement in activities& attraction of destination." (Jagyasi, n.d.).

7.3.1 Market focus: Customer segmentation and trends

There is no specific target market for medical tourism. Customers come from all over the world, though mainly from rich world countries. As countries of origin, North America, Western Europe and the Middle East are especially to mention. But why do these people travel sometimes long distances to foreign countries to get medical care? An important factor is the cost of treatments. People from the developed countries often have to prepare for high costs for surgeries, either vital or cosmetic. In addition, many hospitals and practices are privatised in the developed countries. As a result healthcare becomes expensive or sometimes even not affordable. Furthermore these countries' populations are growing older which causes a change in the demographics and further raises the need for medical treatments. The high insurance costs which are an important issue in the USA for example can be another problem as well. This leaves a lot of people uninsured or only half-insured. In addition, even where affordable, insurances do not cover all operations. Consequently people seek affordable medical services with equal quality abroad. In general the costs for surgeries and healthcare are only a small part of what the people would have to pay in their home country for the same service.

What supported the growth of the medical tourism industry were as well the decrease in transportation costs and thus the affordability of air travel and the development of new technologies which linked two completely different industries together: tourism and health care. Newly emerged companies and the internet now function as brokers between patients and hospitals.

Regardless of what the patients' motives are to seek medical care abroad, according to Conrady and Buck (2008) the treatments can be divided into three different categories.

- non-essential and discretionary (discretionary cosmetic surgeries)
- non-essential but recommended (treatments that improve the patient's well-being)

- essential and urgent (heart surgeries and bone marrow transplantations)

Every medical treatment, surgery or health service can be categorised as one of these three classifications.

The McKinsey Quarterly survey (2008) holds a different point of view about motives for a medical travel. According to the survey, the costs for medical treatments is not the main driver. The largest number of patients, namely 40 percent of all medical travellers, seeks the most advanced technologies. For them not the relative low costs count, but the high-quality medical care. Finding better medical care than in the home country is what 32 percent of the patients are looking for. This segment often involves travellers from developing countries. The third largest segment, which covers 15 percent of all medical travellers, wants to overcome long wait times which are connected with long waiting lists. Nine percent of the people seek lower costs for necessary medical treatments, which makes up the fourth largest segment. The last segment, which consists of four percent of all medical travellers, is seeking lower costs for discretionary medical treatments. These involve surgeries such as liposuction and breast enhancements.

There are no exact figures that state how high the number of medical tourists worldwide is. This is due to the fact that different definitions are used to specify the medical traveller. The McKinsey Quarterly reported in 2008 that the number of inpatient medical travellers range from 60,000 to 85,000 patients a year while India claims to have received 150,000 patients seeking medical treatments already in 2004. Such a great discrepancy occurs because the McKinsey survey uses a narrower definition of who medical tourists are. For instance do they exclude all travellers who received medical care out of an emergency which may be included in other figures.

7.3.2 Supplier landscape: Countries and companies

The main countries offering medical services linked with a holiday are Asian countries like Thailand, India and Malaysia. Countries such as Turkey, Israel, Cuba, Costa Rica, Hungary and Lithuania mainly offer medical treatments to patients from developed countries. Every country is specialised in one or more medical treatments. While Hungary and other Eastern European countries provide cheap dental treatments and plastic surgery, Turkey is specialised in laser eye surgery. For years, patients who live at the borders of Eastern European countries, have travelled across the border to seek cheap dental surgery. For even longer, people have travelled to Thailand to seek sex change operations or plastic surgery. Thus Thainland became known for medical services already in the 1970s. Currently India is the global centre for medical tourism.

The suppliers of medical care abroad market their product by putting emphasis on nearby attractions such as close-by beaches, interesting sights, ancient architecture and the countries' fascinating cultures. For example *www.Phuket-health-travel.com* promotes its services with statements such as "Combine health and holiday aspects of travel and enjoy great savings in time and money.". Companies and hospitals from Asian countries put a lot of emphasis on their skilled and very well trained doctors, hospital staff, and their hospitals with hotel standard. India for example claims to have the most modern and advanced technological equipments as well as highly qualified doctors. These doctors have received their education in developed countries and thus gained western experience and many international qualifications. Also other destinations try to gain new patients by stressing the high quality standards of their service and set up advertisements such as "First World Treatments at Third World Costs" (Malik, n.d.).

There are many suppliers for medical tourism. Many new companies emerged in the patient's countries as well as in the countries that offer medical care treatments. These companies now function as brokers or tour operators who mediate between the medical tourist and the destination. Often they offer pre-travel support and local services such as the transportation from the airport to the hospital, and thus sooth the patients concerns by offering competent patient support at home and in the destinations. Even individual packages are arranged, including typical holiday components, such as transportation and hotel accommodation, plus a surgery. A couple of these tour operators even organise group trips. The patients are accompanied by a tour guide who takes them to their accommodation, the hospital and on excursions. Every country has its own country-specific tour operators and brokers. Some examples for this field of tourism are *Gorgeous Getaways* and *Noosa Travel* mainly serving the Australian market, *Be-Nice*, a company from the Netherlands, *Health Vision Asia* from Thailand*, Laser Travel*, serving the German market, and *Medical Tourism Operation*, a US-based company.

Although there already are a number of suppliers in the market for medical tourism, this segment still has huge potential to grow, but to realise its full potential patients need to be made aware of the possibility of medical travel. Another challenge of the medical tourism industry are fluctuations in currencies and other events that change the global economy, such as September 11th. Such events can substantially affect the readiness of patients to travel for medical service resulting in demand fluctuations for destinations. Furthermore prejudices and black sheep exist in the market. The patients are concerned about the hygiene and unsanitary conditions, unqualified staff and failed surgeries. These fears and assumptions are fuelled and confirmed by articles in magazines about careless working doctors and TV reports where people make their experiences public. They report about laser surgeries during which they almost lost their sight or breast enhancements that went wrong. Prejudices can be reduced and black sheep exposed by detailed information published in the media, in magazines and on the internet, and so ensuring a reliable flow of information.

Nevertheless the market for medical tourism is very likely to further increase in the next years as there will always be a demand for such travels, either for cost reasons, to receive treatments with the most modern technology or best skilled doctors.

7.4 Conclusions & outlook

Summarising both parts, health and medical tourism are two categories with different motives for travelling. While health tourism promotes the well-being of body and soul by offering relaxation and spa treatments, medical tourism offers body attractiveness, health and vitality through operations. Apart from this, what they have in common is the focus on a better quality of life and as a result an extended life expectancy, and the consciousness of the own body.

The two categories target different market segments. While health tourism focuses on the younger and active people, families, employed people without children and the seniors, the target group for medical tourism includes almost everyone who needs medical care either essential or non-essential.

Both industries have a shared origin in Greece as early as 460-370 B.C. and later in the 19th century European cure culture. Only at the end of the 20th century medical tourism became an issue and separated from health tourism. It developed in a slightly different direction with the focus on medical operations.

During the last years the demand for health tourism, either cures or spa treatments, increased significantly. Traditional cure destinations were extended by spa, sports and entertainment facilities. Health tourism is advancing and today almost every hotel has its own wellness area. As a consequence health tourism is currently becoming a product with a high demand and thus is developing away from its niche existence. Unlike medical tourism, which is also growing in terms of supply of medical treatments and demand for operations, even though that growth is not as significant as the growth of health tourism. That is due to the fact that fewer people are aware of the possibility of medical treatments abroad. Whereas health tourism, and especially wellness treatments, are advertised daily on television, in magazines and on billboards at bus stations as well as in tour operator's brochures, medical tourism is mainly marketed over the internet.

The growth potential that links the two industries is a result of people's changing needs in today's societies: more relaxation and a higher quality of life. In the rich world countries, which generate most of the customers for health and medical tourism, a new awareness of one's own health of body and soul evolved. This was the main reason for the development of baths and spas as they exist today and it is furthermore the drive for the growing demand in the future. Apart from the increased health and body consciousness and the risen need for well-being, which is also caused by today's health education, an aggressive marketing of the current lifestyle influences the consumers' consciousness and needs. In addition to this, the rising costs for treatments at home, insurances and long waiting lists have made it possible for medical tourism to develop and they will also fuel future demand of both types of travel.

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8.0 Shopping tourism

A whole new experience

Meike Bauer & Michaela Meier

8.1 From a minor matter to the main experience?

When thinking of shopping tourism New York is one destination most of us would have in mind, just by being a shopping paradise as also promoted in popular TV series like 'Sex and the City'. Walking through the streets like the main character 'Carry' and her adorable friends, overwhelmed by the huge variety of stores and labels combined with the special flavour of the city. However can this one example really describe all what the term shopping tourism implies? And even more does it not leave the tourism part in the dark by getting all excited about the shopping component? Even though this might be the first idea people have about it there are many more aspects to it than leaving some noble store with more bags a single person can carry in some luxurious destination.

When trying to define this special tourism sector only one facet can be defined clearly, namely that this kind of tourism includes the purchase of goods, the most typical being clothes, shoes, leather goods and luxury foodstuff (Friedrich, 2006).

However the significance of shopping in a leisure and tourism context as well as the impact on the economy is not widely noticed nor spread yet.

As studies have shown, shopping is one of the number one activities no matter where tourists go (Timothy, 2003). Additionally every travel guide contains a whole section about different shopping possibilities in the given destination. Yet on the other side of the coin it is hard to find offers about pure shopping trips when going to a travel agency.

Many questions arise when thinking of what a holiday has to offer in order to place it in the category of shopping tourism. It starts with the length of the holiday. Can a day trip to a domestic shopping mall already be considered a shopping holiday? Furthermore, it needs to be well thought-out how much shopping should be involved in a general holiday to fit into this category. Hence, is it only the leftover money that is spent on airport shopping, souvenirs or gifts for friends that turns a beach and sun holiday into a shopping holiday or should shopping be the main purpose of the vacation?

When choosing a destination most tourists do not base this decision on the possibilities to go shopping. However, it always turns out to be an important component for them to be

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satisfied. Thus, why should this satisfaction not be turned into the main experience of the tourist's holiday?

As there are many aspects called into question this chapter aims at delivering an analysis of the different aspects of the market. The next section will deal with the demand side of shopping tourism. It will investigate what kinds of customers are interested in such a holiday. Furthermore questions such as: how should the holiday be composed, will be raised. For example what are favourable durations? The next part will outline the supply side. This includes primarily advantages and challenges a tour operator might face.

The study of this niche tourism sector should help to gain an overview of the development as well as the future potential and chances of this market in the pool of niche tourism products.

8.2 Market focus: Demand investigations

This part focuses on which type of tourist might be interested in a shopping holiday. Of course at first sight rich and wealthy people who do not think twice before spending money seem to be a suitable target group. But when looking more closely at what this implies it is hard to imagine Paris Hilton or even other less famous but still rich people taking advantage of the services of a tour operator.

As it is the same with almost all products or services shopping tourism cannot satisfy everyone. Simply because not all tourists are interested in this kind of vacation. Furthermore, besides the interest, limited personal earnings might also prevent many people from trying out a shopping holiday. Hence it is difficult to narrow it down to just one or a couple target segments.

Secondary research did not provide sufficient information on the market segmentation or possible criteria for this specific topic. Consequently a survey was conducted to gain a first impression. The survey consisted of three main questions which were designed to discover what potential customer desire. The focus was on finding out how long consumers would want to go on a pure shopping holiday and how far they would travel. Furthermore the survey aimed at detecting whether a general interest in such a holiday exists.

120 people of two different segments in Germany were interviewed. To be precise those surveys were conducted in Bremen and Bremerhaven in the beginning of 2009. The segments were defined as segment A: 18 year olds until the late twenties and segment B: early thirties until the late sixties. Older people were excluded from this survey as a lot of them grew up in another environment and are not used to lavishing money on pure shopping leisure. Furthermore, men were included as well as women.

80 out of the 120 interviewed people would like to go on a pure shopping holiday. This number would increase by at least 16 % if the trip included some other activities, for example visiting a theatre in the evening. During the interviews a noteworthy amount of

people mentioned that they would like a shopping trip to be the other way around than their usual holidays. Meaning that most of the time would be spend shopping and the remaining time could be filled with other activities.

Significant was that out of those few men that were asked on their own only two were likely to go on a shopping holiday. Out of those that were interviewed with their partners a lot more said that they would be willing to go. Especially if there was some side programme offered. Yet the main reason for those men was not the shopping but the satisfaction of their partner.

A vast number of the women were interested in a shopping holiday. However they were also influenced by their companions. Quite a few stated that they would like to go for a whole week, but their partners would only go on a weekend trip. A considerable amount of men and women agreed that this kind of holiday is made for a women's weekend away.

While most people only had a general idea about how far they wanted to travel some named precise cities. The most popular cities worldwide seem to be New York and Dubai. Likewise two European destinations were named, to be precise Paris and London. Even though 42 of those interviewed saw Germany as a worthwhile destination, not a single concrete town in Germany was mentioned. This might be due to the fact that Germany's cities cannot compete with the worldwide metropolises. Yet the short distance to many German towns probably seems to be an appealing reason to stay in Germany.

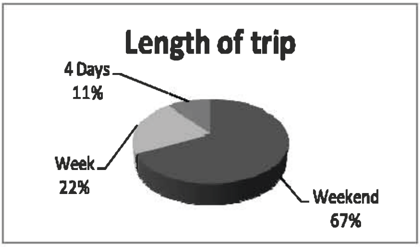

Figure 8a: *Breakdown of preferred trip durations*

For most of those who were not interested in a shopping holiday at all, it still turned out to be an at least negligible if not important component of their usual vacation.

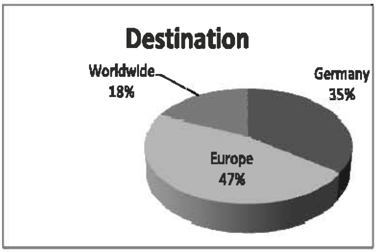

Figure 8b: *Breakdown of preferred destinations*

Even with the data that can be extracted from the survey defining a good market segment remains a complex task. Nonetheless it can be said that the main focus should be on young to middle aged-women for whom shopping is part of their lifestyle. Yet the male population should not be left out in this examination. This is especially true when looking at couples as women are frequently influenced by their partners.

A closer look at shopping in the context of consumer behaviour might in addition to the survey create a broader overview of this niche. It has been found that even two persons of the same age, educational background and occupation and thus income may well have different leisure interests and different consumption preferences. Both depend on the individual lifestyle a person developed over the years (Solomon, 2006, p.558). Contingent on the lifestyle shopping can be a hedonic or utilitarian activity. The utilitarian shopping refers to accomplishing a set shopping goal, where the purchase of something required stands in the foreground. Whereas hedonic shopping motives are not the purchase itself, but the act of going shopping and the experience that is connected with a purchase, which does not necessarily have to take place (Yüksel, 2007). As a shopping tourist of course only persons who are literally in love with shopping come into question. This fits the description of the shopper who sees this activity as hedonic. Thus, this is the target group which should be focused on in this niche market.

After having gained an overview of the existing demand in the shopping tourism sector the supply side will now be analysed to complete the picture.

8.3 Supplier landscape

When trying to find out more about current suppliers of the shopping tourism product it quickly becomes obvious that the supply is very limited. Neither in travel agencies nor in the internet can concrete offers be found. The only option which seems to be known is a trip to New York during the pre-Christmas season.

The opportunities associated with supplying the segment are the following:

Since there are no real offers on the market yet there is hardly any direct competition. While at the same time the survey proved there are a lot prospective customers.

Additionally several metropolises are already known and shopping is a popular activity in general. Therefore the tour operator would only have to focus on promoting and making aware of his services rather than the whole product.

The main advantage a tour operator could enjoy is the fact that shopping tourism has a *positive economic impact* on the destinations as well as at least *no negative environmental and socio-cultural effect*. Meaning local life, natural environment and cultural sites are not going to be neither disturbed nor destroyed since many traditional malls, factory outlets, and markets do already exist.

To be more precise economically seen this implies:

- More secured jobs as the malls will have a continuous number of visitors;
- Tax income will increase due to the value added tax of more sales;
- Shopping tourism does not seem as seasonal as other tourism products;
- In addition foreign tourists will increase the balance of payments.

The environmental impact:

- Is not - as usually associated with tourism – negative;
- This is due to the fact that common aspects as for example that "Vegetation is eroded by walkers" or "Wildlife is killed by accident or by design" do not occur.

As already stated there is also a socio-cultural impact:

- A shopping mall is visited by locals as well as international tourists and as such it is seen as a positive attraction since access is not limited to neither of the two groups.
- A further impact is that malls are designed to accommodate large crowds anyway (Swarbrooke, 2002, pp.25-26; 29-31).

For the reasons just mentioned tour operators could try to gain the support of the destinations as those - explicitly meant are: local authorities, shop owners and the local population - benefit from this kind of niche tourism as well.

A last advantage can be seen in the potential target group. As the survey outlined people from various demographic backgrounds are interested in trying out a shopping holiday. Thus the tour operator has a wide range of opportunities to find the most appropriate target group, to focus and specialise on.

After having looked at the positive aspects it should not be forgotten that there are also challenges.

First of all the tour operator should be aware of the existence of need inhibitors. Jobber (2007, p.120) states that even though there might be a need for something, the fear of a financial loss or of not receiving the expected might put a constraint on following the certain need. In the case of shopping tourism the need inhibitor is the misperception of how much money is actually needed. Many think that such a trip is only worthwhile if loads of money is spent. This discourages them from taking a shopping trip. Thus the main challenge is to overcome this inhibitor and show that such a holiday has a lot more to offer. For instance, as mentioned earlier, a side program should be included. This way not only plain money spending but also cultural aspects for instance could add value to the vacation. Furthermore, the strolling through famous destinations is also part of the holiday experience. In addition cheaper alternatives can be included to fit any budget. This could be in the form of visiting outlet factories.

Another point which needs to be considered by a new market entrant is that niche products only have a chance of prospering when "offering a new concept to a smaller but well targeted group of potential customers" (Plog, 2004, p.36). Yet for this niche product it seems to be difficult to obtain a clearly defined target group. Quite a few groups of different demographic backgrounds seem to be relevant. Thus the tour operators might not focus enough but instead serve too many different target groups. On the other hand this fact offers the opportunity for different competitors to differentiate their product in this niche segment, shopping tourism.

A further point of concern is the shopping risk perception of tourists. "The potential for shopping to develop into tourism resource depends largely on the quality, attractiveness and safety of the environment involved." This poses a problem as these aspects cannot directly be influenced by the tour operator. Besides working out a contract with the mall owner about certain safety and security circumstances the tour operator has little power on this matter. Yet in order to evoke positive emotions and therefore turn the customers into repeaters or recommenders the shopping environment needs to be safe without financial or time related risk (Yüksel & Yüksel, 2007).

After having thought about these main challenges the most attractive source market should be chosen. One choice criterion could be the average purchasing power per capita, while not ignoring the population number. For example in Europe Liechtenstein has the strongest purchasing power with 44,851 € per person, but being such a small country it should still not be the main focus. Other attractive source markets seem to be the northern European countries (GfK Gruppe, 2008). However an even more specific figure is the willingness of visitors to spend money at destinations. Here the most prominent countries are Germany, Italy and Brazil followed by Great Britain, the United States and Japan (Plog, 2004, p.231).

As well as on the demand side, in the supplier landscape many aspects were considered in order to unfold the competitiveness and range of possibilities of this niche product. After both sides of the market have been analysed a conclusion can be drawn.

8.4 Conclusions & future perspective

Shopping tourism is a niche product which is not really developed yet. In this chapter, the general development potential of this segment was assessed and discussed. According to the research done, it appears that quite a lot of people would be interested in such a holiday. The main questions asked were related to how much time people would be willing to invest in such a holiday as well as how far they would travel. The survey revealed that the majority of the respondents prefer a weekend trip inside Europe. On average male participants were not willing to invest as much time as females for a shopping holiday. Another aspect that was looked at is the consumer behaviour of prospective clients. The main statement of this section is that many different types of people could be interested in the product of a niche tour operator. Even two persons of the same age, educational background and occupation and thus income may well have different leisure interests and different consumption preferences. Both depend on the individual lifestyle a person developed over the years. As also discussed in section 7.2 the tour operator should be aware of the different motives of tourists. Some might only be satisfied when the intended set of things are purchased. On the contrary others are satisfied with the experience of such a shopping trip which does not have to include many purchases.

Subsequently, the supply side was examined. A close look was taken at the advantages and challenges of operating in this segment. Advantages are namely the easy entry as this niche is still in the developing phase. Accordingly there are no noteworthy competitors yet.

In addition, several metropolises are already known and shopping is a popular activity in general. Therefore the tour operators would only have to focus on promoting and gaining awareness of their services rather than the whole product. Moreover as the survey outlined people from various demographic backgrounds would be interested in such a holiday. Thus the tour operator has various opportunities to choose the most appropriate target group for him to focus and specialise on.

Another advantage not to be forgotten is the chance that destinations might be supportive.

Aside from opportunities, there are a number of key challenges discussed. Tour operators have to overcome certain need inhibitors as people tend to relate shopping tourism with uncontrolled money spending. While at first sight it seems to be positive that a wide range of people could be attracted there is also a negative aspect to it. Namely tour operators might not focus on a single target group which is however essential for a niche tour operator. The last disadvantage mentioned is that the tour operator does not have a direct influence on the shopping environment. This was described as the shopping risk perceptions of tourists.

Considering all the above, tour operators have to choose attractive source markets. Those nationalities which are known for spending more money on a holiday would probably be more convinced by a shopping holiday proposition. More specifically, key source markets could be: Germany, Italy and Brazil.

It can be concluded that while there is quite a strong demand there is no obvious competition. Thus this niche segment offers a fairly attractive entry possibility.

As mentioned in this chapter shopping tourism is not developed yet. Nevertheless, due to the fact that globalisation connects the world evermore it makes travelling easier as well as cheaper. This makes short weekend trips more likely. It also relates to the results of the conducted survey which revealed that weekends are the preferred length for shopping trips. Other niche segments are already a lot more developed, with many suppliers competing for customers. Effectively, shopping tourism represents an opportunity for new entrants in the tourism sector.

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9.0 Sport & extreme tourism

A niche market full off niches

Lisa Weihermüller & Felix Jentzsch

9.1 Introduction

For many people, sport is one of the most important aspects of their life. It serves as a distraction from everyday life and helps to stay in form. Moreover, it balances body and soul in times of stress, hectic and high requests in job and private life. However, are people actually willing to practise sport and to spend much money for their fitness?

According to a study of Walter Freyer (2002) the amount of active sports (wo)men in Germany adds up to 40 million people. The market provides a wide range of sport activities like biking, hiking, swimming and jogging, which can be done individually and in sport teams like volleyball, football and basketball. In the past years, classical sports went out of date and people begun seeking for adventure, excitement and risk. Thus, new kinds of sport activities developed addressing those needs such as: bungee jumping, rafting and paragliding.

Because it is a time consuming activity people often use their free-time and holidays to practise sports. Moreover, holidays are used to experience something new. As mentioned before people actually are aware of fitness and health, but could for example a travel agency or a hotel make profit by specialising on sport and extreme sport tourism?

In this paper we will examine whether the market of sport and extreme sport tourism is a favourable one to start business in. To find out the similarities of sport and tourism we need to compare both definitions in order to create a definition for sport and extreme sport tourism.

According to the tourism society of Great Britain, tourism is the temporary short-term movement of people to destinations outside the places where they normally live and work, and the activities during their stay; including movement for all purposes, as well as day visits or excursions (cited in Holloway, 2006). Sport is defined as a pleasurable activity requiring physical effort or skill; usually done in a special area and according to fixed rules (Oxford dictionary, 2003). Hence sport tourism can be defined as a short time movement of people to destinations outside the places where they normally work and live, in order to do sports.

The current literature which deals with the domain of sport tourism, however, also includes the passive involvement of people in sport tourism (e.g. spectators of sport events). Due to

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this, the definition has to be expanded. For our purposes we accept the definition of Standeven & De Knop (1999):

> *"[...] all forms of active and passive involvement and sporting activity participated in casually or in an organised way for non- commercial or commercial/ business reason that necessitate travel away from home and work locality."*

A special form of sport tourism is the so-called extreme tourism, which involves going on holiday to extreme places or making holidays under extreme conditions in the pursuit of more adventure such as trekking through the Andes or a land based expedition across the Sahara (Page & Connell, 2006).

It also refers to extreme sport tourism (also called adventure tourism), which provides a certain risk, excitement and danger and involves speed, height and personal exertion (wikipedia.org, 2009).Extreme sport is ranging from mountain biking and white-water rafting to high risk activities such as shark diving, bungee jumping or free climbing, which basically is hill climbing without safety(Dunbar, 2002).Often the motivations for such travel and actions include an interest in exploring, in meeting indigenous people, and in competing with the nature, the weather and difficult terrains.

9.2 Market focus

According to our definition of sport tourism there exist two different markets – the active and the passive sport tourism market. The active market can be divided into sport activity holidays, where sport is the main intention of the trip and in holiday sport activities, where sport is incidental (Standeven & de Knopp, 1999). In contrast, the passive market focuses on sport events, for example, the Olympic Games and on nostalgic sport tourism, for instance a trip to the Hall of Fame of Baseball. In order to understand the market it is necessary to have a look at the target market segment.

In general, a study in Great Britain (cited in Standeven & de Knopp, 1999) finds that active sport tourists are between 15–34 years old and belong to the upper socioeconomic class. Another finding is that more men than women have tended to be sport tourists but this has changed over the last years due to the health and fitness boom (Hinch & Higham, 2004). Furthermore, the older generation ("Best agers") is becoming aware of health and fitness issues in which sport plays a dominant role and therefore they can also be seen as a target group for sport tourism (Hinch & Higham, 2004).

In literature and studies there exists no clear definition of the target group of sport tourism because it is obvious that each kind of sport attracts a different kind of customer segment. In 1993, Maier and Weber established a model of four demand groups about this tourism niche market (cited in Hinch & Higham, 2004). This model gives a good overview about the different characteristics of potential sport tourists:

- The first demand group covers “top performance athletes” who seek access to competition and suitable training conditions and facilities. Moreover, they have special requirements such as dining demands (dietary food) or rehabilitation demands (massages).
- The second demand group is called “mass sports”. The main aims of this sport tourist group are preserving health and maintaining fitness. In addition, the accessibility of the destination and the quality of sport facilities are very important for them.

The “occasional sports (wo)men” are sports tourists because of compensation and prestige rather than sport ambition. They concentrate on less demanding sports like recreational skiing or bowling. In contrast to other demand groups, sport is not as important for them as sightseeing.

The last demand group of Maier and Weber is called “passive sport tourists”. They do not seek for active participation in a sport during their holidays. Their main focus is mega sport events and distinguished sport sites. Also coaches and media reporter who have a commercial reason for being sport tourists belong to this category according to Standeven and de Knopp.

Hence, sport tourism is a niche market full of niches because of the variety of needs and requirements that potential sport tourists have.

However, the question arises about whether those demand groups attract tour operators to start business in one of these niche markets. In 2001, WTO & IOC conducted a study with the title “Sport and Tourism and its interactions”. One result is that the sport tourism industry at the moment is in the introduction phase of Butler’s tourism product lifecycle (Felderer et al., 2006). Hence, the market has a huge growth and development potential within the whole tourism industry. Furthermore, according to the study, Germany, France and the Netherlands are the main source markets for sport tourism. In 1999,11 out of 58 million German holiday makers have chosen a holiday with the main motive “sport”. Therefore sport tourism accounted for 19% of total holiday trips in Germany. It is important to mention that the study only concentrates on mountain, winter and summer sports like hiking, climbing, mountain biking, skiing, snowboarding and scuba diving (Felderer et al., 2006). Unfortunately, it does not include such sports as golf or sailing that have become more and more popular over the last years.

This leads to the assumption that the active market of sport tourism is larger than the study of WTO & IOC conducted, and thus, seems to be very attractive to start business in. In contrast, a study conducted by Walter Freyer in 2002 finds that only 400,000 to 500,000 German sport tourists are willing to book a “classical” packaged sport holiday. The majority of sport tourists rather organises the sport trip on its own. Hence, it is necessary to research the market in greater detail based on clear and accepted definitions in order to find out the real potential of the market.

Even though the niche market of sport holidays can be described very precisely, the market of extreme sport tourism cannot. According to our research most extreme sport tourists do not book their holidays via a travel agency. The potential extreme sport tourist books his tour rather online where there can be found a large offer of extreme sport activities, tours and also homepages where fans can find impressions about and suggestions for new forms of extreme sports. However many extreme sport tourists just organise their extreme sport holidays by their own. Due to the definition of the niche product, it is not clearly said which activities exactly can be counted as extreme.

The target market in the extreme tourism market consists of people who want to be challenged, like danger, risk and uncertainty. They want to escape from their normal life to experience something extreme and to stimulate themselves.

Due to Stephen Page (2006):

> *"People are typically aged 24-39 years of age, including the avid professional, those who have never undertaken the activity before, those wishing to learn a new sport, dabblers who had acquired the skill level necessary but undertook the activity infrequently and those who may be undertaking an adventure activity as part of a cooperate training exercise."*

The typical extreme sport tourist is characterised by a good education, a high income and seeks small group trips, luxury and a more budgeted form of adventure travel. It can be distinguished between two budget classes among extreme sport tourists. The first group is the luxury class which undertakes high cost holidays such as ecotours to Antarctica and excursions on the Orient express. The second group has an average income and rather uses mass market products.

Many tourists' destinations have added activities like white-water rafting, bungee jumping and other physically challenging activities to complement the traditional ski holiday market and diversify the market appeal (Page & Connell, 2006). However this group does not practise a real extreme sport holiday since the tourists do the extreme sport not as their main purpose.

According to Ralf Dujmovits, the director of "Amical Alpin", a tour operator in this market, the number of mountaineers in Germany amounts to about 1,000 per year (Seiser, 2008). Consequently, there might be a small number of people who only go on holiday for the purpose of experiencing extreme situations for example climbing the Mount Everest. Others-that are the minority- only go on holiday to travel to a place where they can do a special kind of extreme sport because of good conditions in that area. The evidence can be found on Satistica.org where it is stated that only 1% of the Germans practise extreme sport regularly. Another 1% do it occasionally, 2 % do it very rarely and 97% of the people in Germany do not practise extreme sport (Ifak Institut, 2006/2007).

Hence, the majority of people going on holidays rather search for some activities directly at the destination to entertain themselves, than booking holidays with the main purpose of extreme sport. Therefore, a pure market for extreme sport tourism does not exist. It can be argued that extreme activities should be included in normal holidays like ski or summer holidays and are offered locally.

9.3 Supplier landscape

Diversity, as mentioned before, is a very dominant characteristic of the sport tourism market which is also reflected in the supplier landscape. Similarly to the market focus, it is necessary to distinguish between suppliers for the active and passive market.

The active market is served by mass market tour operators, small tour operators, sport hotels, tourist associations and sports clubs. For big tour operators (TUI, Neckermann, DERtour, etc.) sport tourism is only one part of their product portfolio because sport seems to be "young" and "trendy". Thus, they print extra brochures and offer "classical" or "mass-compatible" sports like, skiing, hiking, tennis and water sport (Feyer, 2002). Often the hotels in these brochures are the same like in their main catalogues and a stay there can be combined with participation in some kind of sport. Other sports, like golf, belong to the luxury market segment due to the nature of these sports. Unfortunately, the mass market tour operators do not publish any numbers about the holidays that are made in this segment.

Besides, there are small tour operators which are mainly specialised on one or a few sports which is typical for this niche market. It is estimated that more than 100 of this tour operators exist (Feyer, 2002). One of those companies is "Frosch Sportreisen". Since 1989, the tour operator organises sport trips for singles, couples and families. In summer they focus on sailing and biking and in winter on skiing. Over the last years, there was a steady increase in the number of bookings which has peaked in 2008 to 27,300 guests. The total turnover, however, has been about 20 million Euros (Frosch Sportreisen, 2008).

Sport hotels are another form of sport tourism provision. These hotels are specialised on the needs of the sport-seeking customer. Besides the classical types of sports, they offer special food and regeneration facilities (e.g. spas). In some cases the hotel concentrates on one kind of sport like golf (Schwark, 2006). A special form of sport hotels are vacation clubs like Robinson, Magic Life Club or Center Parcs where sport is a main feature of the concept.

Furthermore, there are tourists associations, especially in Germany, which can offer a broader range of sports, for example canoeing, shooting, diving and fishing, because of corporations with hotels and sport clubs of their region (Schwark, 2006).

Yet another type of active sport tourism suppliers is sport clubs. They mainly organise trips for their members but also for the interested public. From the travel associations' point of view these occasional tour operators are close to illegality (Feyer, 2001).

The market leader in the passive market of sports tourism or more precise "event sport market" is DERtour with its brand DERtour live. They offer 100 to 150 event sport holidays per year including trips to Formula One races, football world cup matches, Olympic summer and winter Games or athletic world championships. The company started business in this market in 1954 with a trip to the final of the world soccer championship. Furthermore, they have developed their product and organised trips to all different kinds of sport events within the last years. It is important to mention that the company is the official partner of the DFB (German football organisation), DSB (German sport association) and NOK (National Olympic Committee). Hence, they do not only organise the trips for "fans" but also for German sportsmen who participate in big events as well.

By contrary, the extreme tourism market in Germany is only dominated by small tour operators. One of these companies is "Amical Alpin". The tour operator is concentrating on extreme expeditions to Himalaya and extensive trekking tours to Nepal, Pakistan and South America. The company was founded by Ralf Dujmovits in 1989 and is the leading supplier for mountaineering in Germany with 500 bookings per year and 15 mountain guides working for the company (Schoeffel, 2008).

Another supplier for extreme tourism is "Hauser Expeditionen" which is focusing on trekking tours all over the world. It was founded by Günter Hauser in 1973 and started business with large success. The first destinations were Nepal and Peru. The trekking tours, which were designed by a young team, have attracted around 1,000 clients after some years. Today it is also one of the main suppliers of extreme tourism in Germany with four offices in Germany, one in Austria and one in Switzerland (Häupl & Schott, 2008).

The "Summit Club" was founded in 1957 and emerged from a mountain rail service. It focuses on mountaineering and trekking as well as pleasure hiking. Today it is the worldwide largest mountaineering school and a leading mountaineering company in Germany with 700,000 clients since the company has started business. The "Summit Club" emphasises environmentalism and works closely together with the locals of their trekking destinations (Thoma, 2008).

"Ikarus Tours" was founded in 1970 as a family business and is focusing on adventure, expedition and individual tours to foreign countries. In 1975, they started the first tours to China and published the first brochures in 1976. Over the last 30 years the company has grown to one of the main suppliers in the market with about 30 employees and a turnover of 60 million DM in 1990. After 2001, the company registered a slight plus in sales despite of collapses in the tourism industry because of terror and invented the expedition cruises in 2007 (Ikarus Tours GmbH, 2008).

Due to the fact that a market for extreme sport tourism does not exist and extreme activities are mostly offered locally finding key players, which specialise on extreme sport is equally difficult. In the sector, companies like TUI, Thomas Cook, etc. offer extreme sports in their catalogues as an attraction at the destinations. However, it also exist a number of different, rather small players, which offer their holidays on the internet like the Southside base which is a sport and adventure centre for skydiving and scuba-diving in Germany.

What does this mean for competition in the markets? In the sport tourism market it depends on the point of view and on the sports tour operators offer. On the one hand, the classical kinds of sports (golf, tennis, etc.) are offered by many providers and there seems to be a keen competition in this market segment. For example, golf is becoming very popular and several tour operators including TUI, Neckermann and specialists offer this sport to their customers. Thus, the golf tourism market has a strong competitive environment. On the other hand, sports like biking or hiking are also very popular and appear in many brochures, but they are not compatible for the mass market. Hence, the competition is fairly low.

In the extreme sport market there are even more specialists offering different extreme sports and extreme tourism expeditions, which make it more difficult to find out the competition amongst them. Moreover, competition arises as many companies offer their holidays online and make a direct booking on their websites possible.

Thus, a small tour operator can create a product which fits better to the needs and requirements of the potential target group than a bigger one. Even if small tour operators do not reach economies of scale different analyses show that customers of small tour operators are less price-sensitive because they think that they get more value for their money.

Besides the competition among the different tour operators in the markets, the sport and extreme tourism markets face competition from other tourism niches like cultural or health tourism. According to the definition of cultural tourism of Steinecke (2007), this segment includes travellers that want to gain information about the culture of the destination. Those are similar motivations to go on a holiday like those of potential extreme tourists. Furthermore, in times of a wellness trend and an aging society, health holidays are getting more popular. Because sport is a main component of this trend, it can be assumed that health tourism is a serious competitor of the active sport tourism market as well.

9.4 Conclusions & outlook

The paper shows that the sport tourism market seems to be a very attractive opportunity for future business with the main focus on the passive market; even it is not researched in-depth yet.

For the sport tourism market this is rather illustrated by the variety and diversity the niche market provides than indicated by studies of growth potential or demand expectations. Because of the different target markets, tour operators can create products which fit exactly to the needs of sport tourism customer. This allows charging higher prices which will be accepted by the rather less price-sensitive customer. In the end this promises high profit margins. Moreover, the market is attractive because of low competition if a tour operator is specialised in one of its sub-markets. But it is important to mention that some sports which are now considered as “trendy” may face a loss in significance in the future.

Furthermore, the market promises a good future development. Bordeau et al. (cited in Hinch & Higham, 2004) see an increasing trend towards individual sports rather than collective sports. Other future trends are based on the growth of the aging society in industrialised countries. It seems that there will be a "shift [...] to less physically demanding sports" (Hinch & Higham, 2004, p. 195) like Nordic Walking. Moreover, there is forecasted a need for sports related to recreation and health issues (Hinch & Higham, 2004).

Subsequently, experts in this topic see the development of a completely new market of passive sport tourism – the Nostalgia sports market. "This form of sport tourism includes tourist visitation of sport museums, halls of fame, theme bars and restaurants, heritage events and sport reunions." (Hinch & Higham, 2004, p.48) It is considered as a rapidly growing sector in the industry but until now it is only developed in North America. The evidence for its significance can be found in the number of visitors of nostalgia sport tourism attractions. For example, the Baseball Hall of Fame in New York is visited by nearly 400,000 (Gammon, cited in Hinch & Higham, 2004) and the sports museum of FC Barcelona by more than 500,000 people per year (Hinch & Higham, 2004).Hence, the sport tourism market will stay very important especially as an opportunity for tour operators to start business in.

A different situation occurs in the extreme tourism market. The niche includes travelling to extreme places or travelling under extreme conditions. It is already defined and offered by tour operators in brochures and on the internet. Moreover it is established in the tourism industry but in comparison to the standard beach holiday it attracts only a few people. Therefore it is still a niche product. It offers a wide range of destinations to the customers who are willing to spend a lot of money for one trip; according to Ralf Dujmovits a mountaineering trip varies from 8,000 to 9,000 Euro.

Nonetheless, even though the product is included in the holiday market, specialists are still unclear how to differentiate between extreme tourism and adventure tourism. While some specialists already define snowboarding as extreme, for others bungee jumping and rafting are extreme sports. A third group defines activities like shark-cage-diving and free-climbing as extreme whereas less risky activities are named adventure sports.

Currently, there is no demand for extreme sport holidays and also there are no real companies, which offer whole holiday packages in this market segment. Hence the market for this segment is rather small. Moreover, the market is not structured which leads to high complexity and complicates the identification of competitors.

A trend for extreme tourism and also for extreme sports is recognisable because of individuality and the need for excitement. Furthermore it can be noticed a trend towards nature and fitness. Therefore, trekking tours also to extreme destinations will grow in the future according to the internet platform personalfitness.de (Tyl, 2008).

Globalisation already makes it easier to reach destinations and facilitates organising holiday trips to different countries. Environmental protection will be an important factor because the market segment is dependent on the nature and environment. While changes would offer new opportunities for new extreme sports, it would also destroy the environment for the existing sports.

Looking at the future, the two segments will become more important in the tourism industry and the market for extreme sports will increase regarding to the growing demand of young people for active holidays. The demand in the extreme tourism will still focus on trekking tours through foreign countries. Also the mountain climbing tours will be popular in the segment. Moreover the market for extreme sports will concentrate on kite surfing and wake-boarding but the existing extreme sports will stay popular in the future as well. The scene will explore new extreme sports like canoeing which is defined as passing of ravines from the bottom up in different ways via abseiling, climbing, jumping and sliding (Jurek, 2008).Even under-ice-hockey and extreme ironing that describes ironing under untypical conditions could also be new trends in the extreme sport market (Jurek, 2008).

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10.0 Military tourism

Michael Hrusovsky & Konstantin Noeres

10.1 Introduction

10.1.1 Military tourism: A definition

The term military tourism does not apply to a specific form of holiday. Moreover it is a general definition for a holiday whose competitive-advantage-carrying component has a military background.

10.1.2 Military tourism: A division

A division can be made between products that focus on the use of military equipment and products that focus on historical events' products.

The products that focus on the use of military equipment can be seen as products in the segment of adventure tourism. The customers can choose between a wide variety of military activities, for example shooting with military arms, riding a tank, or flying combat aircrafts. Experiences with these characteristics all aim at achieving an adrenaline-rush rather than fulfilling educational purposes. Potential target groups are people interested in particular military equipment or people striving for extraordinary experiences. Since price differences in this sector are enormous, the target group varies from people with middle to very high income.

The historical product consists of trips to former battlefields and places of military-historical relevance. As an example the battlefield of "Verdun" in France or Hitler's "Wolfsschanze" in former East Prussia can be listed. The arrangement of such products focuses on a rather passive experience serving an educational purpose. Potential target groups are veterans who fought in battles carried out in particular destinations and customers with a general interest in history.

Nevertheless there are products that combine both characteristics. For example the re-enactment of historical tank battles.

10.1.3 Military tourism: A transition

In the course of this examination the market for products that focus on the use of military equipment will be analysed. To highlight certain trends, two generic military touristic products will be examined. Thereby the focus will be on the market for military equipment tourism and its characteristics. The historical product will be treated as a sideline. Questions that will be worked on are the former development of military tourism, the current market

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situation and the future perspective of its niche status and its possible emerging status. As a third part the supplier landscape of the military equipment tourism product will be explored and portrayed.

10.2 Market focus

The target market for military tourism consists of different sub-markets. A profound segmentation need to consider these sub-markets, its requirements and characteristics. The target market segment for a MIG-flight and the target market segment for a historical tour are different in regard to the behavioural, psychographic and profile variables.

In order to depict the superior target market for military tourism two holiday forms will be analysed in regard to their specific characteristics.

10.2.1 A jet flight and its applications

The jet flight is an example where a strong affiliation towards psychographics can be observed. Lifestyle is determined by income and seems to have a predominant effect on other variables like benefits sought and purchase occasion. Personality also has a significant impact on the kind of event people choose for their touristic purpose. People who take a jet flight strive for an extraordinary and extreme experience and have the financial means to manifest an adventurous lifestyle. Analogous packages around the core product (the flight) are customised to serve an exclusive lifestyle. A high income is also reflected in other demographic data like age, gender, life cycle, social class and terminal education age. It also suggests a target group that suffers rather from mental strains than physical strains in the daily working environment, which has an adverse impact on their wants and needs (Holloway, 2002). There is a radical discrepancy between the normal environment and the holiday environment. For example a military airbase or a shooting range as well as a boot camp compared to the normal social environment. Testing physical abilities is a central attribute to the target market of military-adventure tourism.

Market attractiveness

The size of the segment is relatively small. There are only a few providers. Due to the legal and political requirements supply is seemingly fixed. The segment profitability is estimated relatively high because there are only a few sellers on the market who can bear the cost and knowledge of operating a military jet. Due to strong legal and financial boundaries the barriers to entry are very high. Therefore attractive margins can be maintained. The bargaining power of customers is very low because of the public operation of a military airbase. The government does not need to depend on these revenues. Competitive factors can only be found in the packages wrapped around the flight. The packaging requires an in-depth understanding of the local business environment. The political forces keep the market sealed. At this point of time deregulation cannot be foreseen. The environmental friendliness is not relevant due to the small scope of the market segment (Jobber, 2004).

10.2.2 A historical tour and its applications

In the case of historical military tours profile variables offer possibilities to segment the market according to natural characteristics of the product. Data like age, gender, life cycle and geodemographics are crucial factors for the relationship between the customer and the product. Witnesses of a certain time period like World War II can be identified by those psychographic and behavioural variables should be used according to the product alignment. Recognition of perceptions and beliefs are powerful triggers for customer attraction.

The barriers to entry are relatively low compared to the ones of providing a jet flight. The key resource of an arrangement of a historical tour is knowledge and competence.

10.2.3 Military tourism and recent tourism trends

Products are highly specialised because military itself is specialised. Special-forces are specialised. Everybody wants to be special. And special only means different. That is why differentiation is the key to success. According to Porter this is the only strategy to get out of the price predicament (Roland Berger Strategy Consultants, 2008). People are increasingly willing to spend a larger amount of money for their holiday (Forschungsgemeinschaft Urlaub und Reisen e.V, 2008). Seller markets turn into buyer markets and therefore target-marketing becomes increasingly important. The full concentration on customer needs is the predominant requirement for an individualised product, enabling the development of an emotional relationship between customer and product (Roland Berger Strategy Consultants, 2008). There is also a trend towards urban and event tourism (Lorenz Tourismusberatung GmbH, 2006). This development supports the emergence of niche markets like military tourism. City tourism components can be integrated into military tourism packages. Depending on the product alignment some offers out of the military tourism market can be attributed to cultural tourism. Its motives can be interpreted as timeless and repetitive.

10.3 Supplier landscape

10.3.1 Product descriptions of typical militarytourism products

Due to the fact that the products in this niche exhibit a strong diversification, a general package description cannot be made. The package content changes with the complexity of the product and the related infrastructure. Three typical product descriptions ought to provide an overview of the offered products and packages.

Jetflight

Flight packages are offered by specialised tour operators. The package usually consists of the transportation, accommodation and visa handling. Most jet flight offers are for supersonic flights, since there are only a few destinations on earth where it is possible to fly in a military jet with supersonic speed, a regular packaged trip takes about 3-5 days. If we use the Airbase of Nizhny Novgorod as an example, the first day of the trip will be spent on the arrival to

Moscow. The next morning, the customer will meet the local tour operator agent with whom he will take a domestic flight or train ride to the city of Nizhny Novgorod. After the arrival at the local airbase the customer will be checked by medical personnel if he is in the condition for the flight. Then, after a detailed briefing, the flight is executed. Flight duration is usually about 30 minutes. Especially for customers with a long arrival, the tour operator will offer one more day for staying, in case that the weather conditions on the first day will not be sufficient for the flight. After the flight, the customer will be escorted back to Moscow, where he will spend one more night in a hotel and then will fly back home on the next day.

Tank ride

In comparison to a supersonic flight a tank ride can be much less complicated. A look at the German market shows that there are several suppliers all over the country. Therefore the customer can arrive by car or other means of transportation on the same day the ride will take place. Comparisons could be made with a trip to a theme park. This is at least true for rides with unarmed tanks. If the customer wants to ride a fully equipped tank, it will be most likely necessary for him to travel abroad. Due to legal issues that prohibit privately owned companies to own armed tanks, the customer has to travel somewhere, where the local military works with tour operators to offer such products. Examples are the Ukrainian and the Russian army. If this is desired, the packages and procedures are comparable to the previously mentioned supersonic flight packages.

Infantry packages

Various activities belong to the infantry field such as shooting military weapons from machine guns to rocket launchers, military basic training or simulated special operations command missions. As these activities require a large infrastructure and legal issues have to be met, the customer will most likely have to take a trip similar to the above mentioned. Another possibility can be shooting ranges that exist in various countries, where it is possible to shoot automatic weapons, but in comparison the customer will be very limited in terms of fire power. Simulated commando missions, or tactical training are also offered in many places, in general the customer will spend either a half or full day at the destination.

The field of military tourism in terms of the usage of military equipment for leisure purposes is a rather young niche in tourism. In the following section 9.3.2 large players will be described.

10.3.2 Description of providers

Thunder city

Thunder City is a company that solely offers jet flights. It is located in Cape Town, South Africa and was founded 1998. Thunder City owns the largest civilian owned collection of ex-military jets in the world. It also serves as a provider for many specialised tour operators.

Wherever in the world a customer books a jet flight in South Africa, the service will be provided by Thunder City. Another remarkable fact is that Thunder City, next to the Russian Air Force, is the only provider worldwide for so-called “Edge of Space” flights. The customer can fly with the English Electric Lightning up to a height of 50,000 feet.

Alaris travel company

The Alaris Travel Company is a Ukraine-based tour operator and travel agency that offers holidays with over 50 partners worldwide. However in the military sector Alaris works in a partnership with the Ukrainian Ministry of Defence. Due to this partnership the full range of military activities can be offered. Those range from shooting small and heavy arms to riding tanks and flying with jets or helicopters. The customer can be offered packages that include transportation, accommodation plus non-military activities and sightseeing in the Ukraine (Alaris Travel Company, n.d.).

Incredible adventures

Incredible Adventures is a USA-based tour operator located in Sarasota, Florida. It was founded in 1993 and the first company to offer jet flights as a holiday product. Nowadays Incredible Adventures offers a wide spectrum of adventure holidays. Products from 23 categories are offered, 10 of these categories are from the military sector; for instance special operations training and simulations, or jet flights. The customer can choose between a various destinations in the US, Russia, or for example flights with Thunder City in South Africa (Incredible Adventures, n.d.).

Nizhny novgorod

Another important supplier of the sector of military tourism is the Russian Air force base in Nizhny Novgorod. Most supersonic flights offered by tour operators across the world, executed in Russia, will be in Nizhny Novgorod. Next to Thunder City it is the second supplier to offer “Edge of Space” flights with the “MIG 31” jet. (MiGFlug & Adventure GmbH)

10.3.3 Comment

Due to the fact that the historical part of military tourism is closely related to cultural tourism, the supplier landscape of this sub-segment will be left aside.

10.4 Conclusions & outlook

10.4.1 Chapter overview

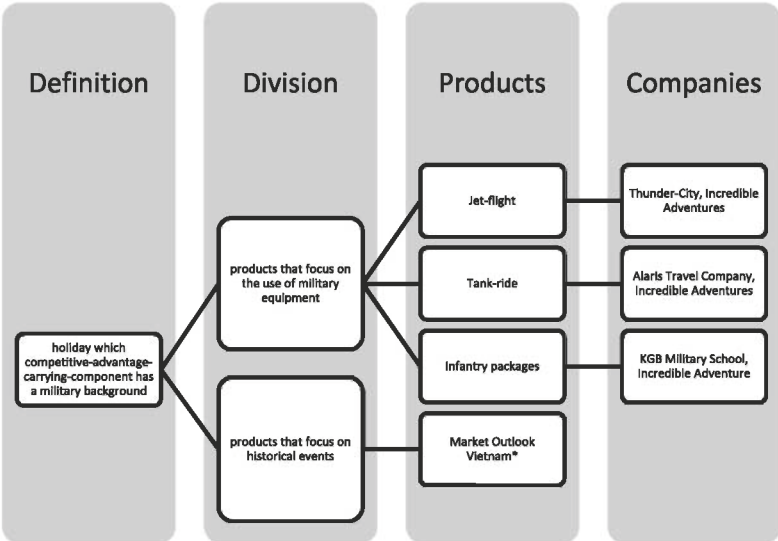

Figure 10a: Chapter overview – Definition, division, products & companies

10.4.2 General assessment of the niche

The niche of military tourism is hard to compare with other tourism sectors. Due to cost of equipment, legal issues and competition, the entry barriers are fairly high. Established suppliers like the three ones mentioned are already several years in service and have secured exclusive networks (e.g. Alaris who works directly with the Ukrainian military). Since the purpose of military is not offering tourism services in the first place, it is unusual that armed forces work with the tourism industry. High security standards have to be fulfilled; therefore it can be assumed that only a very limited number of tour operators will be accepted for partnerships. As another example Thunder City is a registered airline in South Africa, high cost due to security standards and expensive starting and maintenance cost create high entry barriers. It is unlikely for Military tourism to grow out of its niche status, due to factors like high product costs and ethical objections. Looking at "Incredible Adventures", shows that military tourism products compete mostly with other adventure travel products like shark cage diving, speed boat trips or skydiving.

10.4.3 The militarytourism paradox

Another aspect of military tourism is that this niche is a rather paradoxical type of tourism. When people think of the military they are likely to associate it with for example war scenes, noise, danger or cruelty. A normal tourism product is usually designed to avoid all those things. If one thinks further, military tourism could be associated with disaster tourism, where people travel to see the envelopment or outcome of natural disasters, or actual military conflicts. Even though this association might be made, from an ethical standpoint it cannot be compared when somebody drives a tank and shoots a gun, or if somebody travels to a place where a disaster occurred, not in order to help, but in order to gain a leisure experience out of other people's misery. Therefore the field of military tourism is more comparable to adventure tourism, where people strive for an adrenaline rush and unusual experiences. A reflection of the discrepancy between military and tourism can be seen in the mix of the target group. A jet flight, for example, might be a product for a customer from the adventure tourism sector, who might also enjoy skydiving or driving a race car for recreational purposes. The same jet flight might be an interesting product for somebody who has a genuine interest in the military itself.

A paradox relationship is also reflected in the huge variety of product alignments. This variety is only possible because of the existence of a huge gap between motives of each target group. Pricing of military tourism products is highly polarised. There are either high-priced or low-priced offers (a jet flight vs. a military museum visit). This development supports Kearney's megatrend of market polarisation:

"Schrumpfung des mittleren Preissegments: Tote Mitte"

(Zukunftsinstitut Matthias Horx, 2005).

This trend paramount applies to tourism in general. Because niche markets are general characteristics of the tourism-industry of today it can also be applied to the segment of military tourism. Of course there are big companies for the mass production of holidays on the market. They try to get into niche markets with brands like "TUI-Vital" into medical tourism (TUI Deutschland, 2006). This proves their attractiveness, but just in one particular niche.

10.4.4 Outlook on historical-related military tourism

In the future, Vietnam may become an important destination in the field of historical-related military tourism. The Vietnamese tourism industry is not hesitant with exploiting the awareness of places like „China Beach"; the place got its name from the American and Australian troops who landed there during the last Vietnam war (Mydans, 1999). Even though there are still leftovers like old hangars, it is one of the most popular tourist destinations in the country. Furthermore the tunnels of Chu Chi, which were build and used by the North-Vietnamese troops during the war nowadays are a popular tourist destination, mainly visited by foreigners. Vietnam has one of the largest growing economies in East Asia and an untapped source market. Military tourism may serve as one of its destination life-cycle growth triggers.

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11.0 Space tourism

Will we all become astronauts?

Gregor Klemm & Sini Markkanen

"The sky is not the limit"

(Neil de Grasse Tyson, American science writer)

11.1 Introduction

Space tourism does not easily compare to other niche tourism products because a space flight in many regards differs from any holiday experience available on Earth. Thus, it has been proposed to coin it "public space travel" instead (Foust, 2004). "Personal space flight" is also used frequently. For the sake of simplicity, these terms will be used interchangeably in this. As can be imagined, space travel involves leaving the atmosphere of our home planet. The degree of technology required for that by far surpasses that of any airplane used in commercial aviation, or any other mode of passenger transportation, for that matter. For instance, the Soyuz TMA-7 capsule (used for orbital flights) was propelled into space by a rocket engines equipped with 20 million horsepower. Another reason why the term 'tourism' is unsuitable is because of the exclusivity and uniqueness of a space adventure: only six people to date have taken a trip to the ISS, paying between $20 million and $30 million for a duration of one to two weeks. A space trip is the most expensive 'holiday' in the world. Tourism, by definition, is travelling for recreational or leisure purposes whereas comfort and recreation plays no part in orbital space travel. The activities during a space trip are closer related to those of an astronaut rather than those of a tourist - hence, the term 'space mission' is used frequently when referring to public flights to the ISS. While such a trip is nonetheless spectacular, most people will probably be unable to afford it in the foreseeable future, and "although orbital space tourism will continue, it is unlikely to grow beyond current arrangements... in the near term" (Crouch et al., 2008).

However, since there is a high degree of public interest in space travel, companies have developed immersive simulations, such as a 4-day astronaut training programme using original training mock-ups and simulators, as well as zero gravity training on parabolic flights onboard an Ilyushin 76 MDK aircraft, or on high-altitude flights with a Russian MiG-31 jet. Nonetheless, we live in an experience-driven society where humans constantly desire new adventures, travel, and fun, thereby assuring a high demand for new experiences (An et al., 2001). Consequently, the economic and scientific motivation has inspired commitment, and businesses have announced plans to launch people into sub-orbital space for $200,000 per person, with flights beginning as soon as 2009 (Collins, 2005). For that purpose, reusable launch vehicles (RLV) are currently designed and tested to take passengers 10 km above the

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atmosphere and then return them safely back to Earth. Is the age of space tourism about to begin?

Since the early 1980s, numerous organisations have made attempts to initiate space tourism. There has always been great interest in such a futuristic form of travel, but the tremendously high costs related to the touristic exploration of space have prevented a financially viable use of space until now. Nonetheless, a number of developments in the past years have rekindled hopes and expectations (Billings, 2006).In 1985 the US travel company "Society Expeditions" were the first ones to announce plans to sell space flights on a rocket ship. Customers had even paid in deposits, but the rocket was never built. 16 years later, in April 2001, multimillionaire businessman Dennis Tito went to the International Space Station at a reported fare of $20 million, becoming the first fare-paying space tourist (Billings, 2006). Five more people have followed since. The next significant step was taken on October 4, 2004, when "Scaled Composites" won the $10 million Ansari X prize for the construction of "SpaceShipOne", which is "capable of carrying three people to 100 km above the Earth's surface, twice within two weeks" (www.xprize.org, 2009).Subsequently, "Scaled Composites" announced that they had entered an agreement with "Virgin Galactic", a new venture by Sir Richard Branson's Virgin Group. According to Will Whitehorn, the president of Virgin Galactic, 150 passengers have bought tickets and 300 more passengers have made reservations (usatoday.com, 2009).

It is the first time in history that space exploration is financed by private investors, marking a significant step towards the establishment of a commercial space tourism industry. Nevertheless, the way ahead is still uncertain and there are yet many factors that have to be examined carefully.

11.2 Market focus

Studies have shown that people possess the desire to travel into space, but this desire is generally expressed without knowing the cost and the implications of a tourist space experience. It is certain that some people will make their dream come true, as some very rich individuals already have; but how extensive market demand will turn out, remains the question. A concise survey on absolute demand for space travel has yet to be conducted. Furthermore, human space flight is dangerous and all space tourists will need to accept serious health risks.

At the current stage, space missions are performed only on an annual basis; they are very costly and must be planned years in advance. Therefore, space tourism is yet a privilege of the ultra-rich, a proclamation of a lifestyle of luxury and hyper-consumption (Billings, 2006). But the space tourism industry has recently made major progress by developing cost-reduced technological options for space exploration. The entire SpaceShipOne project, including the development of the vehicle as well as the test flights, cost only about $25 million, which is less than NASA spends on space exploration every day (Collins, 2005). If these cheap technological methods would really allow touristic space exploration at reduced ticket prices, starting with prices like the $200,000 Virgin Galactic is offering currently, space travel could become a large-scale operation, since market analyses have demonstrated that prospective space travellers are very price sensitive (Goehlich, 2005). One survey indicated that at least 10 million persons worldwide would be willing to spend a year's salary for a trip to space (Smith, 2001).

The ulterior motives for the development of such low-cost passenger launch vehicles come from private business because "in general, companies earn large profits by supplying large markets" (Collins, 2006). Consequently, space tourism companies will target the middle class (Crouch et al., 2008). It will be very similar to tourism on Earth, with a small expensive segment for the rich and the great majority of offers targeted at middle-class customers. But it will certainly take a number of years until the initial high prices of touristic space flights can be lowered to a reasonable price for the general public. The industry will be challenged to develop a successful ticket pricing strategy to achieve the highest possible economic profit from its operations. "Some studies have estimated the potential annual market for space tourism at more than $1 billion...", Alan Boyle, science editor of NBC, announced (2009).

In order to realise such revenues, it is most likely that the so-called skimming price strategy will be made use of (Goehlich, 2005) - a fairly straightforward pricing approach explained as follows: "...by sequentially lowering price over time, capturing incremental customers with every price drop, price skimming allows a company to charge each customer their reservation price" (Gebhardt, 2009). (The "reservation price" refers to the highest price a customer is willing to spend on the product.) In the beginning, tickets will be sold to the very rich, who will have to contact a space travel agency and enquire about making a trip to space. Over time, the tickets will become cheaper and accessible for the mass market (Goehlich, 2005). It has been predicted that passenger numbers will climb to 1,000,000 per year when the ticket price is down to $10,000 (Aldrin et al, 2002). According to market surveys, people from many countries are already prepared to go on space adventures now - despite the high prices and physical risks. In the beginning, it would be advisable for the space tourism industry to target young, wealthy, and adventurous individuals. They seem to be the right target market, because of the arguably lower risk aversion and the low level of comfort early customers will accept in exchange for being among the first to visit space (Crouch et al., 2009).

In order to gain insight into the needs and preferences of the potential target market, independent academic researchers as well as governmental organisations and commercial enterprises have undertaken surveys in Japan, the United States, Canada, Germany and the United Kingdom. Geoffrey Crouch, Professor of Marketing in the School of Management "La Trobe University" compared and interpreted these studies to find some similarities and trends among the results. He found out that all surveys came to the conclusion that, broadly taken, 40-80% of all participants were interested in space travel. The degree of interest depended on factors like nationality, gender, and age. Female respondents, for example, usually expressed 5-10% less interest than male respondents, as Crouch explains. The surveys also revealed that most of the interviewed people would be willing to pay between a one and three months' salary for getting the chance to visit space. 10-20% of the interviewees would even sacrifice a year's salary for a space adventure. According to Crouch, the general interest for space travel does exist, but the price, the safety issues, and the product design of the actual offered product could provoke a change of attitude. At this point in time, it still is very difficult to estimate the potential variance caused by the factors mentioned (Crouch et al., 2008). According to Maryniak, the development of the space tourism industry is partly remindful of the airline industry in its early years; however, it is almost impossible to predict a precise lifecycle for a new-to-the-world product (2005).

The surveys also included further questions concerning demands and expectations of future space tourists. The question "How long would you like to stay in space?" was answered by 37% of all respondents to be two to three days. In response to questions about their personal demands, the interviewees primarily indicated their need for privacy and hygiene in space (Crouch et al., 2008). Of course, it made a big difference whether they were asked about sub-orbital flights, lasting only a couple of hours or orbital flights, lasting up to a few days. Meeting basic human needs is naturally far more challenging when people spend a few days in outer space.

11.3 Supplier landscape

The monopoly on orbital flights is held by Space Adventures, Ltd. The American space tourism company collaborates with the Russian Space Agency, worldwide the only one that runs a personal space flight programme. Up to the day of lift-off, passengers must go through one to two years of intense preparation, including physical training and medical examinations. Once declared mentally and physically fit, they fly to the ISS where they participate in research and assist in experiments, or carry out experiments of their own. However, in order to have an authentic space experience including weightlessness and the unique view of the planet Earth, people have the option to go on a sub-orbital flight. Such a trip will also be less straining than an orbital flight, and thus actually qualifies as a space holiday rather than a space mission. Although no sub-orbital space flights have taken place yet, the market has grown in the past few years. Virgin Galactic and Space Adventures both allow reservations against deposits, but there are more than a handful of other space travel companies that are looking to sell sub-orbital trips, one of which also accepts reservations at this stage. Even though Space Adventures offers reservations for sub-orbital flights at $102,000 it seems likely that Virgin Galactic will establish itself as the biggest player in the market because it is the precursor in sub-orbital space travel; Space Adventures, on the other hand, have made no indications as to when they will begin. Virgin plans on building a fleet of SpaceShipTwo vessels which are based on the SpaceShipOne prototype (Crouch et al., 2008). The start of commercial operation is scheduled for 2009, beginning with one flight per week, but quickly expanding operations to one or even two flights per day. As a complement to the reservation form on Virgin Galactic's website, a pool of "Virgin Galactic Accredited Space Agents" in selected countries, exclusively handle the ticket distribution for the company. To date, the company has already collected $15.6 million in deposits (usatoday.com, 2009).According to virgingalactic.com, such a flight would comprise a full board accommodation on the site of the space terminal (Upham, New Mexico, or Mojave, California), three days of training prior to take-off as well as some additional training units for some passengers. The preparation includes a ride in an acceleration simulator, lectures on safety measures, and some basic medical examinations. For further preparatory exercise, some agencies offer zero gravity training on parabolic flights and g-force training in a centrifuge.

The flight is divided into two stages. For launch, the space ship will be attached to a carrier aircraft, and then be released at an altitude of approximately 15 km. After ignition, its hybrid rocket will take the space ship to an altitude of 110 km, where passengers can experience five minutes of weightlessness and enjoy a view of over 1,600 km in all directions. After that, the ship will re-enter the atmosphere where it will be decelerated until it reaches an altitude of approximately 18 km. From there on it will glide down before landing at the space port. The entire trip will last for 2 1/2 hours, but pure flight time will be much shorter. There will be six guests and two pilots onboard the ship. Each guest will have a seat by the window, and will have enough floating space to enjoy her five minutes of weightlessness.

The competitive edge of authentic space tourism lies in its ability to satisfy status needs and the desire for a very unique experience: personal space flight will likely become the 'ultimate vacation', and thus play in a league of its own, even though other products, such as "underwater resorts", or "submarine cruises" might target a similar market (Holjevac, 2003). While direct competition will probably occur between different types of authentic space tourism in the future, probably no other segment will be able to compete with sub-orbital space flights - let alone orbital travel. It is unclear whether the other players in the market will succeed in joining Virgin Galactic's efforts to build, test, and operate their own space ships. The main barrier is the acquisition of capital necessary for the development or purchase of technology. As mentioned by Billings, space tourism-related projects were abandoned before due to a lack of funds, so there is reason to believe that not all of the recently founded space travel companies will survive. The increasing unwillingness to invest in risky business in times of financial turmoil is thus likely to exacerbate the situation for these companies at this point in time. But even if sufficient funds are made available, the risk involved in space travel is much larger than in other fields of tourism. Although medical hazards can be avoided by careful training and passenger-friendly technology, "we cannot hope to reach the reliability of commercial aircraft, where the risk is about 1 in 2,000,000 flights" (Penn et al., 1999). A fatal crash would probably mean bankruptcy for a small space travel company because it would result in a drastic drop in demand, but also incur huge insurance premiums as a space vehicle is a very expensive asset - and a prerequisite for operating, at least for small companies that can afford only one vessel or carrier aircraft.

As Virgin Galactic commissions larger numbers of RLV and operates them successfully, technology companies might detect market opportunities and develop their own vessels, thus driving down prices. Both Virgin's success and the lower capital required might attract investment, which, in turn, enables rivalling space tourism companies to find their way into the market.

11.4 Conclusions & outlook

Space travel today is not a real tourism domain. The market is divided into simulations with space-like conditions inside the Earth's atmosphere, and orbital space missions which only the super-rich can afford. The most promising emerging segment is sub-orbital space travel, for which a considerable demand exists. However, this is also to be considered a premium market, as initial prices will be between $100,000 and $200,000 for a flight of 15 to 30 minutes. When prices decrease as operations expand and competition increases, personal space flight will become accessible to a broader public. Companies should use the price skimming approach in order to reap the maximum possible profits. Several studies have been conducted to segment the potential target market, and to analyse how different scenarios will affect the consumers' attitude towards booking a space flight. The surveys revealed that 40-80% of the interviewees were generally interested in space travel. The degree of interest varied depending on age, gender, and nationality of the respondents, but generally they were willing to pay a one to three months' salary for the experience. 10-20% of all interviewees would even disburse the income of an entire year to take part in a space flight.

The market for sub-orbital travel is dominated by Virgin Galactic, a space tourism company which is looking to begin commercial operation of a fleet of space vessels at the end of 2009. Passengers will take a 2 1/2 hour two stage flight to an altitude of 110 km where they will experience a few minutes of weightlessness. Both carrier aircraft and passenger capsule are fully reusable, and, within 14 days, available for re-deployment. Other companies, which rely on private loans, will be able to enter the market once they have acquired the necessary capital. Due to the unique status of space travel, the industry does not have to fear serious competition from other niche tourism products. The main operational risk lies in the reliability of the space vehicles: a technological failure is likely to incur great damage on both the operating company and the industry.

But even a lethal failure probably will not prevent the touristic commercialisation of space. Future space tourist may board a space plane as airplane passengers had when flying became a widely used mode of travel: with an awareness regarding a slightly increased risk of failure in comparison with other means of transport, but without anxiety about a possible technical failure. When space travel reaches large-scale airline-like operations, it is estimated that "a turnover of some $100 billion in 2030", and "50 million passengers per year" by 2060 are feasible figures to indicate future industry growth (Collins, 2002). Virgin has announced that if sub-orbital space travel becomes a worthwhile enterprise, they will enter the market for orbital flights with a new space vessel SpaceShipThree, which they also plan to develop in collaboration with Scaled Composites (space-tourism.ws, 2009). Collins states that "the development of orbital passenger vehicles could lead to rapid growth in orbital travel services", and further contends that "the design of orbital hotels, resorts and zero-G sports centres will proceed apace" (2006). Other novel space tourism products that go beyond orbital space flight include space habitats, lunar, hotels, and even interplanetary travel! Such a development would provide many market opportunities for specialists, regular tour operators, hotel chains, etc. The Hilton Hotel Corporation, for instance, has already published the design for a hotel on the surface of the moon. The "Lunar Hilton" "will include a vast rotunda containing 5000 guest rooms and a central 'activity' dome bigger than the controversial Millennium Dome in Greenwich in London" (resonancepub.com, 2009). By public perception, this scenario might seem to be many decades away. However, Collins remarks that "although growth from sub-orbital to orbital services may take 10 years or so, the step from orbital to lunar travel will probably be quicker" (2006). In spite of new technological, medical, political, and environmental challenges emerging from lunar commercialisation, the plenty business opportunities will catalyse the solution-finding process and hence give a boost to the erection of tourism infrastructure on the moon. A certain degree of infrastructure will probably be needed before lunar accommodation is constructed, as the "ISS will be the starting point for manned space exploration to the Moon in the short term" (Aldrin et al., 2002).

The current developments will set the pace for the industry's success in the future - and determine how soon the dreams of personal space flight beyond the ISS will materialise. Maybe someday, people will go to space for the same reasons tourists today go on a beach holiday. Or on a cruise.

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12.0 Dive tourism

Lotte Lemke & Lena Olech

"Diving is a weightless gliding through an unknown world. This world is beautiful, full of life, full of colours, mysterious but also threatening and wild." (Barth et al., 2008)

12.1 Introduction

Even though diving is worldwide known as a sport activity and as a respected profession it might not be realised that diving is a niche market in the tourism sector. This niche market includes offers designed for specific types of divers.

"Scuba diving is swimming underwater while using self-contained breathing equipment. By carrying a source of compressed air, the scuba diver is able to stay underwater longer than with the simple breath-holding techniques used in Snorkelling and Free-diving, and is not hindered by air-lines to a remote air source."(www.diving.com, 2009)

The priority of the diver is set on the diving ground itself instead of the accommodation, the landscape or the attractions around. The goal of a diving holiday is to see unknown grounds, great variety of underwater species, clear blue water and impressive coral reefs (Garrod & Gössling, 2008).

Divers can choose from a wide spectrum of dive destinations. There are lists available online to find out the perfect vacation spot. They also might get information from a travel agency or via word of mouth among experienced divers. Diving spots are found all over the world. Depending on where the diver travels from, high expenditures for flights, accommodations and equipment might occur. Some divers might be satisfied with diving in a lake and some would rather travel to Mauritius to explore another kind of underwater world. It is not necessary to invest in one's own diving equipment because every diving school or diving base has it available for rent. Therefore it is very easy for divers to travel around the world because they do not have to care about heavy baggage.

"The standard scuba diving equipment are a mask and snorkel combo, a diving suit, fins, weights, an air tank, a buoyancy control device (BCD), and a regulator. There are also other supplies, such as gloves and a scuba computer."(www.pier55.com, 2008)

As fun as diving might be, risks cannot be left out of sight. There are different dangers that might occur while being under water, such as decompression sickness, arterial air embolism, nitrogen narcosis and drowning (www.divingobsession.com, 2003).To minimise these risks it is important not to act careless and to always check the quality and completeness of the equipment. It is known that also experienced divers should dive in groups with other divers to take care of each other. Beginners should have sufficient safety and responsibility

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instructions before they dive into the water and they should always be accompanied by experienced leaders.

Questions to address in this chapter should be the following:

- Who is the usual target customer of the diving industry and what are the most popular diving options and destinations?
- Is the diving market in- or decreasing and what is the future prediction?
- Does the future development of the market have a positive or negative effect on this tourism segment?

12.2 Market focus

"Diving tourism is widely acknowledged to be one of the tourism industry's fastest growing markets (....) scuba diving has become an immensely popular activity and this has undoubtedly fuelled the demand for diving tourism."(Garrod & Gössling, 2008)

People who enjoy one special kind of sport, especially divers are willing to spend a lot of money for their interests. The main diving target group is at an age between 20 – 49 years and is generally interested in sport, travelling, technology, lifestyle and health. Because of the relative high costs for the diving certificate, the equipment and the travelling costs mostly people with a high or above-the-average income are included in the typical diving market segment. A market segment is a sub-group of people sharing one or more characteristics that cause them to have similar product and/or service needs. A true market segment meets all of the following criteria: it is distinct from other segments, it is homogeneous within the segment, it responds similarly to a market stimulus, and it can be reached by a market intervention (Jobber, 2004).

The market segmentation can be identified in four groups of variables:

- Geographical
- Socio-economic
- Demographic
- Behavioural

12.2.1 Geographical

The diving market is segmented in the tourist's place of residence, distance travelled to the destination or the nationality. The general diving experience and the interest in diving appeal to people all over the world. It does not matter if they live nearby a diving spot. If they are interested in diving, some are also willing to pay a lot of money to travel to popular diving spots. It is difficult to decide on one specific geographical segment. This depends on the individual and how far he wants to travel from his residence to see different diving spots.

12.2.2 Socio-economic

The diving market segment is based on the profession and the income of the tourists. Scuba diving is a relatively expensive leisure activity because of the diving equipment, the extensive training and the costs to travel to the diving spots. In general, people with an average high income choose diving as a leisure activity.

12.2.3 Demographic

The diving market is segmented on the basis of a tourist's age, gender and education. The average typical diver is at the age between 20-49 years. Scuba diving is largely male-oriented. This is mostly due to the physical demand, the heavy equipment, the needed condition, the higher income and because men are more courageous of the leap into the unknown underwater world (Garrod & Gössling, 2008).

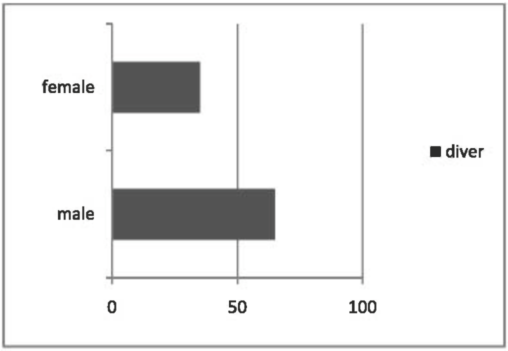

Figure 12a: *Distribution among genders (in %)*

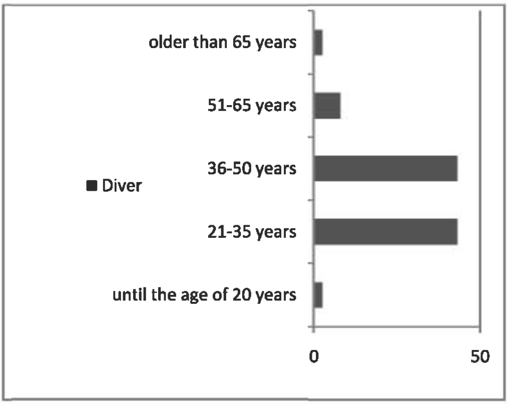

Figure 12b: Distribution among age (in %) (Seiwert, 2008)

The educational level of divers also tends to be higher because of the close relation between income and education. On the other hand, the activity of diving doesn't demand a particular intellectual level.

12.2.4 Behavioural

Due to the unique experiences during a dive trip, people become emotionally related to the product. There are many incentives to start diving and stick with it. They want to gain new experiences, they want to see areas with amazing underwater impressions and they also want to stay fit and build up social contacts to other divers (Garrod & Gössling, 2008).

The above characteristics apply to the typical target customer in the diving industry, the sport diver. Sport diving in this case only includes the diving as a sport and not out of a professional reason. For sport divers the physical activity, fun, new experiences and the relation to a holiday has the first priority. Moreover, also people with handicaps have the possibility to participate in scuba diving. Depending on the kind of handicap, the sport diving can be used as a form of therapy. Therefore, the suppliers have developed offers for people with physical and mental handicaps during the last years.

An additional group of divers are the ones who combine diving with their profession. This includes all forms of jobs under the water like repair work, maintenance, scientific research and rescue work (www.wissen.spiegel.de, 2008).

The estimated size of dive tourists has increased during the last years. The growing size alone in Austria has increased by 3,000 new divers every year additionally to the 300,000 existing people who already own a diving certificate (Ochsenbauer, 2007).

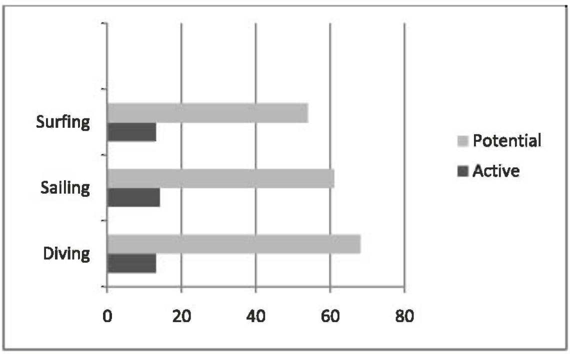

Figure 12c: *Future prospects for surfing, sailing & diving (in %)* (Seiwert, 2008)

As shown in Figure 12c, which was published in June 2008, diving is said to become more popular than surfing and sailing in the future. Those figures are taken from a calculation of the German Federal Association of Watersport Economics (www.wiwo.de, 2008). Due to the fact that this calculation was done before the beginning of the financial crisis it now seems rather questionable to assume such a high increase of active divers in the next few years.

As shown in Figure 12b the diving majority is the age segment between 21-50 years. The overall health risks, the needed condition and the yearly medical examinations of suitability which are requested by the diving schools, might influence the decision of potential older divers whether or not to get a diving certificate at an advanced age. In addition, every diver above the age of 40 must go through an electrocardiogram (ECG) to verify a good state of health.

Nonetheless, the "best-agers", people around the age of 40-50, are an important target customer in the diving sector. This might lead back to the needed higher income as mentioned above regarding the socio-economic market segment (Seiwert, 2008).

While looking into the future of diving one important aspect seems to be ignored - *The damage of the underwater environment.* The ecosystem of many animals and aquatic plants like coral reefs and alga is endangered by the growing number of divers. Coral reefs are a major attraction but the intrusion of the coral reefs by the divers can lead to coral bleaching. Furthermore, the corals can be damaged through the movements of inexperienced divers or by underwater-souvenir collectors. The underwater environment is in danger through all the little diving boats which drop the anchor at several points into the water. Due to this, also the plants on the ground of the water are destroyed. The destruction of the diver's environment will lead to a negative development of dive tourism (www.tauchen-online.de, 1997).

12.3 Supplier landscape

As diving depends on the preference of each individual, as shown in the market segmentation analysis, the choice of the perfect diving spot or specific kind of diving might be a challenge for dive tourists.

Before being able to dive, one must get a diving certificate, which will be issued after successfully completing a scuba diving training course. Those courses are offered all over the world. It is important to only sign up for a course at a diving base which is a member of a certified diving association, like the PADI (Professional Association of Diving Instructors).The PADI was founded in 1966 in the USA and became the world's leading scuba diving training organisation in the late 1980's. Up to now it grew to exist of approximately 5,700 dive shops and resorts (www.padi.com/scuba, 2008). In the year of 1997 there were about 750,000 certifications worldwide only by the PADI. Only ten years later, in 2007 the figure of yearly certifications increased up to 900,000 and more. These figures also include continuing education diving certifications (www.padi.com/scuba, 2008).

Depending on the amount of dives and specific knowledge gained through different training courses, divers are able to experience more exciting diving possibilities. Cave diving, wreck diving, ice diving and night diving are only some of the suppliers' offers (www.padi.com/scuba, n.d.). The different offers of diving experiences depend on the available possibilities at the destination. An area that is known and very popular for wreck diving is the coastal area of Great Britain.

"The best estimate of the number of ships lost in our coastal waters since man first took to water is over a quarter of a million. Most of these shipwrecks came about by collision, by storm, or by bad navigation." (McDonald, n.d.)

Not only is the wreck-diving experience part of it, but also investigating libraries about the history of sunken ships. Wreck diving poses high risks for divers, because they usually need to dive very deep to access the wrecks and it takes long to discover the object. To prevent decompressions and other injuries, divers should have a careful time planning during the required slow ascents. Moreover, getting short on air supply might be caused by the fascination of the wreck (McDonald, n.d.).

Cave diving is also a very popular choice. Nevertheless, only a very small amount of certified divers have the skills to dive in caves. Caves offer the possibility to get to know "how the earth formed and on how life on earth evolved". A positive side effect is the fact, that no waves or wind will disturb the dive while being inside the cave (www.cavediving.com, n.d.). In addition, shark cage diving is one of the latest attractions for tourist destinations like South Africa. The popularity has increased dramatically. This could lead back to the intensity of the experience. Divers, who do not need a diving certificate for this event, are lowered in a metal cage protecting them from the sharks. The animals are lured with food around the cage and this is how an eye-to-eye encounter with the diver takes place.

This tourist attraction led to higher aggression and attacks of sharks in the Bahamas and around Florida. The sharks change their natural behaviour, because the lowering of the cage interferes with their natural environment. Therefore sharks get conditioned to associate humans with food. By contrast, areas like South Africa where the handling is more professional and stricter no significant relationship between shark attacks and shark viewing have been recorded yet (Uglow, 2002).

The internet makes it possible to find package offers for dive holidays all over the world. By accessing websites that promise the best diving spots, divers have a tough decision to make.

It is quite impossible to identify the key player in dive tourism. Popular tour operators that have a focus on sports offerings in their catalogues for example usually have a section about diving included. But those sections usually address hotels that have a diving base additional to their leisure specials.

Even though travel agencies do not have catalogues about diving package holidays, divers can find offers online or in special diving magazines. Those offers for particular diving trips are countless. Every dive tour operator who is able to afford an advertisement can get divers' awareness through these types of media. Therefore it is hard for small operators to get the attention for their offers.

Not only the already mentioned regions above which are offered are popular as diving destinations. Still very attractive and even present in the minds of non-divers are places like the Great Barrier Reef in Australia, the Maldives, Thailand and Egypt and warm waters in general (Garrod & Gössling, 2008).

If one talks about the main associations in the global diving industry, the following are considered:

> *"the Professional Association of Diving Instructors (PADI), the National Association of Underwater Instructors (NAUI), the National Association of Scuba Diving Schools (NASDS), Scuba Schools International (SSI) and the Confédération Mondiale des Activités Subaquatiques." (Lindgren et al., 2008)*

Moreover, dive organisations like the "Verband Deutscher Sporttaucher (VDT, Germany)" set rules for the implementation of training courses in dive centres all over the world. The fees for the diving lessons and following examinations are paid by the divers directly to the dive centres (Garrod & Gössling, 2008).

In case divers do not want to travel to dive spots on their own, their local dive centres usually offer trips which get accompanied by dive instructors as well.

The offers of new dive bases in the local and international environment increased over the last years. More and more people focus on their choice of holiday on the availability of a dive base, to get a diving certificate during their vacation. Since the fees are affordable and almost everyone is capable of learning how to dive it is easy to accomplish the short training course within the holiday trip (www.marketresearch.com, 2003).

An upcoming trend is the offer of family holidays in combination with a diving experience which should be applicable to all family members. Initially, children are introduced to snorkelling with the possibility to start diving afterwards. Then they will also participate in a training course to get a certificate. In addition, the environment of the holiday destination has to be children-friendly as well and not only the diving base itself (Hoffmann, 2008).

According to the World Tourism Organization (WTO) and their Tourism 2020 vision, the scuba diving market will grow in the next decade. This is due to the striving of tourists to discover places they have not been to (Garrod & Gössling, 2008).Since there are countless diving centres that also offer holiday packages all over the world which differentiate in size, location, accommodation and price level, there is a sufficient availability for all potential explorers.

Some Asian locations try to attract with luxury diving trips, which promise to make vacation dreams come true (www.actionasia.com, 2008).But for most divers it is more important to get to know the most interesting dive spots on earth than to have a luxurious accommodation. The locations that are close to famous reefs and underwater sights will have a competitive advantage against others. For hotels that are close to a diving spot it is very attractive to enter the market by including a dive centre in their resort. It needs suiting facilities to implement the training courses, rental equipment and certified diving instructors. To list the diving centre there are many websites that will include it after sending a request. To ensure the quality of the diving centre it is recommendable to be in cooperation with a diving association.

12.4 Conclusion & outlook

The already mentioned popular destinations offer a variety of attractive diving options which appeal to individual's preferences. There are many types of divers who vary in groups of age, gender, income, education and behaviour. Tour operators are able to select the best suiting destination according to customers' characteristics and preferences. According to their different features, tourists have different expectations when it comes to their holiday trip. This includes the type of accommodation, the distance to the destination and the dive challenge. Packages from tour operators shall realise customer needs as good as possible.

Certifications are steadily increasing as shown in the mentioned figures of PADI. The increasing number of divers every year around the world will have both positive and negative implications. A positive effect is the higher revenue of the destination. With the resulting profit it is possible to improve the infrastructure. A better infrastructure which will also lead to a larger amount of job offers will attract even more tourist in the end. Nevertheless, this positive aspect could create problems in the long-term. As already mentioned, the underwater environment is threatened by the actions of inexperienced divers. It is important that dive trainings place an emphasis on environmental sustainability and responsibility. This is especially needed in very popular areas where a lot of beginners dive. As a result of the occurring misbehaviour of some divers the environment will change negatively and might influence the attractiveness of those destinations.

Looking at the figures of certified divers, an actual number of active divers is not measurable due to the changes in behaviour. Even though people show an interest in diving it could be the case that once they have accomplished their first training and the first diving experiences have taken place they might not do it regularly or not at all again out of different reasons. They might have had a bad diving experience. Additionally, it might get too costly for them to travel to far and exotic places or they just want to experience something more interesting that they have not done before. The future of scuba diving is difficult to predict because there are no clear definite figures to be found. Therefore, one cannot make an assumption about whether or not dive tourism could evolve in a mass tourism.

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13.0 Ecotourism

The growth, its implications and trends

Ines Nee & Insa Beckmann

13.1 Introduction

Ecotourism is a potential segment of the tourism industry which is experiencing steady growth and increasing demand. Analyses indicate that the most significant tourism expansion is taking place in and around the world's remaining natural areas with an annual growth rate of 20% to 34% since the beginning of the 1990s (The International Ecotourism Society, 2006).

But what is the cause for this tourism segment to grow that progressively in the recent past?

Honey (1999) indicated that the ecotourism development commenced with the environmental movement in the 1970s and 1980s. This increasing environmental concern, supported by the growing dissatisfaction with mass tourism, has created an emergent demand for nature-based tourism practices in an alternative manner. The less developed countries, simultaneously, realised that ecotourism could meet their conservation and development objectives in providing economic incentives. Additionally, it could enable to manage local natural resources in a less destructive way than alternative industries such as logging and agriculture.

A uniformed, agreed upon definition of ecotourism does not exist. Ceballos-Lascuáin (1987) however was amongst the first defining ecotourism as:

> *"travelling to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring and enjoying the scenery and its wild plants and animals, as well as any existing cultural manifestations (both past and present) found in these areas."*

The Quebec Declaration (UNEP/WTO, 2002, quoted in Fennel, 2003) indicated at the meeting of the International Year of Ecotourism in 2002 that five distinct criteria have to be used to define ecotourism, these being: nature-based product, minimal impact management, environmental education, contribution to conversation and contribution to community.

Despite the requirements for ecotourism being defined, there is no consensus on the extent to which different ecotourism practices contribute to the natural conservation and local communities and/or their effectiveness on environmental education.

A. Papathanassis (Ed.), *The Long Tail of Tourism*,
DOI 10.1007/978-3-8349-6231-7_13,

Ecotourism in its environmentally-friendly purpose still experiences many discrepancies;

In 1996, Deming (quoted in Fennel, 2003) emphasised that people increasingly have the strong desire to discover more of the world and continuously seek to get closer to natural attractions. Here, the apprehension becomes extremely significant if an increased number of tourists would turn into ecotourists, invading protected areas and small villages. They thus would more consume than conserve the local area and consequently the increasing demand of ecotourism would have an unsustainable, worse effect (Pleumaron, n.d., quoted in Butcher, 2007).

An ecotourism concept, developed by Blamey (2001), consists of three dimensions in order to overcome the tension mentioned above. This states that ecotourism is:

- nature-based
- environmentally educated, and
- sustainably managed.

He even considered another fourth dimension, including the small groups and personalised size, the implication of

- alternative tourism.

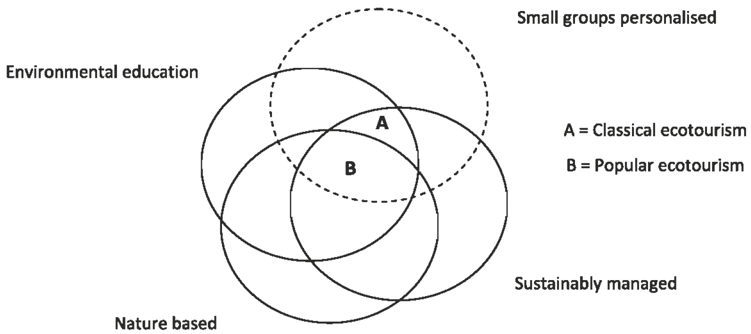

Figure 13a: *Dimensions of Ecotourism* (Blamey, 2001)

The third dimension listed in Blamey's ecotourism concept, the need for a sustainable management to maintain ecotourism to be environmentally friendly, appears to be of high importance.

The World Commission on Environment and Development (WCED, 1987, quoted in Blamey, 1997) defined sustainable development as "meeting the needs of the present without compromising the ability of the future generations to meet their own needs". The goals of sustainable tourism consequently are to develop greater awareness and understanding of the significant contributions that tourism can make to environment and the economy; to promote equity and development; to improve the quality of life of the host community; to provide a high quality of experience for the visitor; and to maintain the quality of environment on which the foregoing objectives depend (Globe, 1990, quoted in Fennel, 2003).

13.2 Market focus

13.2.1 Market size

Ecotourism is regarded as a niche market segment which serves for the special interest of a small range of tourists. According to Beeton (1998) it is the sector with the highest growth rate among other tourism niche markets. Figure 13b shows the stage of growth ecotourism is currently experiencing in the product lifecycle.

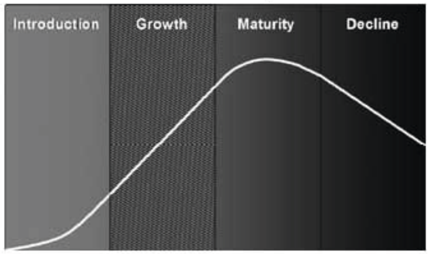

Figure 13b: *Ecotourism Lifecycle*

Statistical figures about size and market share of the ecotourism sector are difficult to measure resulting from its imprecise and highly discussed definition (OECD, 2008). However estimations have been made that ecotourism accounts for about 20% of the global tourism market, this being 150 million international stay-over tourists (Wight 2001). In the beginning of the 1990s, ecotourism has been growing annually 20% to 34% and in 2004 this tourism sector was growing three times faster than the tourism industry in general (The International Ecotourism Society, 2006).

13.2.2 Target segment

According to Weaver (2008) the environmental movement had an intense impact particularly on the Western society where increased awareness led to a rising environmental concern and the growth of environmentally friendly attitudes. He divided the Western society intro three basic groups to identify their degree of environmentalism. The 'non-environmentalist' is defined as a person who does not consider environmental issues to be important and composes about 25 per cent of the population. The 'true environmentalist' in contrast, contributing with the same percentage, is characterised by a strong commitment to the environment with persistent environmentally friendly consumption and behaviour. The so-called 'veneer environmentalist' is making up the largest proportion. These are individuals defined by an ambivalent behaviour towards environmental issues. They contribute to the environment only if it is convenient and are driven by external factors such as economic and geopolitical circumstances.

But not only the general society shows variations within the environmental typology, the ecotourism itself suffers from its heterogeneous customer market. According to Ziffer (1989) the ecotourist is an individual who "visits undeveloped areas in the spirit of appreciation, participation and sensitivity. The ecotourist practices a non-consumptive use of wildlife and natural resources and contributes to the visited area through labour or financial means aimed at directly benefiting the conservation of the site and the economic well-being of the local residents."On the purpose of further identification, the segmentation of the target market, based on motivational, geographical and socio-demographic criteria, will be examined below.

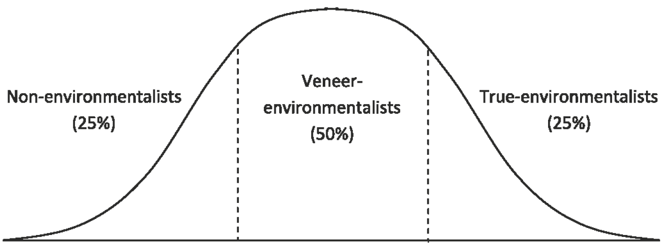

Figure 13c: Environmentalism-related population clusters in Western society (Weaver, 2008)

13.2.3 Motivation

According to Weaver (2008) the motivational segmentation has to be separated into 'hard ecotourists' and 'soft ecotourists', where the first demands a deep commitment to environmental issues and the desire to intensely interact with it and hence can be allocated to the 'true environmentalist' group shown in Figure 13c. This group of individuals seek to participate in specialised trips of longer duration and smaller group size. They prefer to be physically active and try to create a deep interaction with nature, expecting no holiday services. They like doing their own travel arrangements and are motivated by the existence of a personal experience.

The 'soft ecotourist' in contrast can be allocated to the 'veneer environmentalist' group shown in Figure 13c. The commitment to environmental issues is shallow and the desire of enhancing the sustainability weak. The ecotour is mostly a short-term experience and one component of a multi-purpose trip. They prefer travelling in larger groups on a vacation arranged by travel agencies with low physical input but high service offered. The 'soft ecotourist' acts on ambivalent behaviour where an ecotour could merely be a diversion from a mass tourism beach holiday. However these extremes seem very contradictory, the motivational segmentation experiences variations of 'hard' and 'soft ecotourists'. These are called 'structured ecotourists' who behave on the hard spectrum when interacting with nature and operate on the soft spectrum when desiring special service offers, for example superior accommodation standards.

Hard *(active, deep)* ← The eco-tourism spectrum →	**Soft** *(passive, shallow)*
Strong environmental commitment	Moderate or superficial environmental commitment
Enhancive sustainability	Steady state sustainability
Specialised trips	Multi-purpose trips
Long trips	Short trips
Small groups	Larger groups
Physical challenge	Physically passive
No services expected	Services expected
Deep interaction with nature	Shallow interaction with nature
Emphasis on personal experience	Emphasis on mediation
Making own travel arrangements	Rely on travel agents and tour operators

Figure 13d: Characteristics of the hard and soft ecotourists as ideal types (Weaver, 2008)

13.2.4 Geography

Research conducted by Weaver (2008) indicates that most of the ecotourists come from developed (i.e. industrialised) countries travelling into developing countries. Resulting from a generic "growth of mature travellers, combined with the financial ability and the availability of leisure time […]" (Wight, 2001), the most important ecotourism source markets are the USA, the UK, Germany, Canada, France, Australia, the Netherlands, Sweden, Australia, New Zealand, Norway and Denmark (Eagles & Higgings, 1998, quoted in Weaver, 2008). Furthermore Japan, southern European and newly-industrialised Asian countries have been identified as emerging source markets (Wight, 2001).

Another intra-national segmentation was made by the US Department of the Interior (2002) which analysed the distinction between urban and rural areas. They examined that especially people living in an urban area are likely to pursue ecotourism-related vacations.

Furthermore it is worth mentioning that due to cultural differences, ecotourists coming from different continents have a varying motivation as well as participation patterns.

13.2.5 Sociodemographics

According to Weaver (2008) ecotourism experiences an increased contribution of females since the mid-1990s who on average show higher participation than male ecotourists. Hvenegaard and Dearden (1998) found that the ecotourist with an average age of 37 years is older than the general tourist of 33.8 years. Wight (2001) examined that the 'soft ecotourist' mentioned earlier is generally younger than the 'hard ecotourist'. Hvenegaard and Dearden (1998) also stated that ecotourists have higher educational qualifications than other tourist.

This high level of education could be applicable to the specific interest in ecotourism-related activities and the desire to learn even more about the environment. The average ecotourist is situated in higher income levels than other tourists (World Tourism Organization, 2002) with 52% earning more than US$60,000 a year (Tourism Queensland, 2006, quoted in Weaver, 2008).

13.2.6 Future trends

Future trends mostly depict the possible and increasing challenges ecotourism will face related to the rising number of ecotourists. The causes for this niche tourism segment to continuously grow has been analysed by Tisdell (1997) who examined the demand side of this sector. According to him the demand for ecotourism will grow with:

- growing income levels,
- rising levels of education,
- increased leisure time,
- population growth,
- easier, less costly, faster and safer access to ecotourism sites,
- changing community attitudes towards nature and
- greater alienation of mankind from nature due to growing urbanisation and domination of man by economic and technological systems.

It can be estimated that the rising income and education levels and the increased awareness and changing attitudes towards nature are signals for an increase of the proportion of 'hard ecotourists' and an opportunity for the ecotourism sector to continue growing in a sustainable manner.

13.3 Supplier landscape

13.3.1 Generic product elements

According to Weaver (2008) the typical ecotourism product involves components of both, specialised and non-specialised operations. Non-specialised elements include all elements that are potentially used for every kind of leisure travel e.g. guidebooks, special clothing, travel agencies, tour wholesalers, inbound tour operators, hotels and means of transportation (for instance airlines and transit busses). Specialised elements are those ones which only refer to the ecotourism activity and are related to ecotourism operations e.g. eco-lodges or hotels in urban or resort facilities, protected areas and other venues, mediating attractions and local tour operators. In the following only specialised ecotourism-relevant elements of the product are going to be introduced.

13.3.2 Specialised elements

The following activities, identified by Weaver, Faulkner & Lawton (1999, quoted in Weaver, 2008), are core categories that found out to be successfully distributed separately by management and marketing procedures as single ecotourism products:

- Aboriginal/indigenous tourism (linked to cultural tourism)
- Bird watching
- Celestial ecotourism (comets, northern lights, sky gazing or stargazing)
- Flower gazing
- Leaf-peeping
- Nature observation (including bushwalks and hiking)
- Nature photography
- Outdoor education
- Outdoor research
- Stargazing
- Whale watching (onshore or vessel-based)
- Wolf calling

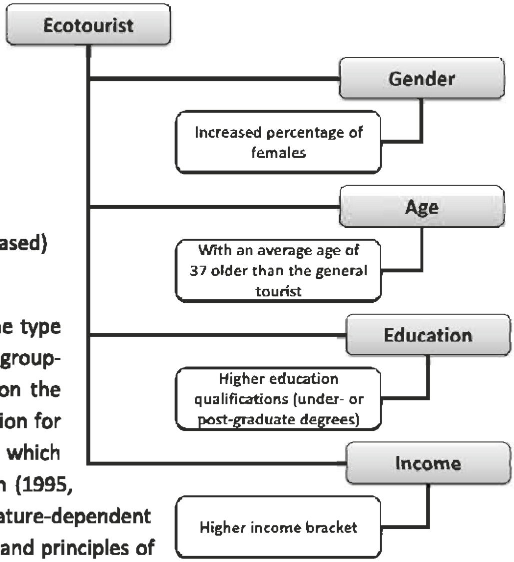

Figure 13e: *Sociodemograpic segmentation of the ecotourist*

The length of an ecotour depends on the type of activity, the motives of the tourists, group-size (as stated earlier) and, of course, on the destination. As the typical accommodation for ecotourists, the eco-lodge has qualified which according to Russell, Bottrill & Meredith (1995, adopted from Fennell, 2003) is a "nature-dependent tourist lodge that meets the philosophy and principles of ecotourim". As stated by Russell *et al.* (1995) and Fennell (2003) the eco-lodge is characterised by the provision of a basic comfort, limited size, a unique style, perfect fit to the natural surroundings, proximity to key attractions, a good service, private ownership and an environmentally sustainable operation. Even though this accommodation type is a high-profile symbol of ecotourism, Weaver (2008) observes that the majority of ecotourists usually stay in conventional hotels which are situated close to protected areas.

As ecotourism attractions are primarily based on the undisturbed natural environment and biodiversity, protected areas are identified as the most important venues for exerting ecotourism. Due to the advantage of implementing a formal environmental protection, the World Conservation Union (IUCN) has established a set of criteria, categories and management objectives in order to conserve certain areas, but in addition to allow tourism in an area of exceptional natural qualities (Weaver, 2008).

Mediating attractions, which compose an important component of the ecotourism product, as well are defined as "built structures or devices that allow ecotourists to visit normally inaccessible natural attractions through means that are attractive or novel" (Weaver, 2008). The variety of mediating attractions can range from fixed cableways and canopy walkways to mobile submarine tours. A description of the local tour operators which rounds off the entire eco-product will be given in the next section of the ecotourism key players.

13.3.3 Key players: The business of local tour operators

The ecotourism supplier side is dominated by small local tour operators. According to Weaver (2008) these businesses mediate directly between ecotourist and environmental attraction, are privately owned or community-based and exist in less-developed countries or indigenous territories that are adequate for accomplishing ecotourism. Due to the fact that they provide an eco-package, in many cases the local tour operators are "integrated with providers of accommodation, food, private protected areas and other services" (Weaver, 2008). Generally, there is little information available of how many local tour operators exist. In 2006 there were 200 ecotourism-related businesses (mostly tour operators) registered and listed in the membership roster of the Ecotourism organisation of Australia. The actual number of operators including uncertified and probably unqualified businesses was estimated up to 1,000 (Ecotourism Australia, 2006, quoted in Weaver, 2008). The problem of the majority of ecotourism operators neither being certified nor being member of any national ecotourism organisation emphasises the difficulty of obtaining an approximate size.

13.3.4 Operational challenges

Ecotourism is facing a steady increase in popularity which according to Fennell (2003) results in "some ecotour operators consistently having extremely high rates of return customers". Because of a high volume of repeaters and a generic relatively high volume of visitors, ecotourism research results already have revealed overlaps with conventional mass tourism. Therefore, in the future either a concept of "mass ecotourism" (recognised by Weaver, 2001, quoted in Weaver & Lawton, 2007) must be considered as a potential form of viable ecotourism that is taking advantage of the large inhomogeneous market by serving the diverse interests and preferences. Or certain qualitative management requirements and action steps have to be implemented at the destination or community level in order to try to prevent ecotourism, and protected areas accordingly, from the masses. Another internal challenge is to maintain a balance between ecotourism as major source of income and employment and ecotourism as enabler of environmental conservation. Since all local actors involved in eco-operations are highly dependent on tourism, "focussing on visitor satisfaction, visitation increase [...] and profit can easily take priority over conservation objectives" (Weaver, 2008).

13.3.5 Competitive environment

Within the segment ecotourism directly is confronted with competition by conventional mass tourism. Since "ecotourism exists in both a 'soft' and 'hard' dimension" (Laarman & Durst, 1987, quoted in Weaver & Lawton, 2007) and, as mentioned above, the motives of 'soft' ecotourists often equal those of mass tourists and a 'soft' ecotour has many attributes similar to those of a mass-oriented tourism product, ecotourism stakeholders are increasingly facing a lack of differentiation between original ecotourism and nature-based mass tourism. Ecotourism indirectly faces competition by the two related tourism segments of cultural tourism and adventure tourism. With these both other forms of an alternative tourism, ecotourism has certain similarities regarding contents and requirements of the tourism product and therefore competes with them for tourists.

According to Weaver (2008) "ecotourism contains a cultural component in its attraction base" meaning the cultural aspect which is included in almost every ecotourism product but which is only of secondary importance. Due to the fact that it is often difficult to distinguish between cultural and natural environment, the relatively immense connection between cultural tourism and ecotourism is illustrated in Figure 13f by overlapping circles. Furthermore, it is indicated that some ecotourism products, "especially those that occur in a wilderness or marine environment", meet the definition of an adventure tourism which requires an element of risk, higher levels of physical exertion and the use of specialised skills (Weaver 2008). While some ecotourism products meet the requirements of an adventure tourism product, the contrary is unusual. Because the adventure tourism attractions are not always nature-based, do not meet the requirements of being sustainable and the adventure tourist is not seeking a learning and educational experience, there is a less great portion of overlapping between ecotourism and adventure tourism (see Figure 13g) than between ecotourism and cultural tourism.

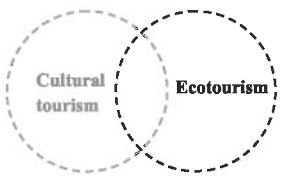

Figure 13f: *Ecotourism and cultural Tourism* (Weaver, 2008)

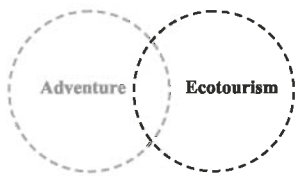

Figure 13g: *Ecotourism and adventure Tourism* (Weaver, 2008)

Additionally, agrotourism (or agricultural tourism) as another further related tourism segment could be accounted as indirectly competing market for ecotourism because of its common focus on sustainability and the natural habitat, its integrity and environmental conservation (Ecotour, 2007).

13.4 Conclusions & future trends

Ecotourism, being one of the most growing niche tourism sectors in terms of capacity as in terms of speed, currently faces a steady increase in demand and, hence, recognises the need of an environmental management by the supplier side that still ensures the meeting of ecotourism criteria.

Already in 1987, Ceballos-Lascuáin published a definition that describes ecotourism as the travelling to indigenous venues where the natural environment is relatively untouched with the purpose of learning and being educated about the landscape, its creatures and cultural aspects. At that time, the issue of sustainable management of that specific form of tourism, which today composes the third dimension or criteria of ecotourism, was not very important or not even relevant. When local people realised that ecotourism facilitates the possibility of generating money and employment in a less-developed country while at the same time ensuring the preservation of the nature, the business generally expanded and the sustainable management of ecotourism destinations was increasingly paid attention to.

Regarding the demand, today, the number of ecotourists is estimated up to 150 million either originating from a segment of veneer environmentalists or from the true environmentalists' market. Especially, people belonging to the latter are strongly committed to the environment which in turn is reflected by their consumption behaviour. Another way to describe the characteristics of and the motives behind ecotourists is to divide the market into 'hard ecotourists' and 'soft' ones. While the 'soft ecotourists' rather belong to the veneer environmentalist's segment by resembling conventional mass tourists' characteristics, 'hard ecotourists' are true environmentalists who participate actively in specialised trips and foster deep interaction with the nature. Even though ecotourism is a specific niche field of tourism willing to attract only a limited eco-interested portion of tourists, the segment of 'soft ecotourists' whose behaviour and motives can be similar to those of mass tourists represents the majority of ecotourists.

Regarding their geographical background, the average ecotourists come from developed, industrialised countries and by partaking in an ecotour they travel into a developing country. Considering the sociodemographic background of ecotourists, it can be summarised that females increasingly dominate ecotourism, ecotourists are older than the general tourists, have higher educational qualifications and higher income levels.

Having outlined that in the future a critical load of ecotourists can be expected that probably will have a negative impact on the carrying capacity and the attractiveness of a destination, certain sources for the growth can be identified; ecotourism demand is expected to grow with growing income levels, rising levels of education, increasing leisure time, population growth, easier, less costly, faster and safer access to ecotourism sites and changing community attitudes towards nature (Tisdell, 1997).

Looking at the supply side, the generic ecotourism product can be described as one that is composed by two different types of elements. On one hand, non-specialised operations are part of an ecotourism product meaning that travel agencies, tour wholesalers, inbound tour operators, hotels and means of transportation serve ecotourists almost to the same extent to which they serve all other leisure travellers. On the other hand, ecotourism involves specialised elements which include all operations that are directly related to ecotourism like eco-lodges as accommodation, protected areas as venue to visit, mediating attractions and most importantly local tour operators.

Even though eco-lodges are identified as perfect accommodation supplement to the entire environmental friendly and nature-based product, meeting the philosophy and principles of ecotourism, commonly hotels which are situated close to protected areas are used for overnight stays. Protected areas, where the natural environment is formally protected, are the ideal venues for ecotourism-related practice. Additionally, mediating attractions enable the access to normally inaccessible natural attractions.

Local tour operators are the key players of the ecotourism business due to the fact that they manage the specialised components mentioned earlier, package them and mediate directly to the ecotourists. The size of the local tour operator market is unknown because the majority neither is officially registered nor certified by any ecotourism organisation. However, all local tour operators will face the same challenges in the future; due to the growth of the ecotourism sector, the local authorities and businesses involved will need to take regulating measures against the increase of visitors in order to handle the augmented pressure on the destination. In order to ensure that profit motives will not take priority over the fundamental conservation objectives with a visitation increase, there has to be found a way of controlling certified as well as uncertified businesses.

Nonetheless, local tour operators will additionally have to focus on their core competencies so that they are capable of distinguishing their products from those of mass tourism operators and from those of businesses engaged in adventure and cultural tourism operations.

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14.0 M.I.C.E.

Meetings, Incentives, Conventions, Events

Friederike Düffelmeyer & Maike Hildebrandt

14.1 Introduction: M.I.C.E.

Meetings, Incentives, Conventions and Events is the meaning of the abbreviation MICE.

"MICE is used to refer to a particular type of tourism in which large groups, usually planned well in advance, are brought together for some particular purpose." (http://wikipedia.org, 2008)

Often the term "meetings industry" is used when talking about MICE to avoid confusion.

Even though Meetings and Conventions are listed separately they can almost be seen as one component, although they do have slightly different characteristics which will be elaborated on in the following section.

According to the International Association of Professional Congress Organizers (IAPCO) the term ***Meetings*** indicates

"the coming together of a number of people in one place, to confer or carry out a particular activity. Its frequency can be on an ad hoc basis or according to a set pattern, as for instance annual general meetings, committee meetings, etc."(http://www.mice-contact.com, 2008)

Incentives are used for employee motivation in form of short trips/ weekend trips which are supposed to strengthen and improve the overall cohesion, the performance and the working climate within a company. They might also take place to reward employees due to well past job performance. The organisation is usually done by an event or travel agency.

Conventions can be seen as a "broader version" of meetings. Sometimes the term conference is used instead of conventions, but since both terms have the same meaning, in this text it will only be referred to the term conventions. Conventions usually have a duration of several days and have a higher number of participants than meetings do (> 1000). It serves the purpose of public relations and to establish new partnerships and co-operations for future business. Most of the time conventions are planned and organised by event or congress agencies.

Events are gatherings which can vary in the number of participants as well as their purpose. An event can be for example a company party or anniversary, an exhibition or a trade fair. The duration is usually not longer than one day and the organisation is done by an event or

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travel agency or sometimes by the company's own event department which depends on the size and the structure of the company (Schilling, 2008).

In the following sections some important characteristics of the meetings industry will be taken into closer consideration and it will be looked at the demand and at the supply side separately to be able to explain why the meetings industry plays an important role in today's tourism in Germany and the rest of the world.

During the further elaboration the term *event* will sometimes be used as a broader description and not as the event which is meant by the letter E in the abbreviation MICE. When doing so the term "event" will be put into quotation marks to avoid confusion.

14.2 Market focus

The meetings industry is probably not the best known and not the first thought of tourism sector that exists. Especially private people who do not have a wider knowledge of the tourism industry and who only consider themselves as tourists when spending their holidays in a foreign country; would not see the meetings industry as a tourism sector with great potential.

> *"Although there is the recognition that meetings are broader than tourism in the sense that some participants are local residents and not tourist, generally the meetings industry does contribute to the tourism sector."*
>
> *(World Trade Organization, 2007)*

14.2.1 Target market

The meetings industry mostly serves business rather than sightseeing purposes. The only exception are the incentive trips because even though their major purpose is staff motivation, the trip itself is mainly for entertainment and does not contain any work related tasks (http://www.maintenanceworld.com, 2008).

The target group of the meeting industry is therefore not families or private people but companies or businesses which wants or needs to have any kind of meeting, incentive, convention or event. It could be argued that events are not only being done by businesses but also by private people. But since this chapter focuses on business events private people will not be included in the target group.

Most of the "events" taking place in Germany are coming from the economics sector (43 percent).The Culture and Entertainment as well as the business sector are both below 20 percent and only 4 percent serve political purposes as it can be seen in the pie chart above (Roeseler,2008:07).

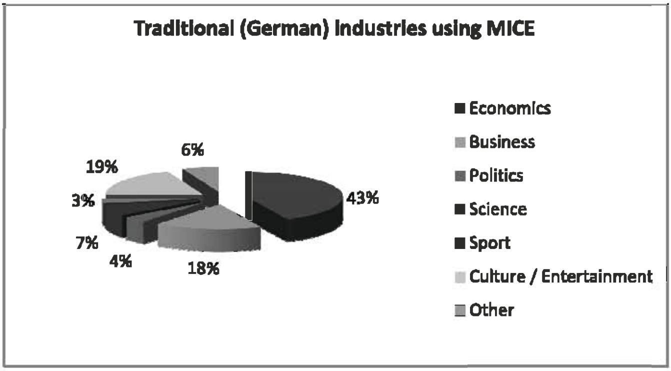

Figure 14a: *Graph of traditional German industries using MICE*

14.2.2 Sector size

According to the GCB (German Convention Bureau) there are yearly 2.8 Million "events" in Germany with an average duration of 1.4 days. Some "events" only take a couple of hours or half a day and others include several overnights for the participants. Approximately 314 million people participate in one of the components of MICE every year and even though most businesses that have their "event" within Germany are German businesses themselves there are about 5.3 % of the companies which are coming from foreign countries to hold their meetings, incentives, convention or events in Germany. This of course contributes highly to the German tourism industry. In numbers those are around 16 million guests who will at least stay for one night, because they are coming from far away (Roeseler, 2008:04).This means by calculating an average room rate of 100 euro per night, those 16 million guests contribute 1,6 billion euro revenue to the German tourism sector.

This is the reason why the 6200 locations in Germany which are suitable for the meetings industry are fairly busy all around the year and have to be booked in sufficient time in advance. These locations can be for example convention centres, civil halls, restaurants, leisure and theme parks, zoos, airports or hotels, always depending on the purpose of the gathering. Especially hotels which are needed for business and/or accommodation purposes have to be booked far in advance, because most companies do not require only a couple of rooms, but several single-rooms for all their participants. An Incentive trip can take place anywhere in the world, whereas meetings or conventions are usually tied to certain locations due to their necessity of chairs and presentation utensils such as flipcharts, beamers and so on.

14.2.3 Germany as a MICE location

The most popular German city for the meetings industry is Berlin, followed by Munich, Stuttgart and Frankfurt on the second, third and fourth place (see Figure 14b).This is due to the good infrastructure of those cities. They can be reached easily by airplane or train and offer many possible locations such as mentioned above(Roeseler, 2008:06).

When looking at the international meetings industry market, Germany also plays a very important role if not even one of the most important ones. Right behind the USA, Germany is the second most popular country for the meetings industry. It is followed by Great Britain, France, Hong Kong, Singapore and Australia (Vleeming, 2007).

14.2.4 Selection criteria for MICE location

By taking a closer look at some of the criteria which are used by companies when trying to find a suitable place for their "events", it can easily be understood why Germany is of such high popularity and why it is chosen by 16 million foreigners every year.

The most important criterion is the availability of a good infrastructure, which means that it is possible to get easily and fast from A to B without any difficulties. Consequently a central spot that is near by the airport or a train station is preferable which supports the thesis why the big German cities such as Munich, Frankfurt and Berlin are the top MICE cities in Germany.

Figure 14b: Map of MICE cities

Secondly the price-performance ratio has to fit. Therefore the accessibility of variable room capacity, nearby restaurants, if food is not included, or the existence of technical utensils are relevant considerations for reaching a decision. Most businesses find it highly important to have a contact person at the location itself to be able to immediately solve problems, possibly with the assistance of a local resident who knows the cities and the location best. Another important criterion when choosing the right location is the standard of equipment which is provided in the function rooms. Sometimes it might be more important to have one big room with many chairs, a podium for one spokesperson and an adequate sound system that everybody in the room can hear well than to have many small rooms which would be suitable for group work for example (Roeseler, 2008:10).

These are only a few key factors which have to be thought of when trying to find the right location, which of course always depends on the kind of meeting, incentive, convention or event that is supposed to take place.

14.3 Supplier landscape

14.3.1 Key players

The supplier landscape in the tourism sector MICE is widely spread. Suppliers can either be hotels, travel agencies, event agencies, restaurants, theme parks or other places where “events” can take place. With some fantasy and effort almost every place or location can be used for a MICE “event”. There are also no rules or limitations to the prices that can be charged. Low-cost, medium and high-class offers can be found, which all target at different customer segments. Due to this large variety of different suppliers for the MICE sector, it is not possible to determine any specific key players. More generally it can be assumed, the larger or the more experienced the supplier, the greater the likelihood of success and survival.

14.3.2 Marketing

To be successful in the “event” business it is necessary for the agencies to have a good reputation and the right partners and/or sponsors on their side. A diversified portfolio and a sizeable network are required in order to provide interesting offers because the competition is numerous. These factors create high entry barriers which make it difficult for new agencies to be built up or to stay in existence. Large event agencies usually have a wider network to work with and therefore have a broader variety of offers they can make. For them it is easier to grand discounts or to make any special offers than it is for smaller agencies. Agencies which have been in business for a certain period of time might have more established connections and partners and probably have dispose of a very broad event-portfolio. Large hotels or maybe even hotel chains have the possibility of offering different locations since for example a *Hilton Hotel* can be found in almost every city of the world. Furthermore they can offer room for smaller as well as for larger “events” due to their existing capacity. However

“[...] for major success, businesses need to achieve a clear performance differential over competition on factors that are important to target customers.”(Jobber, 2004)

14.3.3 Challenges & risks

One major challenge which has to be faced by all MICE suppliers, no matter of their size, is the large diversity of this sector. No "event" can be planned and implemented as any previous one. This is due to different ideas, visions and budgets each customer brings along. Even though most event agencies have some sort of scheme to plan an "event", each one is a project on its own with new deadlines, restrictions etc.

Another challenge for most agencies is to maintain a balanced stock of customers; having only one big client makes the agency very dependable and by the time this client cancels his contract the agency will have problems to stay in existence. Therefore it is always needful to diversify and to serve different clients at the same time. The quality of work however should not suffer from this double burden. In case of only having one large client it is necessary for the agency to evaluate a strategy how to maintain their status as a supplier. Every "event" also brings new risk of failure which needs to be considered and kept as small as possible. The event agencies need to be aware of each working phase which needs to be fulfilled when working on a project. Often newcomer agencies or those with little experience, tempt to fail because they think of the planning phase as a waste of time and want to get active immediately when having their first ideas. This might work for very small "events", but failure and maybe even bankruptcy could be a consequence when doing insufficient planning especially for high-budgeted events.

14.3.4 Advantages

An advantage of the MICE sector is that neither meetings, incentives, conventions nor event are strongly tight to seasonality. They all can take place all year long. Nevertheless seasonal preferences can be recognised to a certain extend. According to a personnel interview with Ms. Bettina Belzer who is responsible for trait fairs at the GCB, spring and autumn are the most preferred seasons for all kinds of MICE "events". Furthermore the meetings industry is subject to less fluctuations than "leisure" tourism is, because business always needs to take place regardless of e.g. weather circumstances. Even during economic depressions, business meetings are of high importance to be able to discuss implications and potential reaction strategies. Incentive trips and some particular events instead, such as anniversaries might be cancelled, delayed or might happen using a smaller budget than during an economic boom.

Since the MICE sector is a rather business-orientated tourism sector there is not much competition from the outside or from other tourism segments. The competition only exists within the sector itself, between suppliers with the same standard or class of clients.

14.4 Conclusions & outlook

Overall it can be said, that the MICE sector is a lucrative but at the same time a risky tourism area to operate in.

On the one hand it can be argued that business meetings or other business related "events" have always been and always will be needed. Therefore there should always be demand for MICE which in turn would mean that this is a profitable sector for suppliers as well. Any business "event" is an essential element for a business because without direct contact to employees or business partners it is not possible to communicate effectively. Even though more and more can be arranged, planned or said electronically, the personal contact should still not be underestimated which is supported by the high number of "events" which actually take place every year. The world is growing together and business relations do not have any borders any more. Especially Meetings and Conventions have become more important because of globalisation. They no longer only have a national character they also have to take place internationally in various different countries in order to serve their main purpose of bringing people together which are supposed to find new solutions, discuss new projects or to implement new strategies.

The characteristics of Incentive trips have also changed due to globalisation, but in a slightly different way than Meetings or Conventions. National businesses now have the opportunity to plan an incentive trip to a foreign destination without having tremendously higher costs than planning a national incentive trip. Flights within Europe are often even cheaper than within one country itself in consequence of the existence of low-cost carriers. Therefore it is now also affordable for smaller businesses to plan their incentive trips abroad which might give the whole trip a different character and will therefore help to intensify the experience for the employees. This in turn makes it more valuable for companies to plan such a trip.

On the other hand might these arguments be seen from a too optimistic point of view. Even though meetings as a part of MICE do not seem to be "in danger", there is also no evidence that this sector will stay stable. New technologies make it possible for many business people to communicate with webcams and microphones via the Internet which reduces the necessity of personal meetings. Therefore cost and time can be saved because people do not need to travel half the world to join a meeting. These technological features are especially welcomed by the companies in times of financial problems. But not only will the number of (personal or better said costly) meetings be tried to hold as little as possible during a period of financial problems. Incentive trips are usually one of the first expenses businesses start to eliminate when having liquidity shortcomings. Therefore suppliers of incentive trips do operate in a fairly unstable market. Their customers' requirements are not only difficult to satisfy in the first place because they are having such a large variety of offers to choose from. They are also likely to be volatile (in terms of the likeliness of trip cancellation) since incentive trips do not represent a crucial element of survival for their business life.

Also the organisation of events represents a difficult business area to operate in. A competitive advantage has to be evaluated and kept, to be able to maintain clients. Events are also more affected by the economic cycles than e.g. Meetings and Conventions, because of possible budget shortcomings. Some events might take place in a smaller scale than initially intended and some might even be cancelled. In times of crisis, events are similarly treated by companies than incentive trips are. If they are not of very high importance, they are one of the first issues which can be abdicated.

As it can be seen above, there are different ways of argumentation how the future of the MICE sector can look like. Customers are those who have a still growing number of different offers to choose from. This means on the one hand, that they are less dependent on certain suppliers but on the other hand that it is very time consuming for them to compare all existing offers. Suppliers need to be aware of the challenges and risks of this sector. They always need to be aware of the current market situation in order to remain competitive. They do not have time to rest on one's laurels because this could lead to an unhappy end of their career.

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15.0 Drug tourism

Going on a holiday 'trip'

Andrea Grobe & Julia Lüer

15.1 Introduction

Drug tourism is a type of holiday which is not very popular among most people. Many tourists prefer to go on a family trip, beach, sports or wellness holiday and do not want to get involved in any kind of drug issues. But still, there are some who go on holiday with the intention to obtain and consume drugs. However, certain risks have to be considered in this niche market of tourism.

So who belongs to the segment of so-called drug tourists? Why do they go on drug holidays? And since drugs are forbidden in many countries, where do they go?

The following chapter will provide you with detailed information about the niche market of drug tourism. This will include a closer look at people who engage in this form of tourism and the reason why they do it. Furthermore, the attention will be turned to the key players of this tourism segment with a special focus on two of the countries that enable people to undertake their holiday 'trip'.

15.1.1 Definitions

At first, the clarification of the terms drugs and drug tourism is of importance, as they are frequently used in the course of this paper. According to Cambridge dictionary, drugs are defined as "any natural or artificially made chemical which is taken for pleasure, to improve someone's performance of an activity, or because a person cannot stop using it" or "which is used as a medicine" (http://dictionary.cambridge.org/, 2008).

Drug tourism can be defined as the "phenomenon by which persons become attracted to a particular location because of the accessibility of licit or illicit drugs" (Belhassen & Uriely, 2005, p.3).As alcohol and cigarettes are legally available for persons having reached a minimum age in most countries these drugs are excluded from this paper. Moreover, although pharmaceuticals are defined as drugs as well, they will not be taken into consideration due to their medical focus and administration. Besides, drug tourism refers to people who purposively travel to a destination rather than those 'shoppers' living next to the border of a country where drugs can be obtained and only spend a short time there just in order to buy the desired substances.

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15.1.2 Challenges

For drug tourism, there are various challenges for the supply side as well as for the demand side.

Suppliers such as travel agencies or tour operators who want to engage in drug tourism face different problems which prevent them from realising their plans. These issues are mostly related to legal aspects, since in most countries the drug selling, purchasing and consumption are forbidden. Therefore, the marketing for drug holidays is not allowed either, like this is the case in Germany for instance (Bundesministerium der Justiz, n.d.). Additionally, the target market for drug tourism is not as large as for other tourism segments because many people want to go on holiday, but only some want to combine it with drug consumption. And of those who might, such as addicts, usually cannot afford a holiday including drug purchase. With regard to the destination, drug tourism can be related to crime, corruption and social problems, so that the respective governments try to take action against this form of tourism.

Customers face challenges as well, so at first, it is difficult to find a drug holiday destination, since there are no official advertisements. Still, if they have found such an offer and arrived at the destination, there are certain risks involved. In many destinations drug purchase and consumption is not allowed, even though drugs might be easily obtained through dealers. Hence, there is the danger of being caught in connection with e.g. an imprisonment. Besides, drug consumption involves a number of health-related risks.

Generally, for both sides there are several risks and challenges which are responsible for the fact that drug tourism is not very common in comparison to other tourism types.

15.2 Market focus

"The first thing I have in mind when arriving at a new destination is where and how I can get something to smoke."

(Belhassen & Uriely, 2006, p.9)

"I had no intention to smoke opium, [...] [but] this was a real Bedouin experience."

(Belhassen & Uriely, 2005, p.7)

In order to approach the question of who forms the market segment of drug tourists, exemplary statements of persons having been involved in drug tourism provide a first insight into the people's attitudes.

Based on these statements, it can be assumed that there is not a typical drug tourist to be described. The consumers are driven by different motives and perceive risks differently. This does not allow generalisation, but in the following certain tendencies can be revealed.

15.2.1 Market segment

The market segment is very heterogeneous, as drug tourism does not focus just on addicts; drug tourists are people who consume such substances only when being on holiday or from time to time when being at home. In Europe, it has been found that drug tourists "tend to be young, socially integrated, in employment or education with a disposable income" (European Monitoring Centre for Drugs and Drug Addiction, 2006, p.1). In the following, these characteristics are examined in more detail.

Basically, it is more likely that younger people would like to have such an experience. Since there are no definite numbers, a tendency can be seen in the drug use and drug related deaths in some exemplary countries. In Germany, there is already a rate of 20 percent of 16-year-old males who have already tried drugs; for the age group of 18-39 years the percentage amounts to more than one third (Bericht 2007 des nationalen REITOX-Knotenpunkts an die EBDD). In Australia most of the people who die from drugs are young adults. The death rate of 25-29 year old people is 10 times higher than for people over 55 years. In addition, the age span of 14-24 year old people is deemed to be very likely to try drugs (Australian Bureau of Statistics,2002, p.4;Kurzer, 2005, p.271). An increase of drug consumption for a similar age group has been found in Austria (Amt der Burgenländischen Landesregierung, 2007). Additionally, youths are more likely to experiment with drugs on holiday than at home (Focus.de, 2006).

Furthermore, looking at the Australian statistics, it can be concretised that divorced and single male people are more susceptible to taking drugs. The figures show that the unmarried and divorced die of drugs more frequently than the married (Australian Bureau of Statistics, 2002, p.4). Moreover, "72% of drug related deaths" are male (Australian Bureau of Statistics, 2002, p.2). Also in Germany, males' prevalence of drug consumption exceeds the females' (David-Spickermann, Pfeiffer-Gerschel, Kipke& Bartsch, 2007). This allows the conclusion that there might be more male drug tourists than female. Besides, singles might choose such a holiday, since they are more independent and choose their type of holiday alone.

Drug tourists have to travel to another country, so they need money for the journey, the accommodation as well as the drugs they want to consume. In other words, a certain income is required to be able to pay for such a holiday. Of course the amount of money spent depends on the destination, the chosen accommodation and other variable factors.

Potential customers can be individuals who have already come in contact with drugs, but have not become addicts. Worldwide there are 208 million people with an annual, and 112 million with a monthly, prevalence of drug use. Together they make up 7.4 percent of the world population between 15 and 64 years (United Nations, 2008). Presumably, these are people who would also be interested in a drug holiday. It can be expected that beyond the 320 million, there are people who have never tried drugs and are curious to do it when being on holiday (United Nations2008).

15.2.2 Motivation

People go on a drug holiday for very different reasons, but basically there are two major motives: either pleasure or experience. On the one hand, the pleasure-seeking only want to have fun and regard drug taking as a part of it, at least during their holidays. On the other hand, for some travellers drug use as a tourist is a real experience, often connected to a cultural aspect.

Pleasure-orientation

The pleasure-orientation means that tourists do not get involved with the foreign culture, but mainly care about drug acquisition and consumption. This applies e.g. to tourists who spend their holiday in Thailand only in order to take part in local festivities. When going on holidays these people only want to have fun and enjoy something that is different from their everyday life, and in their opinion drug use is a part of the relaxation (Belhassen & Uriely, 2005, p.5).

Experience-orientation

Another motive for going on a drug holiday involves meaningful experiences that are to be made in a different culture or sub-culture. These include local cultures like the Bedouins in the desert who smoke opium to "overcome the heat and to stay calm" (Belhassen & Uriely, 2005, p.7). In subcultures, consumers "share certain goals, values [...] and lifestyles" (Belhassen & Uriely, 2005, p.7), as ravers do.

15.2.3 Risks &risk awareness

Drugs and their consumption always represent certain risks which can be of different natures and are perceived differently. There is a legal, a medical as well as a social risk.

Legal risk

Even though the drugs might be easier to obtain at the destination than at the tourist's home country this does not mean drug use is legal. In some cases the punishments in the foreign country are even more severe than in the tourist's home country. In India for instance, drug use can involve 20 years of imprisonment (Vakilno1.com, n.d.). However, many drug-tourists are not aware of the severity a punishment could involve, despite realising the existence of legal risks. So they avoid smuggling drugs across international borders and carry out the purchase very carefully, assuming that their carefulness prevents them from being caught (Belhassen & Uriely, 2006).

On the one hand there might be "worries about undercover agents" (Belhassen & Uriely, 2006, p.11) in India, on the other hand one consumer talks about a "silent agreement between tourists and cops" (Belhassen & Uriely, 2006, p.11), i.e. since tourists spend money in the destination their drug use is tolerated. This in turn might lead to the perception that the use of drug in such a country is legal (Belhassen & Uriely, 2006).

Health risk

Another issue is the impact on the consumer's health. Basically, drug tourists are afraid of "irreversible cognitive harm" (Belhassen & Uriely, 2006, p.13), but nevertheless they take the risk. Moreover, in case of an emergency in Third World countries which are often destinations for drug tourism, the necessary medical assistance might not be available. Therefore, consumers consider it important to know the body's reaction to the specific drug they use, buy them from "reliable sources" (Belhassen & Uriely, 2006, p.13)and to have friends around when consuming them. So there is a risk awareness that causes tourists to take some precautions (Belhassen & Uriely, 2006).

Social risk

Regarding the social aspect, there is the concern that a drug holiday can have a negative impact on people's social image in their private and work life. Therefore, some drug tourists are afraid of meeting anyone they know from home who might report their drug consumption to others (Belhassen & Uriely, 2006). However, some people believe that "[...] their status as tourists legitimized their use of drugs and protected them from being labelled social deviants." (Belhassen & Uriely, 2006, p.12)

15.3 Supplier landscape

"Amsterdam is a 'must' place for pot smokers..."

(Belhassen & Uriely, 2005, p.7)

"[...] the tourists spend their money and their drug-taking is tolerated. This is more evident in less developed countries, like India, Thailand, and the Eastern European countries [...]"

(Belhassen & Uriely, 2006, p.11)

Referring to the question in which destinations drugs can be obtained, statements of drug tourists point out places where this intention can be realised.

In the following, the opportunities for drug consumption in some destinations are examined more closely with regard to legality and correlation with local structures.

15.3.1 Generic product description

When offering a product that is intended to be a drug holiday, suppliers always act on a legal edge. This means it is best for them only to organise the transport to and accommodation in the destination, since this does not involve a violation of any law. Additionally, they can offer optional excursions and then try to indirectly point out the actual purpose of the excursion, the drug purchase and consumption. Consequently, it is left to the person reading the excursion description to interpret it. However, this can still lead to problems if the actual purpose appears in public.

15.3.2 Key players – Countries facilitating drug tourism

Drug tourism is an underground niche market that cannot be served as any other type of tourism. Suppliers in the form of tour operators cannot officially advertise their products due to legal restrictions and thus rely on the word-of-mouth or make their offers implicitly. In terms of drug-related tourism, some countries can be considered as 'suppliers', since the preconditions in these destinations make the drug use easier than in other countries. In the following, the drug tourism situation of two exemplary countries is described including the legal situation, drug purchase opportunities and local acceptance of drug tourism.

Netherlands

Since the Netherlands hold the view "that every human being may decide about the matters of its own health" (Amsterdam.info, 2008, p.1), this is a country with preconditions for the opportunity of supplying drug holidays. Concerning drug tourism, popular places for excursions are coffee shops. Since 1976, the selling and consuming of cannabis is tolerated, so this was the time when coffee shops were starting to establish (Rödner-Sznitman, Olsson, & Room, n.d.). These destinations are frequently visited by German, Belgian and French drug tourists (Sueddeutsche.de, 2007).

Although in coffee shops drugs seem to be easily obtained, there is still a differentiation between soft drugs and hard drugs. The former can be bought in Dutch coffee shops; the latter are substances (e.g. cocaine or heroin) being classified as illegal according to Dutch law. (Amsterdam.info, 2008) In the end of 2005, 729 coffee shops were operational in the Netherlands (European Monitoring Centre for Drugs and Drug Addiction, 2007). However, there are legal limitations for the purchase of soft drugs as well, so 5 grams is the highest amount that is allowed to be sold (Amsterdam.info, 2008, p.2). Furthermore, there are other kinds of shops such as approximately 200 'grow shops' giving people the possibility to grow their own hemp (Semekens& Verbruggen, 2005, p.5). In the past, so called smart shops emerged, selling hallucinogenic mushrooms for example (Amsterdam.info, 2008, p.2).

In the future, the Dutch government wants to emphasise the differentiation between hard and soft drugs; soft ones shall be still tolerated. But as long as coffee shops are allowed to sell certain amounts of soft drugs, the problem of controlling the supply of marijuana will remain. As the Netherlands are critical about the former prohibition of alcohol in the US due to an increase in crime rates (Amsterdam.info, 2008, p.1), they are rather unlikely to prohibit soft drugs. Moreover, the Dutch law states that "hemp seed and cuttings are in themselves not soft drugs and may therefore be sold legally" (Semekens& Verbruggen, 2005, p.5). So in the Netherlands also the production of drugs is legal today. On the contrary, the smart shops were classified as illegal. Reasons for this were many drug-related deaths and demonstrations against smart shops (Amsterdam.info, 2008, p.2).

The Dutch population has tolerated the coffee shops and the selling of soft drugs up until now, but only as long as it happens in a controlled manner. However, lately a lot of Dutch were against drug tourism, forcing many coffee shops to close (Sueddeutsche.de, 2007). The smart shops even led to demonstrations and demands to close them and make them illegal (Amsterdam.info, 2008, p.2).

India

Various places in India have been established as suitable destinations for drug tourists. Among them are the beaches in the state of Goa in the West of India. The popularity of these places has developed over some decades, mainly beginning in the 1970s when Goa used to be a meeting point for hippies. Their holiday involved drug consumption though it was not commercialised at that point. 10 years later it started to become more crowded with party enthusiasts. Over the years, Goa has become a mass tourism destination which is visited by thousands of package tourists, local youths, backpackers and gap-year students. Therefore, drug dealers have found a good selling market for their products and so the dealing has become more organised (Buncombe, 2008).

For tourists, it is easy to obtain drugs on the beaches of Goa. Either they know where to ask for it or they even get it offered openly at beach bars (Biswas, 2008; Kowshik, 2008).

The Government of India tries to fight drug tourism and therefore it cooperates with international associations like the UN. In 1985, the Narcotic Drugs and Psychotropic Substances Act has been introduced which prohibits e.g. the import, export, purchase and consumption of substances such as opium or cannabis. Furthermore, the act contains regulations for the punishment in case of contraventions. These include fines as well as imprisonments up to 20 years (Vakilno1.com, n.d.).

Even though the police states that they are fighting against drug tourism and also arrests dealers from time to time, a holiday in these destinations still bears certain risks. According to the press, there are several unsolved cases of death pending. Investigations seem to be difficult or even not carried out properly (Biswas, 2008).

Another aspect of the drug tourism issue is the profit that Goans make by selling products, driving taxis, renting rooms or bikes. This might also inhibit drug tourism prevention efforts as to not corrode a 'competitive advantage' of this destination (Saldanha, 2000).

15.4 Conclusions &outlook

In comparison to other tourism types, drug tourism 'functions' differently when looking at supply and demand. In this case, the supply, respectively the drugs, is already in the destination, they are not produced for the tourists like an excursion that is planned especially for tourists. Yet, if the number of drug tourists in a destination increases, this will result in more organised drug dealing. Moreover, there is no direct advertising which means the drug tourist can only book a conventional holiday and has to find out by himself where and how to obtain drugs.

Drug tourists are not a homogeneous group, but basically they tend to be young, but full age, are well-educated and have a relatively high income. Some of them do it only for fun, whereas others see it as meaningful experience, often in connection with a certain culture. In addition, drug tourists take also social, legal and medical risks when going on a drug holiday (see section 14.2 Market focus).

Looking at countries that facilitate drug tourism, it can be differentiated between countries where drugs are legal or illegal. In the Netherlands, the purchase and consumption of soft drugs is allowed, while in India or Thailand (Drugs and risk-taking in tourism) this can involve severe punishments. Nevertheless, many people go on a drug holiday there because drugs can be obtained very easily and the police often tolerate this form of tourism, since the tourists also spend money on various other products. In the Netherlands, the legalisation of soft drugs is based on the view that everyone is responsible for his own health and that a prohibition might have a negative impact on crime rates (see section 14.3 Supplier landscape).

The future of drug tourism cannot be accurately predicted, since there are many factors influencing the development of this type of tourism. The parameter that has the greatest influence on drug tourism is the law, respectively the actions taken by the governments. These vary from country to country, but in many countries it can rather be expected that governments try to fight drug tourism rather than facilitate it. As it is not very likely that governments will change legislation in favour of drugs, suppliers will still have to rely on the word-of-mouth as well as on indirect advertising. This means that, in the near future, there will still be no direct offers by tour operators or travel agencies that give tourists the opportunity to book a holiday that includes drug experiences. However, the increasing utilisation of the internet makes it easier to get and distribute relevant information. This can be done on websites as well as in forums in which experiences can be exchanged.

Nevertheless, there will always be niches that make a drug holiday possible. For instance, drug tourists spend money in the destination not only on drugs but also on accommodation, food, etc. Consequently, the police are sometimes willing to accept the consumption as long as this is done quietly. Looking at the drug supply side, a worldwide increase in the production of drugs has been reported (United Nations, 2008); therefore, in the future drug tourists will still find destinations where they can obtain drugs. However, in the Netherlands a study was conducted finding that most Dutch do not accept coffee shops anymore due to the fact that they are also used for the selling of hard drugs and like that are related to crime. Many coffee shops have already closed and according to the study findings it is likely that more will do so (Kölner Stadt-Anzeiger, 2008).

Furthermore, in Switzerland a referendum was held on the legalisation of cannabis with the result that most people voted against it. Also the government and the parliament did not speak in favour of this suggestion, as they feared too many drug tourists coming into their country (Kurier.at, 2008).

Concerning drug tourists, the age group is not likely to change very much. Even though there are many young drug consumers e.g. in Germany (David-Spickermann, Pfeiffer-Gerschel, Kipke& Bartsch, 2007), not many will probably have the opportunity and means to travel and then also pay for drugs in the destination. This assumption applies for drug addicts as well, since they already spend a lot of their money on drug purchase in their home country, so that there is probably not enough money available for travelling expenditures.

Within Europe, it can be expected that low cost carriers enable also people with lower holiday budget to get to their desired destination and become drug tourists. But still, it must be kept in mind that the drug purchase itself also involves certain costs, which means that there is always money required beyond accommodation and transportation expenses.

All in all, drug tourism can be expected to remain a niche in the tourism business, but since there will always be drugs and people who want to consume them, it is very unlikely to disappear. Drug tourists will concentrate on those countries where the purchase of drugs is best possible, even though it might not be legalised.

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16.0 Film tourism

The answer to becoming part of your favourite movie?

Karolina Tomala & Florence Faber

16.1 Introduction: Film tourism, a product produced by movies and TV

The following chapter will introduce the reader into the relatively new and growing tourism niche "Film Tourism" by giving you an overview of the whole topic. Film tourism can be defined as a branch of cultural tourism (Zimmermann, 2003, p.76) and refers to the growing interest and demand for locations which became popular due to their appearance in films and television series. In his interpretation, Zimmermann describes film tourism as all forms of travelling to destinations, which in general enable a connection with the world of film[2] (Zimmermann, 2003, p.76).Further, it can be divided into three separate sub-categories, including film promotion tourism[3], travel film tourism[4] and film induced tourism as illustrated in the diagram below. The third category will be the main focus in this chapter. In general, it is a journey which is stimulated by watching a movie that has a high impact on the consumer decision making process. There are various reasons which turn people into film tourists. The desire to:

- explore film parks, and film studios (e.g. Disneyland, Six Flags)
- visit locations that are directly associated with a particular film and have connection with this movie
- go on a film journey which offers them the possibility to descent into film worlds and uses the landscape as a recognition value (Zimmermann, 2003, p.81).

However, defining the target market for film tourism seems to be a challenge since some movies attract a broader part of the population (e.g. Da Vinci Code, The Lord of the Rings), whereas others are watched only by those interested in a specific topic (e.g. Bollywood, Western movies, love stories). In addition, film tourism is still an unexplored field which provides little evidence and therefore has to be more extensively researched.

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[2] „ (...) alle Formen des Reisens an Orte (...) die ganz generell Anschlüsse an die Welt, respektive Wirklichkeit, von Filmen ermöglichen und den Einstieg in die Welt des Films erlauben."

[3] Film teams travel to different destinations in order to request aid money for their projects (Film und Tourismus).

[4] Travel into foreign countries with a film camera (Film und Tourismus)

A. Papathanassis (Ed.), *The Long Tail of Tourism*,
DOI 10.1007/978-3-8349-6231-7_16,

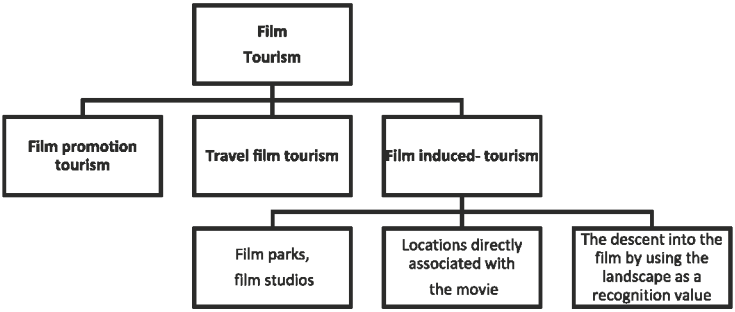

Figure 16a: *Film tourism segmentation*

Though in recent years specialists have realised that the media is an effective promotion tool, given that customers have become quite resistant to usual advertising efforts (Roger W. Riley, 1991, p.270) (Do you really read the spam in your postbox?). There are already some examples indicating the positive impact of a movie's success on the corresponding destination's visitor's numbers following the release of a film (Nichola Tooke, 1996, p.88). Presumably, this has positive impacts on the local economy (e.g. hotels, restaurants). On the other hand, there are also infrastructural challenges related to such a sudden visitor boost. Attempting to deal with this situation, destination managers and tour operators always have to keep in mind that destinations do not necessarily follow a continuously growing development but at a sudden point will also face a decline in visitor numbers.

16.2 Market focus: The movie as the basis of the target group's characteristics

In general the target market for film tourism can be defined as "people who choose a tourist destination due to its relationship with cinema (famous International Film Festivals, shooting locations)" (CineSpace journalists, 2009) or television.

However, trying to define the target market in more detail turned out to be difficult. Compared to other tourism niches, film tourism does not serve a specific target segment. In fact, every movie has its own target market which in itself differs to a certain extend regarding its profile, behaviour and psychographics. Some destinations, characters or stories, shown in movies or TV series, attract a bigger part of the population, such as those in the "The Lord of the Rings", "The Da Vinci Code", "The Beach", "Australia" or "Sex and the City", whereas others catch the attention of a smaller group, since they are movies published in a smaller geographic area, e.g. a pre-school children's television programme called "Balamory" filmed on a Scottish island (Connell, 2005, p.763), the German TV show "die Schwarzwaldklinik" which lures its viewers to the Black Forest and the French series "St. Tropez" which promotes the Côte d'Azure as an attractive destination. So it is shown that the size of the target segment may largely depend on the degree of awareness people have about the movie and the area where it is broadcasted. Furthermore, the target market's size is also influenced by the success of the movie, since unfavourable films do not cause a desire to explore the illustrated scenery. Therefore, it is not possible to place all film tourists into one segment.

However, it can be argued that film tourists share some commonalities, such as e.g. being adventurous, curious, open-minded, and active, due to the fact that they insist on, and have the desire to experience what they liked about the movie. For most of them it is not enough just to watch it. They would rather like to see the location in reality, to have the feeling of being part of it and to descent into the environment they have just seen and where the story had taken place. A film destination offers them the access into the world of films that has become part of their daily life (Zimmermann, 2003, p.81).

In order to identify one of the many film target segments existing, a survey of thirty interviewees has been conducted based on the movie "Australia". It should show the impact of the destination on the viewers and their likeliness to take Australia into consideration as a travel location and identify the main characteristics they have in common. The results demonstrate only a clear pattern in one characteristic- the age. While the younger participants of the survey state that they would really like to visit the location due to what has been presented in the movie, the viewers from the age of 40 up to 70, even if they liked the movie they still would not consider "Australia" as a travel destination. No other demonstrative similarities stuck out. One reason could be the limited number of respondents, but also the variety of people watching the movie could have let to these results. However the consensus in age shows clearly that the younger people are more likely to get affected by movies than the elderly. This may be caused by the fact that the older generation did not grow up with TV and its power. Influenced by the idea of Butler (1990) in 1996, Tooke and Baker suggested in their article "Seeing is believing: The effect of film on visitor numbers to screened locations", published in the journal Tourism Management Vol.17, the less people read the more important become movies, videos and television (Nichola Tooke, 1996,p.88), but just the wish to go to the destination does not make a person part of the target group.

In general, it is often claimed that "film tourism offers something for everyone, just like the films themselves" (Hudson, 2006,p.387), but it has to be taken into consideration that film tourism is always linked with a travel and therefore related to costs and effort. Hence, a person favouring the location New Zealand as a consequence of watching the movie "The Lord of the Rings" cannot automatically be seen as a film tourist, since he/she has not realised the journey yet. This person can be included into the group of the potential market segment of the destination corresponding to the movie. The actual target group, however, is way smaller. The reason for this is simultaneously one of the fundamental characteristics of this segment, namely being relatively affluent. This means that tourists need to have the resources to realise the travel, but this of course depends on the destination where they want to go to and where the journey starts (Being affluent applies to those who travel very far). Many fans of specific movies or TV shows would love to go to the location where it has been filmed, but their income does not allow them to “enter the target market” for film tourism, as here stated by a fan of “The Lord of the Rings”: “Lord of the Rings made New Zealand look amazing but my budget doesn't stretch that far." (Movie Tourism Group, 2007).

Another problem that arises when analysing the target group of film tourism is concerned with the expectations the tourists have on the destination. When tourists decide to go to a destination that they have seen in the movie, they already have some pictures in their minds, especially on how everything looks like and what feeling it should create. Unfortunately what is shown in movies often does not represent what the destination has to offer in reality. Sometimes the locations shown in the movie are not even the real ones. In those cases, movie producers did not want the viewer to know that their movie was filmed for example in Thailand since it is often associated with sun and beaches, whilst the movie might be concerned with historical themes.

Movie makers attempt to create emotions to ensure the success of their films because that is what people mostly seek, when watching movies. But when going to a destination, viewers are offered reality, not fiction to which they are used to from the movie (Zimmermann, 2003,p.77). Obviously, here the problem is to match the tourists’ actual experience of the destination with the image and expectations created by the film (Frost, 2004,p.248) and to ensure the creation of a lasting image which attracts repeaters and even new customers.

From generation to generation the media film and TV become of growing importance in people’s lives and increasingly influence them suggesting that this segment is booming. Since film tourism emerged from the film industry they are directly linked and therefore the demand for travelling to film locations always depends on a movie’s success. Given the increasing impact of the film industry on the population, film tourism will also have the chance to profit from this in the future leading to a growing pool of potential film tourists.

16.3 Supplier landscape: From passive benefiting to active influencing

Have you sometimes thought of having lunch with your best friends in the favourite restaurant of Carrie, Miranda, Samantha and Charlotte from “Sex and the City”? This is not just film anymore, it is reality. Being in New York, there are several possibilities to experience the TV show in a different kind of way. Not just at home from the couch, but by being right in the middle of the action and part of it. The American movie and TV tour company “On Location Tours” has specialised in providing tourists with exactly this experience. One of their most popular tour is the “Sex and the City” one, attracting millions of new visitors to New York every year. Here, visitors are offered a guided 3 ½ hours bus tour through the streets and corners of the “Sex and the City” show, as well as the possibility to eat and drink at the same restaurants and bars like the characters and even shop in the same stores (On location Tours Inc., n.d.).

More and more tourist companies take advantage of the film-induced demand and therefore focus their operations on supplying tours in this area. They give instructions on where and how famous locations of movies can be found and on where and how scenes have been filmed. They create a portal between virtuality and reality, to give their clients the possibility to step into the world of movies or series which has already become a big part of their life. The main suppliers of film tourism are incoming agencies which are located at the destination itself. Further, for some movie destinations, it is possible to book a tour in advance at the departure travel agency, e.g. booking a trip to New York including flight, accommodation and a guided Sex-and-the-City-Tour (Atlantic Travel Agency, 2009). However, this is rather an exception because booking possibilities are mostly offered at the destination.

Recently, organisations such as the government, destination managers or marketers can be seen as initiators for film tourism as they have realised, which huge impact destinations in films have on the visitor numbers to these destinations. Public relations specialists are appointed to place specific regions in films e.g. Canada and the Bahamas have hired Weber Shandwick, one of the world's biggest public relations companies worldwide, to advertise and brand their destination through television and film. Chicago's Office of Film and Entertainment industries have also been successful in increasing the number of films produced in Chicago by employing a product placement specialist (Simon Hudson, 2006: 398). Destination marketers, tour operators and incoming agencies are increasingly becoming more aware of the power of film as a promotion tool and of its advantages compared to traditional means of destination promotion (e.g. brochures). Placing their holiday product in the movie they aim at creating a competitive advantage in terms of promotion within their destination. The reason for this lies mainly in the fact, that "movies which create major interest are likely to reach wider audiences with less investment than specifically targeted tourism advertisements and promotion" (Roger W. Riley, 1991,p.270).

On the other hand, one should keep clearly in mind that even if film tourism promotes a destination and leads to increasing visitor numbers, individual suppliers are also facing different challenges. Some destinations that are not prepared for abrupt increase in tourism are subject to capacity-related and infrastructural restrictions (Nichola Tooke, 1996,p.92). The reactions of different governments to these problems vary. Some will increase capacity (e.g. supporting local hoteliers) and try to improve infrastructure while others will not necessarily make changes (Connell, 2005,p.771). They might not have any interest in growing tourism and therefore even set restrictions concerning the amount of hotels and tourists. This applies to those governments which emphasise sustainable tourism in their region and refuse to accept mass tourism in order to protect locals from tremendous changes in their habitual environment. Although tourism demand will increase in the beginning, if the public tourism authorities supported by the government will not adapt to the changing circumstances, eventually the destination will become overcrowded. This may result to a failure of satisfying visitors' expectations. Consequently the location will cease to be a positive way of experiencing the film in reality which is neither in the interest of the public nor the private sector.

In general it can be claimed that the main suppliers of film-induced tourism are tour operators and incoming agencies on and off location, whereas the government and public tourism authorities in some cases can be rather seen as supporters of film tourism.

Since an attractive destination can be equated with a product appealing to a specific target group, it has to be mentioned that like a normal product, a destination has a life cycle including four phases: introduction, growth, maturity and decline. When a movie has been released and is new to the market (introduction phase), it is likely that visitor numbers to the location can increase drastically in the first couple of years (growth phase). One example supporting this statement is the film "Dances with the Wolves", starring Kevin Costner, which recorded a 25 percent increase in traveller numbers in 1990-91 after the release compared with an average increase of 6.6 percent in the previous four years (Roger W. Riley, 1991,p.271). But the question at hand is definitely, how long this huge increase in visitor numbers will last? Knowing about the destination life cycle, it has to be assumed that visitor numbers will eventually stagnate (maturity phase) and then probably decrease (decline phase). Examples from the past show that this has been the case for many destinations which experienced a boost after a movie has been shot there, but also the expected downturn later on, e.g. "Braveheart" and "Close Encounters of the Third Kind" (Connell, 2005, p.771). So, it can be concluded that as long as the movie is present in the media, people and the potential target group are interested in the destination, but when it fades from public/ media attention, the desire to visit the destination vanishes in customers' minds. However, there is a way of extending the destination life cycle by keeping the movie present. This can be achieved through releasing the movie on DVD and on TV later on, which is an active intervention into the life cycle and causes deviations and overall fluctuations, as it is shown as an example in the diagram below (Figure 16b).

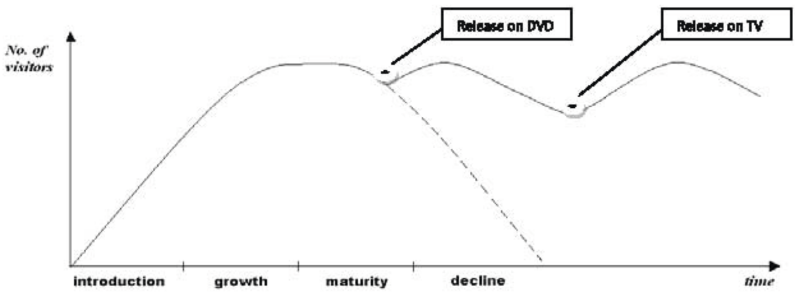

Figure 16b: *Destination life cycle of a film-induced destination*

Figure 16c presents an extract of the destination life cycle of Devils Tower National Monument situated in north-east Wyoming (USA), where many scenes of the movie "Close Encounters of the Third Kind" were filmed.

The table shows that the release of the movie to the cinema in 1977 resulted in a 74 percent increase of visitor numbers in the following year. Analysing the subsequent years, there was another huge increase in visitor numbers in 1981 of 79 percent, after the television release in 1980. This suggests that tourism demand will not only increase after a movie is introduced to the public for the first time, but it might revive, after its release on TV. This may explain some of the fluctuations and extensions in the life cycles of film-affected destinations.

Year	Visitors	% change over preceding year	Year	Visitors	% change over preceding year
1970	147 444		1981	300 308	+39.0%
1971	138 372	-6.0%	1982	270 951	-10.0%
1972	150 810	+9.0%	1983	274 265	-1.0%
1973	153 200	+1.5%	1984	228 095	-17.0%
1974	125 592	-18.0%	1985	224 994	-1.0%
1975	151 564	+21.0%	1986	298 148	+32.0%
1976	169 754	+12.0%	1987	334 502	+12.0%
1977	**156 293**	**-8.0%**	1988	347 451	+4.0%
1978	272 617	+74.0%	1989	358 853	+3.0%
1979	227 560	-16.0%	1990	433 303	+20.0%
1980	**215 402**	**-5.0%**			

Figure 16c: *Devils Tower National Monument Visits: 1970-90*(Riley, 1991, p.271)

Besides managing a fluctuating life cycle, another challenge has to be dealt with. Tour operators also have to take into account their direct competitors e.g. travel agents, serving the same film touristic packages - their indirect competitors being other tourism niches. No explicit indirect competitor can be identified, since every movie attracts a different target group and therefore has different indirect rivalry. Women travelling to New York in order to take the Sex-and-the-City-Tour definitely are an attractive target group for shopping tourism, since New York is a famous shopping monopoly, but this target group cannot be attracted by tourism niches like agro-tourism.

Finally, as the film tourism industry is a relatively new and unexplored niche of the tourism area and has few suppliers and no evident key players, it reveals a high potential with low entry barriers and few rivalry.

16.4 Conclusions & outlook: Film and film tourism go hand in hand

This chapter aimed at giving an overview of the tourism niche "film tourism". First of all it provides a short introduction of the topic and then divides it into three categories, thereby focusing on one of them in more detail: film-induced tourism. For this purpose, a broad definition of the subcategory was necessary in the first place. Based on this definition, research has been conducted to be able to determine, which target group it serves and who the corresponding suppliers are. However, the analysis turned out to be more complex than expected, since film-induced tourism is not sufficiently understood yet, and each film appeals to different people with different attributes. Therefore, it was not possible to point out one single target market for film-induced tourism. Only some general characteristics have been discovered. The demographically common denominator of film-tourism seems to be age. Film-tourists tend to be younger. The reason might be the fact that younger generations grew up more exposed to television than the older generations, spending their free time in front of the TV instead of reading books. Another characteristic identified, is the level of disposable income required to engage in film-tourism. Each trip to destinations seen in movies is associated with travel costs, depending from where you start and where you want to go to. Here, it has to be mentioned that the focus has been on internationally launched and successful movies (e.g. Hollywood releases, "The Lord of the Rings", "Sex and the City" etc.) and not those which address a narrower segment (e.g. national series). Other problems discussed, include the difficulty to meet the expectations of the target group. Viewers of certain movies already have a picture in mind when going to the destination and expect to see exactly that one in reality. Unfortunately, especially in the filming sector, cinematographic presentation does not represent reality.

In order to give the readers a deeper understanding of how a typical tour in the film tourism industry can look like some of its suppliers have been portrayed and the example of the Sex-and-the-City-Tour has been utilised. Serving a relatively new tourism niche, tour operators profit by type of first-mover advantage. On the one hand, they benefit from the continuously increasing visitor numbers induced by films, and additionally they only have to deal with a few direct and indirect competitors. Moreover, they have an important competitive advantage related to an opportunity of promoting their destination to a wide audience with low investment. Besides, also the government and public tourism authorities in some cases share the same interests like tour operators and local incoming agencies in order to profit from the increasing tourism. In other cases, if the government is not supportive, there might be a disagreement since tour operators and local incoming agencies only seek the highest profit margin, while the government always acts in the destination's best interest.

Besides, film tourism involves further challenges. Unexpected increases in tourist numbers combined with insufficient infrastructure can result to unsatisfied customers, which in turn harms tour operators and destinations in the long-term.

Moreover, the destination life cycle has to be observed carefully. The challenge of tour operators is to manage and maybe extend the fluctuating destination life cycle. This lifecycle differs to a certain degree from a regular destination life cycle due to "refreshments" of movies via DVD, TV and VHS, which is a result of the increasingly developing technology. Repeating releases on TV from time to time cause increases in tourist numbers, since it does not only attract those generations which already know the movie, but also those not familiar with the movie yet.

Tourism is strongly connected with the film industry through film tourism. Therefore it should face its opportunities to develop, as a consequence that film is the most common and popular medium in our society today. Looking at the development of the movie-induced film tourism, it was basically a by-product of the film industry. Over the years the realisation that film tourism is indeed an attractive market, has led to purposeful measures by tourism suppliers, local authorities seeking to actively promote locations via movies and television. The utilisation of film as a promotional tool has increased, and therefore the competition of different locations in films as well.

However, film as a promotion tool has to be utilised wisely, due to the huge impact it might have on a destination. New potential market entrants might be attracted to the film location, driving down prices and profit margins. Further, it is necessary to mention that short-term visitor boosts are always connected to a rising demand for infrastructure. Moreover, there is the possibility that tour operators will be worse off after the boom and the corresponding decline phase, since film tourists may displace the traditional target group of the destination. This has been the case with the pre-school children's television programme "Balamory" (Connell, 2005,p.771) filmed on the Isle of Mull in Scotland, which originally attracted a nature conscious target group and after the release of the series mainly families with children.

In conclusion, film tourism is a tourism niche that offers something to its customers that other niches cannot, namely the entrance to a different world which was shown in a movie. As long as film exists, the film tourism industry also will. Despite the fact that movies and therefore destinations might die over the time, new movies will emerge and ensure that there will always be a potential for that tourism niche. Nevertheless, one question arises: How does the film industry want to cope with the increasing replacement of TV by the PC and internet concerning the usage in peoples' leisure time in the future? An answer to this question could be not only to display films in cinemas and on TV but also online like it can already be found on some websites (e.g. www.sidereel.com or www.kino.to).

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17.0 Inclusive tourism

Accessible tourism

Hannah Münch & Rebecca Ulrich

17.1 Introduction

'Inclusive Tourism' is often referred to as 'Accessible Tourism' or even 'Disabled Tourism'. Disabled people were used to be and still are partially excluded from the leisure activities offered to people without mobility problems. Therefore accessible tourism is about making it easy for all people, irrespective of their gender, age or physical status, to enjoy tourism experiences. It is a set of services and facilities for individuals with special needs, who are for example disabled, elderly travellers, pregnant women, parents pushing their children in strollers or even people with temporary injuries, such as a broken leg or chronic ailments. All these people need to be particularly enabled during their travel. Thus, accessible tourism is the ongoing attempt to ensure that tourist destinations, products and services around the world are accessible to all people, regardless of their physical limitations, disabilities or age. It comprises publicly and privately owned tourist locations. Not only the mobility-impaired people benefit from the improvements, but also their relatives, friends and other companions. Accessibility in tourism is a social right which concerns all citizens. It is often limited to a certain group of people but it should be seen in a more holistic approach (European Commission Enterprise and Industry, 2008; Wikipedia, 2009; CopperWiki, 2008).

Very important when looking at market data on barrier-free tourism is, that most figures are estimated, which clearly demonstrates further need for attention on inclusive tourism. To assess an exact number or percentage of how many people in our community are disabled is fairly difficult. In Germany for example, most information available on the matter, are based and computed on numbers of disabled people being in possession of a 'severely handicapped pass', which is only given to those with a disablement of 50% or more. Thus all handicapped with fewer than 50% disability are nowhere listed. Furthermore, most disabilities arise by reason of accident or disease or simply through life and ageing and only approximately 4% are congenital. This indicates an ever growing amount (Kästner, 2007).

Based on the given data, in the EU 11% of the population are classified as disabled. Adding all people with mobility impairments, this number computes to 50 million humans, dependable on accessibility in the EU alone (Kästner, 2007). Seeing that due to demographic changes in Germany for example, the population is increasingly growing old, this number will surely increase in the foreseeable future.

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The demand on accessible tourism is estimated to be 36 million people, which indicates a huge customer potential not yet fully taken into account (Kästner, 2007). In addition to all the social benefits, the market represents a considerate opportunity for new investments and services, which are yet seldom provided by regular travel agencies, transport providers and other key players in the tourism sector. So far Europe and the United States of America share the majority of the existing companies in this niche. However many companies around the world are starting to appear as the result of a growing need, largely driven by 'Senior Tourism' due to increased life expectancy in developed countries.

Key questions to be addressed here are: what target market segment is exactly aimed at? How influential is this trend? To what extent are there already inclusive products in the travel industry? Why should tourism companies make their product accessible for everyone?

17.2 Market focus

A statement that fits well to this topic was found on the encyclopaedia CopperWiki (2008) online:

"People are not disabled; it is the environment which is disabling. A handicap is god given but a disability is man-made."

The market's dynamic extends that of the mobility impaired. The demand for accessible tourism is growing considerably. According to the UN, 10% of the world population is disabled (CopperWiki, 2008). To estimate the potential market size it is assumed that 70% of the disabled are physically and financially able to travel. In addition globally there is an ever growing increase in the 65+ age group who also benefit greatly from accessible tourism. Generally the population is ageing rapidly and travelling more. It is said that older people who still want and are able to travel will soon make up 25% of the European population (ENAT, n.d.). Additionally both categories rarely travel alone and will generally be accompanied by at least one companion. For example a family accompanying a disabled member can only travel as a whole group, when their accessibility needs are met (Copperwiki, 2008).

With the help of inclusive tourism chronically ill people would also have the chance to enjoy holidays. For example people who are willing to travel but need to have regular dialysis can increase the number of people of this target market. Most people do not want to have a hospital feeling when they go on holidays. By offering this target market an inclusive product, tourism companies can fulfill wishes, as well as increase their numbers of customers. Another point to consider is the freedom of movement and the liberty of action associated to accessibility. Not only disabled people who are on holidays can benefit from inclusive tourism but also the locals (Lilienthal, 2007). Therefore, the number of people requesting accessible products and services on the tourism market is much larger than expected. Thus making tourism accessible to the disabled and the elderly should be seen as an opportunity rather than an obligation (Rains, 2007).

Concluding the above, following points for the benefits of accessible tourism can be summarised:

First, the target market has a large volume. Secondly, even though disabled people travel less than the vast majority, they still travel a lot. Thirdly this niche market segment is still larger than others in tourism. And last but not least, mobility impaired travellers do not like to travel in surroundings, that are just created for disabled and therewith pointing them out (Kästner, 2007).

Travellers that are mobility impaired face many barriers while travelling, ranging from getting information on accessible accommodation to problems getting around at their destinations. Typical concerns of the disabled tourist when booking a holiday include: accessible airport and train station transfers, wheelchair accessible local transport, adapted hotel rooms, reliable information about specific site's accessibility (e.g.: churches, monuments etc.), accessible toilets, accessible restaurants/bars, access to pedestrian environment, availability of disability equipment on rent (e.g.: wheelchairs, shower chairs, toilet raisers, electric wheelchairs etc.). Accessibility, as can be seen, is a major issue for making the elderly and disabled feel confident so that they can spend leisure time as normal tourists (Word Tourism, n.d.).

Furthermore this market segment requires a greater amount of pre-planning efforts before undertaking travel. Improving the information dissemination in tourism for people with disabilities could presumably lead to increased travel. People with access needs expect, and have the right to expect, the same services and opportunities as everyone else: independent travel, accessible facilities, trained staff, reliable information and inclusive marketing, by including accessible facilities and present disabled travellers (World Tourism, n.d.; CopperWiki, 2008)

The disabled tourists make up a significant market segment that cannot be ignored. Like other market segments, this one also has its special needs, among which the most important being, addressing social problems, support needs which include problems of additional costs, dissemination of information and an easy accessibility to the destinations. Social and cultural limitations like attitudinal problems, especially from people of the host countries are a common hindrance to disabled tourists. To ease this and also to promote the concerned country's social relations, this major problem needs to receive special attention by the tourism industry. Another fact is that special needs make travel costly. Tourism for disabled is estimated at being 30 to 200% more costly than that of the physically fit travellers (CopperWiki, 2008). Lack of adequate information, as mentioned before, is still a major reason why disabled tourism has not developed to its full potential. The internet already makes communication somewhat easier; however barriers such as language differences are now noticed increasingly. It should be mandatory for tourism sites to not only clearly mention the facilities made available for disabled tourists, but also those not provided. Besides, on account of anti-discrimination legislations, developed countries have taken several measures to provide improved transportation alternatives, however in less developed nations, these facilities are lacking, which complicates things further (CopperWiki, 2008).

The need for accessible tourism, for the whole tourism industry, is definitely growing. More individuals enjoy the opportunity to travel. The tourism industry gains visitors, longer seasons and new incomes. Furthermore society as a whole benefits from new job opportunities, more tax revenue and accessible environment for both inhabitants and visitors. Accessibility improvements could be made at a national level, where the country is mandating accessible tourism in their action plan, state level, where regionally accessible tourism is encouraged or even at an individual level, where individual service providers (restaurants/theatre owners) decide and ensure that their facility is accessible. If the tourism industry aims at maintaining and developing quality, sustainability and competitiveness, it has to develop and make tourism accessible for everyone. Disabled people are known to be loyal customers who repeatedly use services they are satisfied with (CopperWiki, 2008).

17.3 Supplier landscape

One major problem is that concerned people often are not asked for their wishes and special needs. Disabled people are often not consulted. There are only a few web pages, yet, representing their needs and offering discussion rounds on their requirements for a holiday. Nevertheless for the future this aspect should be considered with growing importance for the tourism industry.

Seeing that the quantity of disabled is meagrely computed, information on their travel patterns is surely similarly scarce. Often it is assumed, that seniors have similar or even the same travel patterns as people with mobility impairments. Based on those assumptions it was reckoned that 85% of all disabled require to travel, just like the able-bodied do. In query of data on travel intensity, it has been discovered that many handicapped already forewent to travel due to too little accessibility. However, expected according to all newly implemented accessibility improvements, the quantity of inclusive tourism is rising presently and in the future.

As for the duration and destinations of holidays, people with mobility impairments also have very diverse preferences. While some travel abroad, believing other countries offer more accessibility, others prefer to stay within their borders, because of familiar surroundings and manageability of opportunities and risks. Most handicapped travel either before or after season. This is easily explained, as most mobility impaired travellers count to the seniors, who are not dependent on school-holidays or the like.

The means and choice of transportation and the therewith connected services are logically dependent on the individual's mobility constraints. While travelling by bus or train is less demanded, travelling by car is far more convenient. Going by plane on the other hand is gaining popularity, because of its comparably high investments on accessibility improvements.

When contemplating travel expenses for handicapped, one has to consider that due to circumstances handicapped often depend on earnings of welfare level. Furthermore many accessible accommodations are of higher price range and numerous costly necessaries emerge during their holiday planning. This leads to the assumption of higher expenses for handicapped travellers; nevertheless actual proof of higher travel expenditures for disabled has not yet been determined.

Motives for travelling are the same like those of the able-bodied: relaxation and comfort; yet disabled appear more interested in health- and medical tourism, as well as in nature and culture, compared with normal travellers.

The use of travel agencies, internet, tour operators or other associations and organisations by disabled travellers is distributed to this chronology. This is due to the fact, that most counted handicapped travellers are seniors, who, as generally known, prefer the services offered by travel agencies. It is very interesting though, that apparently only 3% of all disabled travellers make use of special organisations (Kästner, 2007).

A great number of tourists, demanding accessible tourism facilities, exist. But there is only a limited supply meeting accessibility needs, which makes evident that a large share of tourist demand and turnover remains unused. To demonstrate this it is necessary to point out that in contrast to the huge number of tourists demanding accessible tourism facilities, the share of tourism facilities reported by Member States of the European Union as being accessible (at least for wheelchair users) amounts to only 1.5% of restaurants and catering facilities, 6.5% of accommodation establishments and 11.3% of attractions. Moreover many of those requesting accessibility, avoid travel due to too many obstacles along the tourist service chain. Infrastructure plays an important role at this point as well (European Commission Enterprise and Industry, 2008).

A popular and important legislation in America is the Disabilities Act (ADA). It is one of the first official acts in the accessible sector that evolved and which prohibits discrimination against disabled people in all situations, e.g. when buying something, going to the cinema or eating in a restaurant. The ADA establishes requirements for every company-size, which are valid since January 1992. Firms that serve the public have to comply with accessible standards and remove possible barriers as well as provide adjuvant needs and services to all people. But also firms that do not serve the public have to comply with accessible design standards (Grady & Ohlin, 2008).

Another important legislation is the Disability Discrimination Act (DDA) in the UK. It is also in place to promote civil rights for disabled people and to protect them from discrimination. The act gives disabled people rights in employment, education, accessibility to goods, facilities and services. Any service provider in the UK has duties under this act: the obligation to make reasonable adjustments to all barriers that a disabled person may have. The adjustments however depend on the resources which are already given, on the supplier's individual situation and on the question whether it is impractical or beyond the suppliers' means. Examples for reasonable changes are the use of larger printouts for registration and guest information, at least one menu in Braille, an alternative low desk for wheelchair users at the reception or even phones with large buttons (Directgov, n.d.).

The European Network for Accessible Tourism (ENAT) was founded in January 2006 by nine sponsoring organisations for people who support or want to know more about accessible tourism. This network aims to overcome the problems which disabled people may have when booking and experiencing a holiday. The ENAT also interconnects owners and managers of tourist destinations to people who have the experience and know-how in questions about making a place accessible. It furthermore serves as a communication platform between people who are concerned about accessible tourism and people within the tourism sector. The association is a representative voice in Europe towards companies and institutions that influence tourism. Its work is about barrier-free destinations, accessible transportation opportunities and activities, high quality services as well as inclusive marketing (ENAT, n.d.).

Suppliers for an accessible tourism product have to consider many adjustments, due to the fact that all kinds of disabilities must be taken into consideration. It starts when booking a holiday. Disabled people need lots of information about the environment of their chosen destination in advance. Additional to the destination itself the airport and the transfers must provide accessibility as well. It should also be clear if the destination offers the opportunity for renting disability equipment. Another big issue is the accessibility of the inventory. For example a hotel should have wider doorways, a lower sink, walk-in showers and high toilets with grab bars (World Tourism, n.d.).

There are three groups that make accessible tourism possible: the government, the business and the disabled community (Rains, 2007).

The government promotes a rights-based approach. This means that there are laws and orders which assure that everybody has the same rights. People with disabilities must be able to travel and enjoy the hospitality sector just like people without physical limitations. So far the need for accessible tourism is mainly recognised by economically developed countries such as the USA, Canada, UK, Germany, Portugal, Spain, France, Israel, Japan, Hong Kong, China, Singapore, Australia and New Zealand. Europe and the USA share the majority of the existing companies in this niche. But on a global scale there are many more companies which are starting to become accessible as a result of its growing need. Examples for how countries become accessible, is the approach of benefits to disabled tourists, the designing of official labels which show wheelchair accessible attractions and the providence of facilities for barrier-free travel (Rains, 2007; CopperWiki, 2008).

Furthermore the business plays a key role in making accessible tourism possible. Some tourism companies have already noted that this target group is highly profitable. The target group has the desire, the means and the freedom to travel. The former prison island Alcatraz is an excellent example for accessible tourism. The island is a National Park these days, which is popular amongst disabled people. Alcatraz Cruises, which is especially adjusted, serves it. The park as such is profitable, has a good physically accessible design and a high safety policy (Rains, 2007). Another example are holidays booked through the tour operator RollingSA. The slogan is as follows: "In a wheelchair? Don't let that stop you ... Seize the day!" RollingSA offers accessible experiences, safaris, travels and accommodations in South Africa for disabled travellers (Rains, 2007; RollingSA Accessible African Travel, n.d.).

Last but not least the community of people with disabilities, themselves makes accessible tourism possible, obviously because it supports their own interests. Many disabled people distribute their individual recommendations, gathered through personal experiences, by means of books or other forms of publication (Rains, 2007; Neurotalk, n.d.).

17.4 Conclusions & outlook

Accessibility does not only improve social standards, but furthermore has an economic impact on tourism as well. Most investments in accessibility improvements later pay out economically. Statistics show that approximately 16 million more people could be counted to the tourism statistics, if tourism agencies offered special products and services for the handicapped too. And as argued before, the size of the target market has huge potential to grow in the future. Moreover, the same as normal tourists spread good holiday experiences by word of mouth; this is even more distinctive with the disabled and their companions, due to the fact that their holiday-planning often involves more complexity. Thus alternatives require new, extensive efforts. Such recommendations could offer tourism companies high promotions within this niche market. The travel season could furthermore, through inclusive tourism, be extended and thus fully utilise the capacity of the market. The fact that accessible destinations are open to all, not only its niche, needs to be accentuated as well. Even the lives of national citizens are improved, by making their regions and places accessible. Such regions could further become unique selling positions and hence give companies a competitive advantage in the tourism sector. Accessible destinations and especially the accommodations, also offer a courtesy that brings along more space and comfort and thus a higher quality for all their tourists. It is often possible to combine these quality improvements with necessary, national investments in accessibility from the governmental side. In Germany for example this could imply an economic impulse of up to 4.825 billion Euro and 90,000 employments if only the mobility-impaired were calculated. The foreign customer potential and their escorts still need to be added here (Kästner, 2007).

Next to all those advantages, there is also good argumentation against investments in accessibility. Many risks and constraints are associated to accessibility improvements for the tourism industry. Very high investments in all constructional and technical changes are involved. The higher the investments, the higher the conjoined risk, which investors only take if their expectations of profits are balanced. However this security is mostly not existent, due to missing data, information and experience on the target market and its niche segment, which often argues against such investments. Simple adjustments however can fairly easy be accomplished without high investments, improving accessibility sensibly. Simple aid by disabled people and basic instruments could lead to an improved solution as well. However most tourism companies nowadays do not have spare money to invest and therefore reconstructions are simply not in the budget. For new buildings however, accessibility improvements do not lead to higher costs and should therefore definitely be taken into consideration and enclosed at the very beginning (Kästner, 2007).

Accessible tourism is a market segment, which followed strong political expressions by people with disabilities and aims at giving them global, economic participation and the free involvement in the whole world. The travel industry created and is providing for them as what disabled people have become; a market. The actors of the market are clearly groups of people with disabilities. They are the political and economic force. Just like any other market, this one has its own voice (Rains, 2007).

However, in spite of what has been explained as being one of many niche market segments in the tourism industry, this new trend: including disabled people in marketing and making destinations accessible for all, is not nearly a closed, centralised, self-contained market segment as such. Inclusive tourism is a part of and plays an increasingly important role on a broad, ready market. It serves a market which has an overall influence and reaches beyond its niche boundaries. New trends and innovations can be observed within the sector.

Inclusive tourism for instance encroaches upon various other niche market segments. The most demonstrative example would be that accessibility in tourism improves quality considerably for the growing senior population. Due to demographic changes, we are facing an ever-growing increase in the 65+ age group. With age come movement limitations, and thus an increasing need for accessibility. The market for senior tourism therefore is not only larger today than ever, but moreover do older people today have more money and time to spend on travel. Senior tourism and inclusive tourism overlap and are heavily dependent on each other (ENAT, n.d.; Lilienthal, 2007).

Another remarkable example is that recent war veterans have opened the doors to adventure travel for the disabled. Adventure tourism specifically for the mobility impaired is a niche within the niche, which is being developed in some tourism areas. Currently there are multiple alternatives of adventure tourism centres especially in Australia, UK, USA, and Canada. The 'Winter Paralympics' and the 'National Sports Centre for the disabled' are further examples that result from accessibility. Some of those destinations even offer diverse programs and job opportunities developed specifically for the disabled (CopperWiki, 2008).

Even and especially the cruise industry represents another excellent example of accessible tourism. Currently the most influential cruise operators extend their capacities substantially, by building highly accessible new cruise ships. In addition the terminals are redesigned and adjusted accordingly, and thus offer a distinguished destination for disabled tourists (Rains, 2007).

Clearly, accessible tourism can be enhanced by creating an inclusive society for all. To achieve the goal of inclusive tourism in the future, disabled people should stronger turn to their governments and those who are responsible for tourism promotion, and recommend them to introduce accessibility as criteria in accrediting and validating the tourism and hospitality industry. The government, as has been explained, could provide economic and other incentives to promote inclusive tourism for the industry, which means making travel and tourism destinations, products and information suitable for all those who have particular accessibility needs, their families and friends. A study by the University of Surrey, UK, has put the potential accessible travel market at more than 27% of the European population (134 million people), with expected revenues upwards of €83 billion for European travellers alone. According to the study, taking all people that profit from inclusive tourism into consideration, it shows that some 30 to 40% of all Europeans benefit greatly from this new trend (ENAT, 2008).

The president of the ENAT, Lilian Müller, predicts that

"Accessible tourism is not a niche market – it's a demographic explosion and we will all feel the effects. We have to improve access now."

The size of the target market for accessible tourism, as explained, increases rapidly. Worldwide there are 650 million people with mobility impairments that face travel barriers such as transportation difficulties, inadequate services, inaccessible destinations and shortage of people willing to help. Further problems include boarding air planes, finding buses, taxis, hotel rooms and restaurants (CopperWiki, 2008; ENAT, n.d.; World Tourism, n.d.).

Demand for accessible tourism offers is growing noticeably on a global scale and the tourism industry is starting to realise that tourists with reduced mobility form an important consumer group. Not only is a generation of permanently disabled people receiving increased opportunities of equal employment, education and leisure, but moreover are the needs for disabled tourists being taken notice of. People with disabilities have the same motivation to travel, however they are facing many barriers which need to be attended to and removed (ENAT, n.d.).

Some companies have already noticed the profitability of this market segment. Inclusive tourism is an important economic element and can be a true case for business. Many governments also improve their streets, attractions and monuments to become accessible. Both the government as well as the business sector have to acknowledge people's civil rights

(Travel for the handicapped, n.d.). They have to review their provided services and increase accessibility of every possible destination. By ignoring their legal duties, companies would lose profit.

Lilian Müller (ENAT, n.d.) furthermore claims, that

"Accessible tourism benefits everyone."

Everyone gets old eventually and everyone could get injured at any time; so everyone will at some point or another enjoy the advantages of inclusive tourism.

Conclusively a redesign of tourism establishments and services to this growing market segment will definitely create opportunities and competition advantages as well as employment and an increasing economy as a whole (European Commission Enterprise and Industry, 2008).

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18.0 Armchair tourism

Bringing the world into your living room

Annabel Baxter & Linda Pieszek

18.1 Introduction

Imagine the possibility of visiting any place in the world you want, maybe France, the Caribbean or even Alaska within one hour and without ever having to leave your living room. This form of niche tourism is referred to as Armchair Tourism, a fairly new way of exploring the earth without having to physically travel. This can be made possible through the Internet, travel literature or television (NationMaster, 2005).

The World Tourism Organization (WTO) defines tourism as follows: "It comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited." (World Tourism Organization, 2004).

According to this, defining Armchair Tourism as part of tourism, becomes impossible due to the necessity of physically going to another place. However, in the past niches like "Visiting Friends and Relatives" or "Day Trips" were not counted as a component of tourism either. Due to definition extensions they are now accepted and included in statistical surveys. Therefore, if tourism is not seen as a physical change of the whereabouts but rather as a change of ones psychological state for recreation, education, adventure, or other purposes associated with tourism, Armchair Tourism can also be included. Consequently, a new, more generalised definition could be, by seeing tourism as a "temporary change of experiential state or environment or lifestyle" (Josef Mazanec, n.d.).

Until today media like books, television and the Internet are mostly seen as sources of entertainment or information for people and companies use them as distribution channels for marketing purposes. However, what if it were possible to use the different media in the travel industry not just as an addition to the decision-making process, but also as a direct substitute for travelling? Rather than simply advertising products via the media, Armchair Tourism could be the revenue source of the future for tour operators or other holiday service providers by offering a completely new type of holiday product and information search. New developments like the 3D-Television or virtual worlds on the Internet could add value to the typical holiday experience through allowing far more possibilities without any stress and hassle that might occur during an ordinary holiday.

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The following discussion will separately focus on the three main parts of Armchair Tourism: Books, television and the Internet, in form of virtual tourism thereby examining the existing market, future possibilities, and upcoming trends.

18.2 Market focus

18.2.1 Books

Through the improvement of the letterpress printing by Gutenberg in the 15th century books have become a wide spread media and an important part of humans culture (Wikipedia, 2008). Until the emergence of the Internet, books were the Armchair Tourism media because they were the best information source for people who wanted to inform themselves about a travel destination or imagining the life there. Nevertheless new media have slowly overtaken the time spend on reading. The book market cannot easily be segmented due to the many factors that influence people's buying and reading behaviour like time, income, education, living conditions, or personal preferences. A study by PricewaterhouseCoopers concerned with the reading behaviour of Germans shows that 67% of the 1,224 people asked read to relax and recruit (PricewaterhouseCoopers, 2007), which

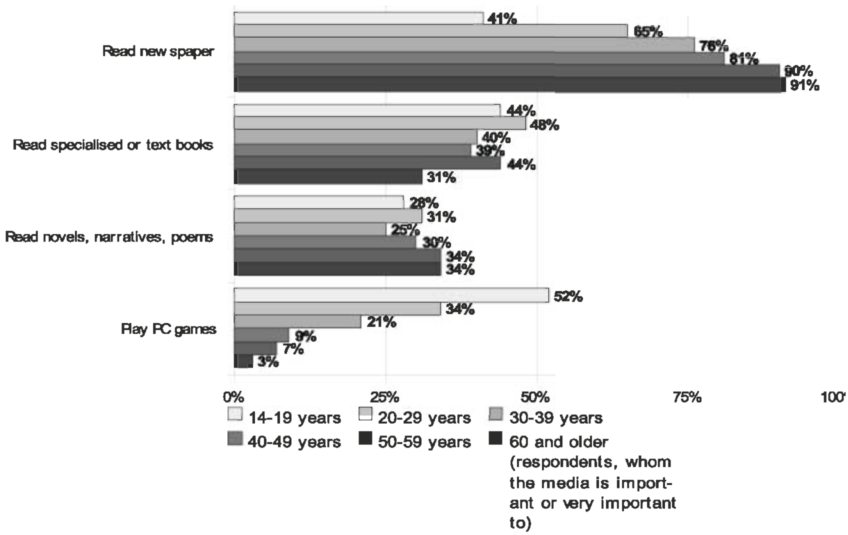

Figure 18a: *Books reach all age groups* (Stiftung Lesen, 2008)

is also a reason why people go on holiday. When looking at the age groups it is very difficult to connect age groups with certain genres as Figure 18a shows.

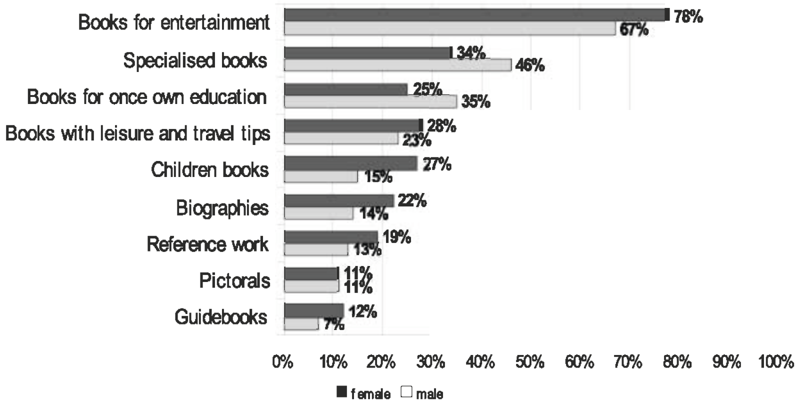

Figure 18b: Type of books kept for oneself (PricewaterhouseCoopers, 2007)

Figure 18b shows that pictorials and books about free time and travel tips are relatively popular. Those genres are especially interesting for the tourism industry as they give the customer an impression about the illustrated or described place without the reader actually being there. Also travel literature such as travelogues, which belong to specialised books, are a good way to transfer the impression of a country.

The question arising now is how much influence, do those books have on the reader's choice of holiday type and how the tourism industry could use it to their benefit. In summary, although the trend goes to entertainment books there is still a big readership buying travel-related books. In general women tend to read more than men but both genders have clear book type preferences. For companies this means a great challenge of finding the right target market since no clear reader type, gender or age group can be foreseen.

18.2.2 Television

With the commercialisation of the television in the late 1930s it was possible to see moving images for the first time, since then it registered a steady increase in usage over the last decades (Wikipedia, 2009). Today 98% watch television at least once a week as seen in Figure 18c. Not only the popularity increased, but also the duration as seen in Figure 18d. Watching television for five hours a day is not a phenomena of only one age group. There is no significant difference when looking at the average retention sorted by age (AGF, 2009).

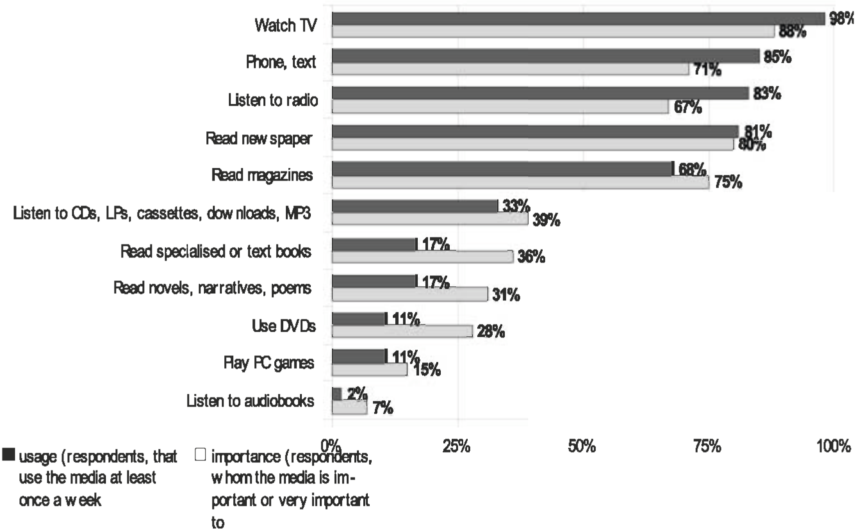

Figure 18c: *Usage and Importance of different media* (Stiftung Lesen, 2008)

The only differentiation can be made by looking at the types chosen. While viewers aged 40 and older prefer formats where they can gain knowledge or inform themselves, for the younger generation entertainment shows are more popular (Institut für Demoskopie Allensbach, 2008).

Different travel magazines like the German "Voxtours" or "Wolkenlos" get good viewing rates and even lead to an increased booking. As Klaus Laepple, president of the "Bundesverband der Deutschen Tourismuswirtschaft" (German Association of tourism economy) says:

"After some programmes people come to a travel agency right the next day and book because the pictures were so convincing" (Translation: Laepple, n.d., quoted in Friedrich, K., 2004)

Reasons for the popularity of the television industry as a vacation adviser might be the more lively impressions the viewer gets compared to looking at a picture. Today those formats serve more as an incentive and information source, but with the innovations and developments occurring in the television industry people might not feel the need to travel anymore. This could be made possible through the inventions of the 3D-television or video on demand, which – by recreating a real world – could serve as a substitute for actual travelling, arouse emotions, and create holiday feelings.

Basically television seems to be a media for everyone, although formats interesting for the

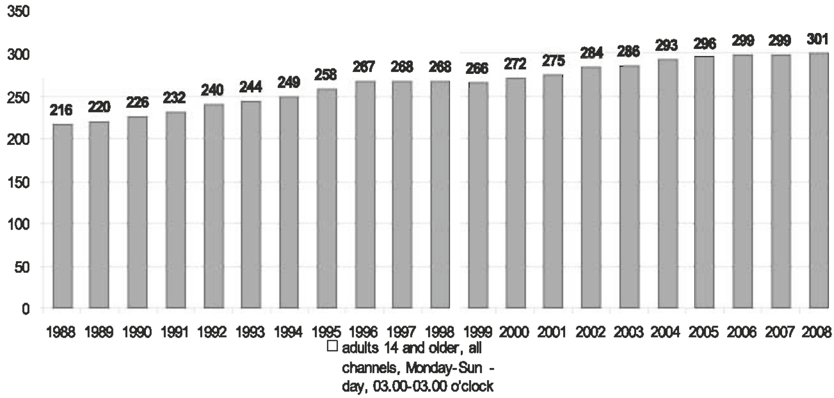

Figure 18d: *Development of the average retention period per viewer/day in minutes 1988-1991 FRG, since 1992 whole FRG, since 2001 FRG+EU* (AGF/GfK Fernsehforschung, 2008)

Armchair Tourism such as travel magazines or cultural documentations are more focused on the market aged 40 and older. Nevertheless the younger generation should not be neglected since new developments will enhance the experience of watching TV increasingly attracting younger viewers.

18.2.3 Internet

"All the world's a stage, and all the men and women merely players", this citation of Shakespeare from 1599 seems to very well describe the new evolving world of a virtual reality on the Internet. Virtual worlds like "Second Life" have experienced a boom over the last years, drawing in more and more users in search of endless possibilities and the thrill of switching identities and roles. But what implications can virtual worlds have for the travel industry? Are virtual worlds the new travel agencies of the future?

In the last years the Internet has evolved to the most commonly-used source of information offering endless possibilities to its users. According to the German Federal Office of Statistics approximately 69% of all households in Germany were in possession of an Internet access, in 2008 (Statistisches Bundesamt Deutschland, 2008).

According to the VIR (Verband Internet Reisevertrieb e.V. – Alliance Internet Travel Market incorporate society) 72.3% of all people in possession of an Internet access already have experience with the information search for holidays and the total revenue of the online travel market in Europe for 2008 was forecasted with 58.4 billion Euro (Verband Internet Reisevertrieb, 2008).

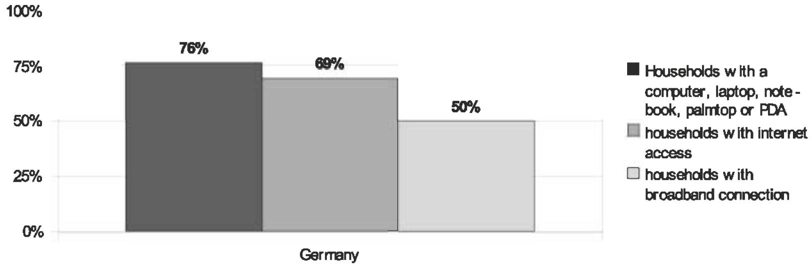

Figure 18e: Information and communication technologies in German private households 2008 *(Statistisches Bundesamt, 2008)*

On the Internet, "Second Life" is the biggest, most popular virtual world with more than 11.7 million registered members and about 500,000 people that log on every month (Kerkmann, 2008). The idea is to offer all users a platform, which allows them to communicate with each other, to become creative and experience a different world, far away from daily routine and stress. All objects and destinations are designed and developed by the members (Wallace, 2005). In general "Second Life" is supposed to attract everyone, but mainly men (62%) with a high Internet affinity use the virtual world on a regular basis. The proportion of pupils and apprentices (20%) and unemployed (6%) is nearly twice as high as the Internet average (Fittkau & Maaß Consulting GmbH, 2007). For the future a target group that could be particularly interesting for virtual tourism, are disabled and sick people that are not in the physical state to travel but through this new offer would be given the possibility to see the world and visit different places, which may even increase their healing process (Williams & Hobson, 1995).

However, what implications does "Second Life" have on virtual tourism? An explanation approach is given by Philip Rosedale, the founder and chief executive of Linden Lab:

> *"It's very interesting to be inside somebody else's vision of what the world should look like. Unless you're concerned with taste and smell, Second Life provides an almost perfect canvas for creating escapist environments. It's an incredible tourist destination." (Rosedale, 2005)*

Even though Rosedale describes "Second Life" as a perfect tourist destination, it is important to make clear that virtual tourism is still in its exploration phase. There are still many limitations and challenges especially concerning the target market for the tourism industry. As mostly pupils or unemployed visit the virtual world on a regular basis, this does not offer a big target group with a considerable purchasing power. Furthermore a lot of people only sign up to "Second Life" out of curiosity; they enter the virtual world once, but then never return. This reduces the potential target group even further. Therefore in the future solutions need to be found in order to attract more potential customers and to make Armchair Tourism profitable.

18.3 Supplier landscape

18.3.1 Books

Germany alone has 2,843 publishing companies and although the book market steadily increases every year, in 2007 by 2.5% (Börsenverein des Deutschen Buchhandels, 2008), the travel literature segment experienced a 25.4% decrease in December 2008 compared to 2007 (Kochhan, 2009). With the increased usage of the Internet, information about different countries is accessible faster, cheaper and more up-to-date; advantages that make it difficult to compete against. Hence, market leaders like MairDumont or Frommer's also increasingly focus on their online presence with detailed descriptions, videos and photos of destinations. Companies like Marco Polo, which belongs to MairDumont, try to counteract by renewing their travel books to make them more attractive for a younger target group (Marco Polo, 2008). Another way is to differentiate your product from the competition. The "Goldfinch Verlag" for example publishes individualist travel guides for British locations (Goldfinch Verlag) and the "Landschriften Verlag" is an expert for agro tourism (Zanella, 2008).

Yet travelogues serve a different customer segment. It is not primarily its purpose to inform the reader but more to transfer the author's feelings and thoughts and with that, make the reader feel like he is travelling. The best example is Hape Kerkelings best seller "I'm Off for a Bit, Then" a travelogue about his pilgrimage on the Way of St. James with its almost 2.9 million copies sold (Landler, 2008). Some publishing companies in Germany that created an extra division serving the travelogue segment or specialised in it are for example "Piper" with "Malik", "Dryas" or "Michael Müller Verlag".

18.3.2 Television

As for now there is no tour operator offering television products and therefore a television vacation does not exist yet. However, travel magazines or other formats documenting a foreign destination have great influence on the decision making process.

In 2008 Samsung introduced the first 3D-screen with which it is possible to watch films, documentations or sports in more depth with the help of special goggles (Pichler, 2008). As for now this is only possible for programmes which were filmed with a particular camera, but this is the beginning of a new television era. Also, the improvements in the sound area will enhance sound quality and give people the feeling they are somewhere else.

With Pay-TV, Pay-per-view, Video-on-demand or similar concepts the industry developed a new television experience by making it possible to see what the customer wants when he wants it. In Germany 4.7% of all households with a TV already own a Pay-TV decoder (Statistisches Bundesamt Deutschland, 2008). Comparably this is not a huge percentage but when looking at other countries like the US with already 82% of all households with Pay-TV, it is very expectable to also gain importance in Europe (Pettey, 2007). The television industry is responding more and more to customer's needs by reducing their hassle while waiting for a film or stop showing advertisement during films, which are the first steps to make the customer prefer their television time over an actual holiday.

18.3.3 Internet

As the virtual tourism market is still in the exploration phase, the question is if it currently is profitable for tour operators to offer virtual holidays. Where is the value-added of an imaginary holiday in comparison to a real holiday? Also, why should potential customers pay money for services in “Second Life”, which they could easily get for free on other websites or in their local travel agency? There is a lot of potential in the virtual tourism market, but at the moment most suppliers simply see it as an addition in order to sell their real holidays, not as a substitute for an actual holiday.

TUI was the first big tour operator to offer a virtual travel agency in “Second Life” in 2007. Dr. Ingo Markgraf, chief of marketing in the volume business at TUI, says

“Therewith TUI once again appears as innovation leader and with the performance in Second Life at an early stage develops a new path to address present and potential customers in a visionary, emotional way.” (Translation: Markgraf, 2007)

TUI offers a whole new way of looking at holidays by combining actual holiday products, hotel and destination information and virtual holidays. The users can visit different three-dimensional islands, relax on the beach or take a dip in the pool, in order to experience the TUI holiday feeling, which should then encourage them to book a real holiday on the TUI-website (TUI Deutschland, 2007). A very different approach is taken by Thomas Cook, another tour operator that uses “Second Life” as a marketing platform. The company offers a guided tour for users that do not have any experience with virtual worlds. The tour takes place in a Condor airplane and shows up the most interesting places in “Second Life”. Participants have the opportunity to ask questions which are directly answered (Thomas Cook AG, 2007). Other suppliers of the tourism industry in “Second Life” are Synthravels, the world’s first virtual tour operator, STA Travel, a tour operator especially for students and Starwood Hotels. Jean-Ann Mills who works in Event Management and Community Development at “The Electric Sheep”, a 3D virtual content company, explains the thrill of virtual worlds:

“Virtual worlds, whether they are Second Life or others, give consumers a more hands on opportunity to experience tourism and travel. Here, travel and tourism can interact with consumers in a variety of ways. It's a very exciting time for the travel business.” (Mills, 2007)

At the moment no money is charged for all services offered by tour operators in “Second Life”, meaning that there is no direct competition. Due to further technical developments, this will probably change over the next years, creating new challenges and opportunities for the virtual tourism industry. “Second Life” may not be the ultimate platform that will be used in the future, but at the moment it offers tour operators and users the possibility to gain experience with this new media.

18.4 Conclusions & outlook

Although reading is currently - and will continue to be - an important skill, the way of reading will change in the future. The time spent on reading books for pleasure will be replaced by listening to audio books. The time spent reading books to collect information will be replaced by researching in the Internet as it is more up to date, faster and cheaper. The improvements made in the communication market like worldwide Internet access on a cell phone overtake the advantages that books ones had. Publishers will have to think of something that gives them the competitive advantage over the Internet or audio books otherwise travel magazines, travel guides but especially pictorials or travelogues will be off the market sooner or later. Specialising is one way; another would be to publish books online although then it becomes more difficult to gain profit due to general availability. Travel related books will not disappear in the near future but since the Internet is already a more used source of information it becomes harder and harder to withstand the proliferation of technology.

As for now the television-enabled Armchair Tourism is still at an early stage and focuses on giving information rather than using it to create a holiday. Then again the developments in the television technology will improve its quality and cause an even greater usage. 3D televisions and other inventions like 5D films where the senses smell and feel are included or goggled, which produce a 360° image in front of one's eyes, will gain ground.

As Pay-TV becomes more popular tour operators may see a chance to use television not only as a way of advertising their products but also as a direct profit-generator. This could be through producing films about a destination or offering trips around the world similar to Thomas Cook in "Second Life".

Higher transportation costs combined with an ever-increasing gap between the rich and the poor will lead to less people being able to afford frequent leisure travel rendering television is an attractive substitute. Hence, tour operators or new entrants should consider the potential this media more extensively especially regarding its power of influencing the decision of vacationers.

For TUI, Thomas Cook and Co. virtual tourism offers good possibilities; a second new market place next to travel agencies could be created. In the future it might even be feasible to combine these two different market places and achieve one homogenous product that offers the customers not only just the information search but also the alternative to explore their chosen destination and hotel beforehand through entering virtual worlds. Selling could be made easier for travel agents, as it would give them the opportunity to visualise the product for their clients and therefore make it more tangible. Virtual tourism may never completely replace travel agencies but through combining these two elements a new value added for the customer could be created which may even lead to an extra economic benefit in the idea of charging for the use of travel agencies.

But does virtual tourism also have the potential to totally substitute the classical holiday? Virtual worlds enable the perfect holiday, the weather would always be great and no stressful travel arrangements would need to be made. It is cheaper and a lot less time-consuming. Furthermore places could be visited that are normally never seen like the Arctic or the rainforest, trips to the future or back in time would also just be a mouse click away. Elderly people would not have to worry about health issues and the fear of accidents could be eliminated (Cheong, 1995). Shortcomings of virtual worlds like "Second Life", originating from technological restrictions, still need to be addressed. At the moment they just cannot be compared with real life, excluding senses such as with taste and smell. Nevertheless virtual worlds are not completely safe yet; they also are confronted with theft, fraud and child pornography. The biggest criticism that "Second Life" faces though is a question that everyone needs to answer for himself or herself: Shouldn't people first consider living their first life before creating an imaginary second (Lober & Schmitz, 2007)?

In general, Armchair Tourism is still in its developing phase and has a lot of potential. For the tourism segment it offers the potential of reaching new target markets by approaching the customers that are too risk-averse or physically disabled and would therefore never go on an actual holiday. In order to win this type of client, the tourism industry should act according to the motto "If the customer won't come to the destination, the destination must come to the customer". At the moment it may not be a significant and seriously-considered tourism niche but in the future it will gain more importance due to technical developments and a resulting change in demand. People will no longer have to travel but can access the whole world directly from their living room.

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19.0 Wellness tourism

Current trends, challenges & opportunities

Esther von Harten & Malte Stoelting

19.1 Introduction

"You lose sight of things...and when you travel, everything balances out."

(Daranna Gidel, n.d.)

In the authors' opinion, this quotation reflects quite well the character and the purpose of the tourism form that is discussed in this article. The term 'wellness' can be defined in various ways and associations concerning its related way of living, products or medical treatments diverge greatly (Smith & Kelly, 2006). Mueller and Lanz Kaufmann (2001) define wellness as "a state of health featuring the harmony of body, mind and spirit, with self-responsibility, physical fitness/beauty care, healthy nutrition/diet, relaxation (need for distressing)/meditation, mental activity/education and environmental sensitivity/social contacts as fundamental elements". Wellness is not a new phenomenon. It is one of the oldest forms of tourism, if we think about the ancient Greeks and Romans that cared a lot about their well-being, or the elite of rich people that spent their summer at the medical seaside in 18th and 19th century (Smith& Kelly, 2006).In today's advertisement, however, the term is often misused as a promotional attribute for miscellaneous products, what causes misunderstandings and damages the idea of wellness (DTV, 2002). According to a survey conducted by 'TUI', hardly two respondents associated the same with the term (DTV, 2002).

This article deals with wellness tourism, as a relatively small but quite fast growing niche segment within the tourism industry. It shall provide an overview of the target market and some opportunities and risks, suppliers of wellness tourism products are confronted with.

Wellness tourism can be defined as "the sum of all the relationships and phenomena resulting from a journey and residence by people whose main motive is to preserve or promote their health" (Mueller & Lanz Kaufmann, 2001). In this context, it is important to make a distinction between *wellness tourists* who are usually healthy and want to maintain or promote this state and *cure guests* whose prime motive is recovery and to heal their illness (Mueller & Lanz Kaufmann, 2001).

Although, in recent years, the wellness sector has experienced a significant growth, this segment still faces some problems. For instance, many people have prejudices against wellness and are sceptical about the quality and effectiveness of alternative forms of

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medical treatments. Moreover, it is questionable that the positive impacts of wellness activities, which tourists experience on holiday, contribute to a sustainable well-being. However, Smith and Kelly (2006) argue in their paper, that often, this experience induces people to engage further in these activities, thus demonstrating its long-lasting effect.

19.2 Market focus

First of all, it has to be noted, that despite the fact that current, reliable figures for the German wellness tourism market are not available, there is little doubt that, in recent years, this niche segment has experienced a significant growth. This increased demand for wellness tourism products can be partly attributed to the impacts of social, economic and demographic megatrends in our society such as: globalisation, individualisation, increased complexity, stress potential and pressure to perform, changes of the working environment, higher health consciousness, and the ageing of society (DTV, 2002; Liebsch, 2003). Many of these factors fuel the need for relaxation and recovery which is provided by wellness products.

In recent years, more and more German companies have become aware of the positive impacts of wellness with regard to the motivation, performance and productivity of their employees. As a result, firms like SAP, Telekom, Daimler-Chrysler, Siemens, or Lufthansa regularly send their most important employees to health and wellness seminars in order to preserve their performance capabilities and, in the case of Lufthansa, to promote a 'Corporate Health'-philosophie (DTV, 2002).

In order to design an effective, successful marketing mix for wellness tourism products, it is necessary to identify the different customer segments and cater to their specific needs. Mueller and Lanz Kaufmann (2001) distinguish between *four different guest segments*:

Demanding health guests: mainly represented by women with the lowest average age of fewer than 48; primarily seek health promotion and set great value on information, competent, professional care and comprehensive wellness facilities

Independent infrastructure users: only segment with a majority of men; availability of wellness facilities like whirlpools or saunas, is much more important for them than professional advice

Care-intensive cure guests: main reasons for a stay at a wellness institution are therapy, healing and recovery; want to be cared and advised individually by medical competent staff

Undemanding recreation guests: oldest group with an average age of 58 and with the lowest expectations; neither extensive infrastructure, nor information and individual care are important for them; simply want recreation and relaxation

Furthermore, Mueller and Lanz Kaufmann (2001) emphasise the importance of the distinction between the needs of the third group of the *care-intensive cure guests* and all the other segments. Although both cure and wellness guests could be accommodated in the same hotel, each group has to be addressed separately by corresponding marketing activities.

The main target group for wellness tourism products are the group of the so-called 'baby boomers' with an age of late 30s to mid-50s, especially women (Smith & Kelly, 2006). Often, guests have an academic degree and an above-average disposable income. Most wellness tourists travel alone or with their partner and stay at higher classified hotels. Besides, short breaks of between two and five overnight stays at a resort that can be reached by car within two hours become increasingly popular (Liebsch, 2003). Other recent trends are exotic alternative forms of medical treatment and other therapies, such as Chinese medicine, Buddhist meditation, Indian Ayurveda or Thai massage (Smith & Kelly, 2006). If suppliers recognise these trends early enough, implement them into credible high quality products and succeed in attracting new target groups, like men or families, by developing products which are tailored to their particular needs, one can predict further growth in the wellness tourism sector.

19.3 Supplier landscape

There are five countries worldwide which can be said to be the leading suppliers of wellness tourism products. Those states are Germany, Austria, Switzerland, Hungary and the USA (Goodrich & Goodrich, 1987). In this article, the authors will focus on the German speaking market.

It is difficult to give a clear-cut description of the German wellness tourism market, as there are numerous different suppliers, whose number and revenues are officially not available (DTV, 2002). Some of the most important suppliers are on a micro level tour operators, hotels, wellness resorts, thermal spas, health farms or, on a macro level, whole destinations such as health resorts, cities and states (Goodrich & Goodrich, 1987; DTV, 2002). Each supplier tries to differentiate itself from the competition, by offering different services, the same service at a better quality or at a lower price, or by local advantages, such as the existence of famous historic sites, or nearness to the sea (Goodrich & Goodrich, 1987).

Interestingly, wellness components can be easily integrated as additional services available at extra cost, into almost every kind of tourism product, for example long-haul journeys, short breaks, family holiday resorts, or cruises (www.web-tourismus.de, n.d.). Wellness tourism products are mainly sold as package tours via travel agencies (Liebsch, 2003). While in the past, wellness products were exclusively offered by specialised tour operators, such as 'FIT Reisen' or 'Kewel Reisen', today, almost every big tour operator, such as 'TUI' with its brand 'TUI Vital', 'Airtours', or 'Thomas Cook' with 'Neckermann Care', offers such products in special catalogues (DTV, 2002).

According to Mueller and Lanz Kaufmann (2001), there are *four different types of hotels*, offering wellness products:

- *Software hotels*: represent the largest group; focused on providing extensive information, individual care, professional medical knowledge and opportunities for training and relaxation
- *Hardware hotels*: attach importance to the availability of a broad range of wellness facilities
- *Traditional medical care institutions*: comprehensive wellness facilities are much less important for them than individual care and medical know-how
- *Fake wellness hotels*: represent the smallest group; neither provide a good medical service, nor extensive facilities

One can conclude that each of the different groups of guests, which were mentioned above, would potentially fit to one of the before named four types of hotels. For instance, the *demanding health guest* would best suit the characteristics of the *software hotels*, the expectations of the *independent infrastructure user* are most likely to be fulfilled by a *hardware hotel* and the *care-intensive cure guest* should probably choose a *traditional medical cure institution*. The *undemanding recreation guest* can even be expected to be satisfied with a *fake wellness hotel*.

In order to remain competitive in the market, hotels and other suppliers of wellness tourism products have to be aware of the needs and wants of these different guest segments and make investments in their infrastructure. Often, these investments in the building and maintenance of wellness infrastructure, especially in hardware facilities, such as saunas or thermal spas, are very cost-intensive and require a long time to become profitable, as measured by the return on investment ratio. This involves a high risk and could be seen as a potential entry barrier. Moreover, often companies only invest in the quantity of facilities and services supplied, instead of considering the required expertise and the quality aspect (DTV, 2002). Actually, according to Mueller and Lanz Kaufmann (2001), "the quality dimension of wellness services is increasingly becoming the decisive competitive factor". In addition, as stated by Goodrich and Goodrich (1987), not only the facilities, but also "the medical staff at the health-care facilities should be first class so as to maintain high quality services". Besides, Mueller and Lanz Kaufmann (2001) mention that, most of the average 3- to 5-star hotels already provide comprehensive wellness facilities. Consequently, to maintain their exclusiveness, wellness hotels should specialise in terms of health information and individual care, or by providing a wide range of cultural and relaxation programs (Mueller & Lanz Kaufmann, 2001).

Despite the numerous challenges and risks, faced by the suppliers of wellness tourism products, they have one crucial edge over their competitors in other related tourism segments. Because nearly every kind of wellness service is implemented indoor, the wellness tourism sector is less affected by seasonal fluctuations, as fine weather is not the decisive criteria for people to book a wellness trip. This results in a more balanced occupancy rate for the companies and reduces risk tremendously, as they are less exposed to such a random factor like weather.

19.4 Conclusions & outlook

The intention of this paper has been to familiarise the reader with the term 'wellness' and to introduce him to the target market segment and the different suppliers of wellness tourism products. Due to the lack of current, reliable figures for this sector, emphasis has been placed on generic current trends, challenges and opportunities. In this part, the main statements which have been made in this article will be summarised. Following these assumptions, an evaluation of the future potential for the wellness tourism segment can be conducted.

If wellness tourism products shall not only be a temporary fashion, but remain sustainably successful, it is crucial that the suppliers of those services prove the promised positive impacts of those products, by delivering high-quality products and services. Besides from offering modern facilities and equipment, qualified, professional staff is required that possesses the necessary medical expertise. Moreover, instead of solely enhancing customers' well-being temporarily during the holiday, wellness products must be designed in a way so that they contribute to the sustainable improvement of health and the mental state. It is essential for wellness providers, such as hotels, to focus on the needs and wants of the respective customer segment they want to address. In this context, it is particularly important to distinguish between wellness tourists, who intend to maintain and promote their health and well-being, and cure guests who seek healing and recovery. A wellness supplier who tries to meet the expectations of all the different segments is unlikely to be successful, as its image and brand identity will not be clear-cut enough to reach and persuade the customer. Thus, companies have to communicate a clear and consistent message in their marketing activities in order to address the desired target group and to prevent misunderstandings concerning the product. Moreover, if wellness providers succeed in attracting new segments like men, families, or younger people, which, until now, basically have been disregarded, by developing corresponding products, there is still a significant growth potential in the wellness sector. Further opportunities are given by current trends, such as the alternative forms of medical therapy from Asia. However, these trends have to be recognised early enough and then must be implemented into serious, high-quality products. Besides from competitive criteria, such as price, or the kind and quality of services provided, the importance of the attractiveness of the surrounding area as a choice criteria should not be underestimated. In order to increase their revenues and profit margins, tour operators should reconsider their distribution strategy for wellness products. It might be an option to use other distribution channels than travel agencies, who demand provisions and thus lower profits. As mentioned earlier, wellness components can be easily integrated as an additional service into almost every common holiday package. For instance, big tour operators, such as 'TUI' who have the necessary IT-infrastructure could trade of the costs against the benefits of selling wellness products, as additional components within the dynamic packaging process, via their website. Furthermore, wellness hotels could reduce the risk of building and maintaining expensive facilities by commonly sharing their infrastructure with other hotels in the area. In addition, they should focus on quality rather than quantity, not only regarding the hardware facilities, but also with respect to personnel.

Coming to a conclusion, one can assume that in case wellness tourism suppliers follow the above explained guidelines, there is still a significant growth potential inherent in the wellness sector. The above mentioned impacts of social, economic and demographic megatrends society is increasingly confronted with are likely to stimulate the demand for wellness tourism products in the next decades.

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20.0 Cultural tourism

Janina Deeke & Melanie Walter

20.1 Introduction

Culture has always had a strong influence on tourism and its origins. However, as the tourism industry developed and grew bigger, cultural tourism became somewhat of a niche in the big tourism market.

Nonetheless, it is very difficult to find only one definition of cultural tourism. For example the World Tourism Organization describes it as follows:

"Cultural tourism includes movements of persons for essentially cultural motivations such as study tours, performing arts and other cultural tours, travel to festivals and other cultural events, visit to sites and monuments, travel to study nature, folklore or art or pilgrimages". (1985, as cited by Sigala & Leslie, 2005, p.7)

In his book "Kulturtourismus – Marktstrukturen Fallstudien Perspektiven" (Steinecke, 2007, pp. 4-5), Albrecht Steinecke differentiates even between supply, demand and value oriented definitions of cultural tourism.

The supply oriented definition looks at how buildings, relicts and customs of a region are used to familiarise visitors with the cultural, social and economic development of the destination by offering holiday packages, guided tours, visiting possibilities and specific information material.

The demand oriented definition on the other hand looks at the behaviour of the tourists:

"Cultural tourism includes all travels of people who leave their residence temporarily in order to gain information about the culture of the destination".

The value oriented definition concentrates on the sustainable use of cultural historic monuments and relicts in order to raise interest and understanding for the destination.

When looking at culture and tourism separately, the Oxford Dictionary offers the following definitions:

"Tourism: The commercial organization and operation of holidays and visits to places of interest"

"Culture:

1. *The arts and other manifestations of human intellectual achievement regarded collectively*
2. *A refined understanding or appreciation of this*

A. Papathanassis (Ed.), *The Long Tail of Tourism*,
DOI 10.1007/978-3-8349-6231-7_20,

3. The customs, institutions, and achievements of a particular nation, people, or group. …"

(Oxford University Press, 2008)

Thus, cultural tourism could also be defined as the commercial organisation and operation of holidays and visits in order to gain a refined understanding of the arts, customs, institutions and other manifestations of human intellectual achievements of a particular nation, people or group.

Cultural tourism therefore includes holiday trips with the main goal of visiting museums, theatre plays, musical performances, archaeological sites, churches or other cultural manifestations. That aim is applicable to almost any vacation form, as even package tourists may leave the beach for a day or two in order to discover their surrounding area and culture. However, an actual focus on learning about other cultures on vacations can mainly be found with city trips and educational vacations, such as study trips, language holidays or guided tours. Thus the main challenge of tour operators in positioning in the niche of cultural tourism is the actual definition and restriction of their niche.

This chapter will look at the following questions regarding cultural tourism:

- Who is the target group?
- Who are the main suppliers?
- What are the future trends for cultural tourism?

20.2 Market focus

According to the ATLAS Cultural Tourism Research Project,

"Cultural tourism has been identified as one of the most rapidly growing areas of global tourism demand." (Richards, 2007a)

But who are the people causing this demand? As it is already relatively hard to define cultural tourism, it is even harder to define who cultural tourists, the target market for this niche, are. After all, 21% of the Germans over 18 years of age surveyed by Statista ideally want to experience new cultures on their holidays (Statista.org, 2008).

Another problem that occurs with the definition of the target group is for example that not everybody who visits a cultural site is a tourist. In 2004, only 20% of visitors at cultural attractions were foreign tourists whereas 40% were locals from the surrounding area (Richards, 2007b, pp.14-15). Nonetheless, in 2007, foreign visitors spent more than three times as much as people from the local area (approx. 800 Euro as compared to 260 Euro) (Richards, 2007b).

Nonetheless, one needs to take into consideration that these figures include costs for travel, accommodation and food. Those costs, especially travel costs, are naturally much higher for visitors from abroad, which may partially explain the difference in overall spending.

A further problem in defining the target group for cultural tourism is to draw a line between regular package tourists that may visit one or the other cultural site on their vacation and the "real" cultural tourists, whose main goal it is to learn about other cultures on their holidays.

According to the ATLAS research, the most important reason of the surveyed people for travelling was going on a general holiday (over 55%), followed by the wish to visit a cultural attraction (above 15%) and visiting relatives and friends (almost 10%). Not even 35% of the holidays bringing the visitors to the attractions were considered a cultural holiday, the remaining 65% were a mixture of touring holidays, city trips, sun/beach holidays, ecotourism, health/wellness trips, rural holidays, creative/educational holidays and sports holidays (Richards, 2007a).

Another paradox can be seen on Statista.org, where only 6% of Germans said they have been on a cultural holiday within the past twelve months before being questioned (Statista.org, 2008). However, 32% of Germans said to have been on a city trip within the last twelve months, which can also be considered a form of cultural tourism (Statista.org, 2008).

The above mentioned figures are a further example of how hard it is to define cultural tourism and tourists. Are all those visitors cultural tourists because they combine their holiday with visiting a cultural site? Or can only the approximately 35% that consider themselves as being on a cultural holiday be actually called cultural tourists?

The World Tourism Organization even goes as far as indicating that every kind of holiday needs to be included in cultural tourism as they

"satisfy the human need for diversity, tending to raise the cultural level of the individual and giving rise to new knowledge, experience, and encounters" (Richards, 2007b, p.2)

In order to define the profile of a potential cultural tourist, it should be sufficient to look at the visitors of cultural attractions, as those visitors are most likely to have a cultural focus on their holidays as well.

In general, the profile of a typical visitor of cultural sites has not changed within the past ten years in which ATLAS has been conducting its surveys. In 2007, 53% of the interviewed were female and the largest age group present was the one between 20 and 29 (30%), both figures being in correlation with ATLAS surveys of the previous years (Richards, 2007a).

The large presence of the age group of 20-29 year olds shows the importance of the young target group in cultural tourism. This is also supported by further research which showed that "discovering other cultures" was the single most important reason for young people to travel (Richards, 2007a). After all, even though the German population is getting older – causing a general focus on older target groups in many industries –, young tourists still account for about 20% of the global market. Also, rising incomes as well as a growing number of single households lead to more travel among young people (European Travel Commission, 2006).

Moreover, cultural tourists tend to be rather highly educated, with over 50% of the visitors having a Bachelor degree and an additional almost 20% even having a Master or Doctoral degree. Those results match the figures regarding the occupations of the visitors. 56% were employed in higher educational jobs, e.g. professional (40%) and managerial occupations (16%). Interestingly, almost 30% of the visitors worked in a job already connected to culture, as compared to 3% of the EU population (Richards, 2007b, p.15).

Hence, the main target group for cultural holidays should be young professionals and rather highly educated consumers. In addition, students may be a very interesting target group for the low budget side of cultural tourism, such as backpacking, as they are highly interested in foreign cultures.

According to Statista, 14% of the surveyed Germans work in a managerial position and even 48% have a supervisory function (Statista.org, 2008) indicating a high education and income level for those people. Those figures indicate a potentially high demand for cultural tourism within the defined target group since, as explained above, those people have a strong interest in cultural sites. Thus, this target groups is very attractive for suppliers due to the size as well as the high income levels.

Furthermore, tourists with a strong focus on cultural attractions tend to stay longer at the destinations and thus spend more money than the regular tourists (Richards, 2007b, p.11), which makes the niche of cultural tourism especially interesting for suppliers.

20.3 Supplier landscape

As shown above, the terms cultural tourists and cultural holidays are not easy to define. The most important vacation forms that can be included in this segment are – as mentioned earlier – city trips, language holidays and study trips. More important for the definition however is the motivation that a tourist has to go on the holiday, such as visiting performances, museums, monuments, etc. As described by Albrecht Steinecke, for most German residents the actual vacation form is not as important as simply *"doing something for culture and education"* (Steinecke, 2007, p.11).

Thus, barely any holiday exists in which culture plays absolutely no role at all. Due to the broad spectrum, the identification of suppliers for cultural holidays, i.e. tour operators, is equally difficult. All of the big mass tour operators – such as TUI, Thomas Cook, etc. – also include city trips, round trips and/or culturally oriented excursions in their programmes (TUI.com and Thomascook.de). The tour operator Dertour for example produces a separate catalogue only for city trips and also offers the possibility of booking extras, such as event tickets, guided city tours, excursions, etc (Dertour.de).

When looking at study trips, the most important and well known tour operators for intense cultural holidays are surely the study trip specialists, such as Gebeco, Dr. Tigges and Studiosus. Some facts about those three main competitors in the German market are listed in Figure 20a.

But of course there are many more specialists for all the different variations and sub-segments of cultural tourism (e.g. Dr. Koch, Karawane Reisen, Lernidee, Prima Tours, Windrose, etc.), making it hard to see who is a possible competitor for whom.

This is also confirmed by Albrecht Steinecke:

"Nowadays supply is broad and it is hard to keep an overview of all the different subsegments and suppliers". (Steinecke, 2007, p.1)

Furthermore, indirect competition arises as many cultural destinations or cities also offer direct booking possibilities through their websites or tourist information offices.

Thus, the competition in this segment is large, but due to the different positioning possibilities and wide range of products, the entry barriers are not too high for possible new entrants and many suppliers can coexist with the right positioning strategy. A more direct competition than in between suppliers for cultural holidays rather exists within the separate sub segments, such as between suppliers for language holidays, the ones for study trips, for city trips, for guided tours, for religious holidays and so on.

Of course the big mass tour operators who include one or more of those sub-segments in their product range – either within the mass tour operator brand or as a separate brand – have a competitive advantage due to economies of scale as well as due to a strong brand image. Nonetheless, many tourists that want to put a focus on cultural aspects on their holidays may prefer small specialists with a good reputation in order to receive a more individual and customised vacation of high quality.

As small specialists do not make profit through a high number of customers, they have to make sure that they have a high enough profit margin. In order to achieve that, they need to draw attention to their unique selling points (USPs) in order to justify the higher prices. Those USPs may for example be experience, customised holidays, closer contact to locals, etc.

Another challenge that all tour operators face when offering cultural vacations is the necessary cooperation with the destinations/cultural sites and the locals in order to manage the conflict between saving the cultural resources and promoting the touristic attractiveness of the destination.

	Gebeco	Dr. Tigges	Studiosus
History	• 1978 Gebeco (= Gesellschaft für internationale Begegnung und Cooperation) was founded in order to enable unique destinations for a broader audience, organising mainly trips for universities, etc. • 1998 Dr Tigges becomes part of Gebeco and Gebeco thus becomes part of the World of TUI	• 1928 foundation of "Gemeinschaftsfahrten Dr. Tigges", concentrating on trips to neighbouring countries of Germany and on small travel groups • 1948 relaunch of Dr. Tigges after WWII • 1967 Dr. Tigges is involved in founding the "Touristik Union International" (TUI) • 1990 TUI converts Dr. Tigges into "TUI Studienreise" • 1997 Dr. Tigges is relaunched • 1998 the brand Dr. Tigges is integrated in the company Gebeco as "Dr. Tigges StudienErlebnisReisen"	1954 Studiosus Reisen GmbH was founded
Catalogues	• "Studienreisen" • "Erlebnisreisen" • "Städtereisen" • "Wander- und Radreisen" • "Erlebnis-Kreuzfahrten" • "Die besondere Reise" • "Sondergruppen-Reisen" • "Reisebausteine" • "Privatreisen" • "Reisen à la carte"	• "Studienreisen" • "Dr. Tigges Auslese" • "Sprachreisen"	• "Studiosus Studienreisen" • "Studiosus • Familienstudienreisen" • "Studiosus me & more" "Studiosus CityLights" "Studiosus Sprachreisen" "Kultimer" • "Marco Polo Reisen" • "Studiosus Gruppenreisen" "Gesellschaft für Medienreisen"
Focus / Philosophy	Study- and Experience Trips, reduce/remove stereotypes, raise understanding for other cultures and people	Consumers are „Travellers" and not „Tourists", not only looking at sights, but also getting in touch with locals	Getting to know and understand other countries, people and cultures, reduce/remove stereotypes
Employees	Gebeco and Dr. Tigges together have more than 200 employees		Studiosus has 285 employees
Tour Guides	n/a	250 tour guides / reps	650 tour guides / reps
Competitive Position	Count themselves to the leading tour operators for study trips	As Dr. Tigges is part of Gebeco, it can be assumed that they consider themselves in the same position	View themselves as market leader
Sources	www.gebeco.de	www.drtigges.de	www.studiosus.com

Figure 20a: The three main suppliers for cultural trips in the German market

Nonetheless, there are also several advantages of concentrating on the niche of cultural tourism. As already mentioned above, the potential customers are usually well educated and have professional, rather well-paid jobs. Furthermore, they show a tendency toward staying longer at the destinations and spending more money. Based on the example of Castilla y León in Spain, 36.7% of the visitors there had an annual income between €30,000 and

€54,000, 9.1% even more than that. Their main motivations for visiting were cultural ones, such as monuments and art/history (Richards, 2007b, pp.157-158).

Furthermore, the demand for cultural vacations is unlikely to cease as the interest in other cultures will always be there, even more so in today's growth of globalisation. After all, the older a cultural attraction is, the more attractive it becomes.

Overall, due to the typical customer profile, cultural tourism is an attractive segment for specialists, even though the positioning may be rather difficult.

20.4 Conclusions & outlook

In general, the market segment of cultural tourism – even though it is rather difficult to define – offers a big and attractive target group with high incomes and a high willingness to spend money. It thus promises high revenues for suppliers that manage to attract this group. Furthermore, as the competitive situation is rather unclear due to many sub-segments and different specialisations within the segment, those circumstances offer many possibilities for differentiation and the positioning of niche tour operators. Even though many competitors exist, most of the competition is rather indirect. But competition is likely to get stronger in the future as more tour operators realise the growing interest in foreign cultures and thus qualitative changes may be necessary for the existing tour operators in order to keep a competitive advantage.

According to the company Invent GmbH, a trend towards more conscious travel behaviour can be observed due to better education, causing a higher demand for more specialised products as well as a stronger focus on art, culture and history in the tourism sector (Invent GmbH, 2008).

The European Travel Commission believes that globalisation will also have further impact on the values and holiday expectations of young people and says that booking possibilities and information need to have the right amount of quality and be available on the internet (European Travel Commission, 2006).

Additionally, the demand for the typical package holiday will decline (European Travel Commission, 2006). Therefore, tour operators may need to start offering more individualised and customised holidays. That is certainly easier to achieve for small niche tour operators than for the big ones, who will always need to approach a wider audience in order to maintain their competitive advantages and economies of scale.

Looking at the future, there seems to be a growing demand from young people for more active holidays. Thus, it may be sensible for tour operators who want to aim at the target group of younger people for cultural holidays to combine that vacation form for example with adventure holidays, like white river rafting, horseback riding, trekking, biking or similar activities (European Travel Commission, 2006). A combination of cultural holidays with other vacation forms is also supported by the following citation from the report about Tourism Trends for Europe by the European Travel Commission:

"Cultural tourism is growing in Europe, ... The major driver of increased consumption is likely to be rising education levels. ... Cultural tourism motivations are shifting slowly towards a more general interest in cultures, rather than specific cultural goals. This suggests a need to combine culture, leisure and entertainment products in the future"(European Travel Commission, 2006)

A challenge that all tour operators will have to face increasingly in the future is that, with the advance of the internet, many consumers – especially the young ones, who are a main target group for cultural travels – may decide to purchase all the separate components of a journey online directly at the respective suppliers, such as airlines, hotels, cultural attractions, etc.

According to the Atlas research, only 17% of visitors were travelling on package holidays, the rest either booked their travel and accommodation arrangements separately in advance (over 40%) or did not book anything in advance at all (almost 40%). Just over 30% of those who did book in advance, booked at a travel agency, whereas more than 25% booked directly via phone or fax. More interesting however is the fact that the percentage of bookings via the internet has increased from about 15% in 2004 to over 40% in 2007. Moreover, right after consulting family and friends, the internet was the second mostly used source to gather information about a destination before going the holiday (almost 40%) (Richards, 2007a).In conclusion, if the demand and the trends within the main target group are understood, the niche of cultural tourism holds a promising future for specialist tour operators. As Albrecht Steinecke put it:

"Culture is a touristic resource with a long tradition, a lively present and a promising future"(Steinecke, 2007, p.1)

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21.0 Educational tourism

Language holidays, study trips, educational trips and further training

Nele Menzel & Anna Weldig

21.1 Introduction

"The best education a bright man will find on his travels."

Already in the 18th century Johann Wolfgang von Goethe (1749-1832) recognised the educational factor on travels. He and many other young European noblemen like Wolfgang Amadeus Mozart undertook the Grand Tour to enlarge their education by touring Europe and as visiting students at universities.

By visiting foreign places and exploring new countries people extend their knowledge just through impressions and experiences. In general all journeys have a learning effect whether or not these travels are intended to have an educational purpose. Furthermore there are people who travel basically to take part in a learning programme. David Bodger (1998) defines an educational journey as:

"Program in which participants travel to a location as a group with the primary purpose of engaging in a learning experience directly related to the location.".

This quotation can be transferred to study trips known as organised voyages for exploring countries directed by a skilled guide. Besides the study trip we divided the focus area in more sub-areas since they have different learning objectives. The second sector of educational tourism is language holidays; organised trips where one improves his language skills in a specific course. Thirdly, there is the field of further education for business life. In this domain, employees travel to attend in conferences, seminars etc. to gain additional knowledge. In most cases educational tourism includes not only the aim of learning but also an intention to recreate. For example the participant can spend a day at the beach, get a massage or use other wellness offers or join sports courses.

The following chapter examines the suppliers by means of history, size and competitors according to three fields mentioned earlier; the target market with regard to the age, degree of education and other particularities of addressed customers and actual travellers; concluding with a prospect of the future and possible trends.

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21.2 Supplier landscape

21.2.1 Language holidays

"Learning English, French or Spanish at exciting holiday resorts worldwide! Excellent coached language trips with plenty leisure time activities take teenagers to language courses to the US, Canada, England, Ireland, France, Spain or Malta." (iSt Homepage, n.d.).

A language holiday is designed to learn a foreign language in the country it is spoken where the participants attend a language course. In addition to that the programmes for pupils include various free time excursions.

The market leader LAL founded in Munich in 1980, focused in the beginning on the target destination Great Britain. A few years later in 1987 the Frosch Touristik GmbH (today's FTI Touristik AG) took over the company shares of LAL. Over the years long-distant journeys became more popular and in 1991 LAL opened their first language school in the USA. Five years later the company extended their programme to the African continent. Today they are owner of more than 60 language schools in the whole world and accredited by the Deutsches Institut für Normung e.V. Since LAL offers their journeys without any transport to the destinations they launched the website lalfly.com to provide the possibility to find suitable flights (LAL homepage).An overview of the products can be found in one catalogue or at LAL's website. Their portfolio comprises language holidays for adults, pupils and business related language courses. More than 320,000 people travelled with LAL until today with 15,000 customers annually in the last years (LAL homepage).

Another big member in the market of language holidays is the company EF-Education First whose mission is "to break down the barriers of language, culture and geography that divide us." (EF-Homepage: EF in Kürze, n.d.).In 1965 EF was founded by Berti Hult in Sweden who was displaced by Louise Julian in 2002. The High-school programme in the US started in 1976 and 2 years later the first EF International Language School opened in Cambridge/England. In the middle of the 90's EF launched the online language school Englishtown.com which is one of the first innovative and interactive web-offers (EF-Homepage: Unsere Geschichte, n.d.).On their web-page EF presents 8 different programmes for pupils and 7 programmes for adults.

In this market sector EF and LAL are main key players who compete also with firms like iSt Internationale Sprach- und Studienreisen GmbH and Carpe Diem Sprachreisen.

In contrast to EF, LAL is member of FDSV – Fachverband Deutscher Sprachreise-Veranstalter e.V which has the aim to create checkable quality standards for the consumer. In addition to the DIN-certificate this membership ensures the quality of the companies programme offer and therefore provides more confidence to the customer.

EF's competitive advantage is a wider range of products. Next to normal language holidays one can spend a high-school year in the US or prepare ones master studies. Further competitors are all small providers of language holidays and also study trip vendors like

Studiosus that offer language travels, too. Indirect competition arises from language courses at home including adult education centres or books and PC programmes for self-learning. Compared to language holidays these possibilities are much cheaper, easier to reach and cause less trouble in terms of travel circumstances and acclimatisation.

21.2.2 Study trip

"Gently hills, cypresses and olive groves..., experience the heart of Italy! Roam the wonderful landscape of the Tuscany, enjoy the cultural highlights like Florence, Siena and Pisa and discover the cradle of Renaissance." (Gebeco catalogue, n.d., p.48)

This trip like many others, designed for just a small group, includes a directed tour with a professional guide; the visit of city with places of interest, churches, exploring the countryside and getting to know culture and locals.

In the field of study trips Studiosus with the sub-brand Marco Polo leads the market. Studiosus exists since 1954 when Werner Kubsch founded the company in Munich. Director Werner Kubsch guided the first tours by himself. In 1992 Peter-Mario Kubsch took over the management of the family business in the 2ndgeneration. He expanded the concern through the purchase of the study trip specialist Marco Polo Reisen in 1998 (Wikipedia.de, n.d.).

The market leader position can be proved with the guest number of 101,800 in 2008 and the 234.2 million Euro turnover. Moreover Studiosus releases 10 catalogues with more than 1,000 journeys (Studiosus homepage: Presseberichte, n.d.).

The 2ndbiggest supplier for study trips is Gebeco with Dr. Tigges and goXplore. Built in 1978 as Gesellschaft für internationale Begegnungen und Cooperationen mbH & Co KG (short Gebeco) by Uri Steinweg the firm wanted to offer low cost short trips to especially Eastern Europe in the beginning. As the first German tour operator they organise city trips to Beijing and until today they are one of the leading European vendors for journeys to China. In 1998 the company took over the brand Dr. Tigges and simultaneously became a member of "World of TUI". Ten years later they launched the adventure brand goXplore (Gebeco homepage, n.d.).

The Dr. Tigges brand and enterprise itself was founded in 1928 as "Gemeinschaftsfahrten Dr. Tigges" by Dr. Hubert Tigges. Already in 1956 Dr. Tigges undertook the first trip to East Africa and in 1961 to East Asia and South America. A milestone in the history of Dr. Tigges is their participation in the establishment of the Touristik Union International (TUI) in 1967. The brand name was abolished in 1990 by TUI but reissued seven years later (Dr. Tigges homepage, n.d.).

Gebeco's turnover in the year 2007 add up to 118 million Euro (Feyerherd, 2008) and their portfolio amount to 10 different catalogues of all brands for the travel year 2009.

The main competition in this area takes place between these two companies shown by the fact that the 3rd largest firm Ikarus has less than half of the sales of Gebeco (Studiosus homepage: Unternehmen, n.d.). A possible reason why Studiosus has nearly twice the number of sales than Gebeco (Studiosus 2007: € 219 million) could be that Studiosus was founded 24 years earlier than Gebeco and therefore might have a better experience and higher degree of popularity (Studiosus homepage: Unternehmen, n.d.).

Even if smaller companies like Ikarus or Djoser do not have as big numbers of sales as the two key players they bid for every customer and demonstrate a competition that should not be underestimated because there are many of these providers (Lettl-Schröder, 2008). Further competition arises from suppliers of language holidays. More and more of their programmes include cultural parts meaning that customers can combine their language holiday with the contents of study trips. Moreover normal holidays compete with this segment of tourism. Everybody is able to visit interesting places on their own and get to know destinations and residents.

An important key challenge of study trip operators is the dependency of current condition in the specific destinations. Since they travel to extraordinary and exotic places all over the world they often have to cope with political instability or natural catastrophes. For example in spring 2008 Gebeco and Studiosus had to cancel their study trips to Tibet because of political turbulences (Schweizer, 2008).

The competitive advantage over mass tourism providers for both study trips as well as language holidays is the long-term experience and the popularity. The key players operate since more than 25 years which gave them the possibility to observe the market for a long time and gain expertise. Because of the long period of existence the brand names are very well established in the mind of the customers. The importance of this feature can be proved by the fact that TUI displaced the brand name Dr. Tigges by "TUI Studienreisen" but reinvented it 7 years later probably because of minor success of the renaming. In connection with this it is shown that the big tour operators are interested in offering language holidays and study trips as well since Gebeco is part of TUI group and LAL belongs to FTI.

21.2.3 Educational trips and further trainings

In this third group of educational tourism no major key players can be defined because there are no suppliers who are specialised on just offering educational trips.

These kinds of travels are:

- Planned by employers who want further education for their employees,
- Organised by producers who invite their traders or potential retailers to provide an insight into their researches and related projects or

- By official associations like Bundesverband deutscher Bestatter e.V (BDB). The BDB offers for example a 2 ½ -day workshop about photography for morticians including accommodation and food (BDB homepage, n.d.).

There are also companies who provide journeys for education but normally have a different main business. An example is HeMa Event GmbH, an event agency for architecture fairs that developed a journey for architects named aRCHItektOUReN (architektouren.net, n.d.). Competition for educational trips and further trainings arises not from their own ranks but from educational courses at home town or further education on the internet since these possibilities save money and time. The offer of educational trips is not considered by mass tourism providers since this market is fairly small and fragmented.

21.3 Market focus

After the analysis of the supplier landscape for the three mentioned kinds of educational tourism the next section will focus on the demand side for these journeys. It will contain information on numbers of participants, their particularities and age structures.

21.3.1 Language holidays

The general customer of language holidays books a language trip on the one hand to learn a language completely new or on the other hand to expand their previous knowledge. Additionally they want to come into contact with like-minded and get a holiday feeling because of staying in a foreign country.

Against the overall perception that language holidays are just an option for pupils all providers of language holidays are focused on adults as well as on pupils and students. The current market of language holidays has around 160,000 travellers with a percentage of 51% adults and 49% pupils of whom more than 80% decided to learn English (FDSV homepage: news, 2008). An important characteristic of the overall target group is the fact that 90% are single-travellers, a fact that is unlikely to change notably in the future (Lettl-Schröder, 2008).

According to the FVW, the segment of 50+ participants has increased by more than 20% in the last years. The supplier Studiosus (generally known for study trips), records bookings mostly from 40 to 70-year-old attendants on their language holidays, who are predominantly females (Lettl-Schröder, 2008).

Although the segment of best-agers is growing their bookings aggregate up to 5% of the language trip vendors (Lettl-Schröder, 2008). Consequently, the rest consists of pupils, students and young employees which are addressed by customised programmes. The supplier EF focuses mainly on this target segment since they appeal to young people up to the age of 30. For pupils from the age of 7 to 19 they offer language holidays lasting 2 to 4 weeks, a multi language year (3 languages, 9 months, 3 countries) for 18+ and corporate language trainings for young employees. In contrast other providers even have special programmes for the older clientele, for example iSt with their supply “50 plus worldwide”.

21.3.2 Study trips

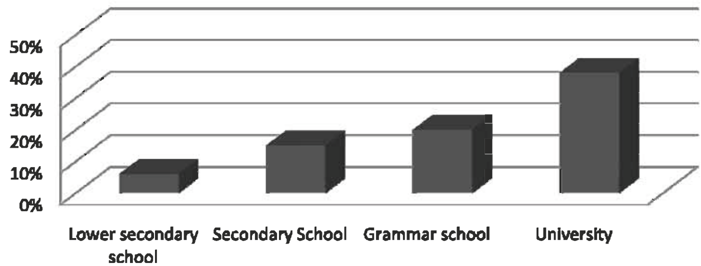
The customers for study trips search for an organised holiday where they can immerse themselves into specific topics like history or architecture, while enjoying the convenience of mainstream vacations.

The target market for study trips compared to the language holiday market looks quite different. The quantity of guests in this domain according to FVW (Lettl-Schröder, 2008) is estimated to an amount of 250,000 participants in one year and according to the tourism researcher Horst W. Opaschowski it will demonstrate a future percentage of 13% in tourism (Opaschowski, 2001, p.146). Furthermore Studiosus states on their homepage that the four biggest suppliers of study trips generated overall sales of 388.7 million Euro in 2007 (Studiosus homepage: Unternehmen, n.d.).

The classical age to discover this form of travel is around 50 years because children left home and financial situation allows spending money on a study trip. Participants from 35 to 50 are mostly single persons or childless couples. The attempt to reach a younger clientele was of minor success but nevertheless for example the suppliers Studiosus and Gebeco try to get their attention with particular programmes (Mundt, 2006, p.327). Studiosus' brand Marco Polo promotes the Young Line Travel Reisen for customers at the age of 20 to 35 and goXplore as a brand of Gebeco wants to attract young (and young at heart) clients.

Another criterion that characterises the target market is the degree of education of the travellers (Reisetops.com). The general consumer is a well-educated person often with a university degree because with an increasing degree of education the interest in study trips rises. Opaschowski states in his book "Das gekaufte Paradies" (2001, p.146) the proportion of people who vote for a study trip as their holiday. The following diagram reveals his results:

Figure 21a: Percentage of people voting for study trips as form of holiday for the future



21.3.3 Educational trips and further trainings

The attendants of the next segment distinguish completely from the customers of the previously presented journeys, whose primary aim is leisure. Educational trips and further trainings are particularly done because of business related reasons. People attending educational trips have the intention to extend their knowledge in order to be more qualified in business terms afterwards. The target group for such trips are therefore mainly companies and their employees. Since some trainings are company-instructed, the customer to convince is the company instead of the person who takes part in the course. Besides the employee can take the initiative to undertake further trainings because he wants to get a higher qualification to be promoted or yet to change the job. In times of higher unemployment the demand for retraining is even higher.

Because of the heterogeneous offers and customers of this market, concerning the field of studies there are no significant numbers of participants of educational trips.

21.4 Trends & conclusions

The future outlook for the language holiday market shows an increasing demand. In times of globalisation the importance for a second and third foreign language will rise. International operations of companies, studying abroad, immigration and emigration result in the necessity to learn another language. Also the proceeding Anglicism evokes the need to have English skills mainly for elderly people since they are not used to the English language.

“There is a growing trend for the combination of language trips with holidays and free time experiences typically for the country”(Lettl-Schröder, 2008). This quotation refers to two new models of language holidays. The first one is called the “travelling classroom” where the acquisition of the language is combined with round trip through the particular country. The main purpose is to learn a language in a recreational environment in contrast to the normal dry courses. Secondly, more and more vendors offer free time packages in addition to the language courses. One example is EF that promotes its four different leisure time programmes Culture & Citylife, Career & Business, Lifestyle & Wellness and Adventure & Sports (Lettl-Schröder, 2008).

As already stated in part 20.3 (Market focus) the language holiday offers are more and more recognised and booked by an elderly clientele. The demographic change supports this future trend. According to the Statistisches Bundesamt the population is getting older over the next years: the segment 65+ is growing by approximately 10% until 2050 and the percentage of the 45-65 year-old will nearly remain the same. From this it follows that the targeted group of 40+ is stable and represents an important factor for marketing (Bundesministerium des Inneren, n.d.). Nevertheless the demographic change has a negative impact regarding the declining section of people younger than20 years because pupils form an important part of the language holiday target market (Bundesinstitut für Bevölkerungsforschung, n.d.).

As just mentioned the fragment of 45-65 years-old will stay the same which also affects the market for study trips. The demand will presumably be steady in the next years as the main target group consists of people of that age.

The tourism futurologist Dr. Horst W. Opaschowski states in his book "Das gekaufte Paradies" (2008, p.146) that the interest in undertaking a study trip acts in accordance with the degree of education. Figure 21a illustrates a percentage of 38% university graduates who vote for a study trip as a form of holiday. In 2007 286,391 students succeed in their final examination (handelsblatt.com, 2008) around 30% more than in 2000 (wissenschaft-weltoffen.de, 2008). Hence the group of potential bookers is estimated to rise further on in the future.

A current trend in the field of study journeys is private travel. *"The area of private travel is growing."* says Ury Steinweg whose company Gebeco however has a proportion of private travellers of less than 10% (Lettl-Schröder, 2009). Private journeys are based on the general study trips but whose date, guides and exact itinerary are individually planned. Often this kind of travelling is done by business-people and freelancers who chose a shorter time frame than offered in a catalogue (Lettl-Schröder, 2009).

Furthermore it can be observed that a growing number of participants are interested in study trips to the Middle East for example Israel, Jordan and Syria. Studiosus' booking numbers of Jordan and Syria tripled and the costumer numbers of Israel are four times higher than in the year before (hagalil.com, n.d.). Regarding Europe there is a tendency towards eastern countries like Russia and the Baltic states.

In general it is noticeable that the big providers of study trips Studiosus and Gebeco offer a broader variety of programmes. Both vendors organise hiking tours and adventure trips in addition to their classical study trips. Studiosus actually released catalogues for special family journeys and trips combined with extraordinary events.

The financial crisis of 2008 has a sensible impact on the whole tourism market. Following the FVW the real dimension cannot be evaluated yet. The ratio between optimists and pessimists regarding the future development of the market is one-to-one (Krane, Lanz, Rogl, & Jegminat, 2009). The statement "We perceive considerable diffidence of bookings. We have still some hope that the customers just wait a little longer with their bookings [...]." of the owner of Studiosus P. Kubsch illustrates the situation for study trips. He reacts to that process by adjusting capacities (Lettl-Schröder, 2009a).

The consequential impact for the educational market may be the reduction of educational trips and further trainings because companies have less money available and therefore will supposedly invest less in employees training.

Finally, educational tourism can be summarised as trips with the leading thought of education where the consumer can learn about specific themes in a distant environment. In the market for study trips as well as for language holidays a few big suppliers dominate the scene for example Studiosus or LAL followed by a huge number of small companies. Due to the diversification of the market for educational trips and further trainings it consists of many different vendors with a small range of offers.

Language holidays are offered to pupils, young employees and elderly people who are interested in refreshing their language skills. Customers going on study trips are mainly well-educated persons between 40 and 60 years, without children or whose children already moved out and with an adequate income. Educational trip providers market their product to any kind of employers and their employees.

Although the explored tourism segment is a niche market it is attractive for the suppliers because the trend towards more education probably leads to a stable or even growing market in the future.

"Travelling cultivates the mind and removes all other prejudices."

Oscar Wilde (1854-1900)

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22.0 Revisiting the tourism long-tail scenario

Epilogue

Alexis Papathanassis

22.1 Synthesising tourism micro-tails: Support for the long-tail scenario?

Having had an extensive look a number of niches, one may gain the impression that the potential for specialists is endless. Tourism niches are built on persisting social trends such as:

- Sustainability (e.g. Agro-, Inclusive-, Eco-tourism)
- Experience-economy (e.g. Space-, Sport- & Extreme-, Military-, Film-, Dive-tourism)
- Self-development & individuality (e.g. Cultural-, Educational-tourism)
- Hedonism & voyerarism (e.g. Drug-, Sex-, Dark-, Armchair-tourism)
- Consumerism (e.g. Shopping-tourism)
- Conscious living (e.g. Religious-, Wellness-, Health- & Medical-tourism)

Niches emerging from such trends have a significant potential, at least on the medium-term, since they (trends) arguably represent what one may call: 'Megatrends'. As such, each niche product appeals to a larger proportion of population, representing an additional face of the same holiday-consumption coin. In other words, the niches examined are neither mutually exclusive in terms of target market, nor do they appeal to a 'special' group of consumers. The combination of megatrends with tourism globalisation (i.e. increasing amount of countries developing their tourism infrastructure = new destinations) and technological advances in human transportation (e.g. mega-ships, commercial space-travel), results to an enormous potential for new specialized holiday niches with profit and growth potential. And indeed, our case studies revealed a mostly promising outlook for each of the niches examined.

Synthesising the contents of this book so far, we have an ever-growing tourism sector, the mainstream holiday package in a constant state of crisis and a number of niches with appeal and growth potential. At a first glance, this supports Anderson's (2009) scenario of demand becoming more granular over time, with niches gaining ground against mainstream offers. The 'revenue distribution tail' will become longer, fatter and with a gradual shift towards specialists. Nevertheless, this assertion fails to take into account three particularities of tour

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operating: capacity risk, inseparability between holiday production and consumption (customers' perceived-risk), and the potential reaction of the large tourism groups.

22.2 The enemies of 'democratisation': Risk and existing governance structures

The long-tail scenario is based on 3 effects: democratization of production, democratization of distribution and connection between supply and demand. Like in societies, the main enemies of any king of 'democratisation' are fear and power-related interests. In a similar sense, despite the opportunities offered by information technology and the internet, one still cannot ignore the fact that tour operating is a risky business; for companies as well as for end-customers. Unlike other information-intensive products, holidays are fairly expensive and flight- / bed-capacities represent a major financial risk.

22.2.1 Tour operators: Capacity-related 'fear'

As the departure dates approach, unsold capacities are practically 'dumped' into the market to minimise financial losses. More often than not, small-medium tour operators have neither the size, nor the distribution possibilities to sustain a seasonal demand slump for their packages. Within a relatively small niche segments, demand can be expected to be more volatile and unpredictable. Bankruptcy is thus quite common in this context.

Arguably, this is one of the major forces leading to a relatively high concentration in the tourism sector. Large, mainstream holiday-producing, tourism groups can sustain this kind of risk by maintaining a rather extensive brand and product portfolio, whilst being able to redirect risk capacities in different brands, source markets and distribution channels. Moreover, their IT infrastructure and integrated system landscapes enable a shorter time-to-market implementation of yield management activities (e.g. price reductions, promotions). Specialists, without these possibilities, rely on conservative planning (i.e. contracting capacities way below expected demand) and a continuous investment on repeat customers; with ever-increasing costs and often at the expense of new customers. Even though such measures decrease demand volatility and risk in the short-term, they also inhibit growth and market development in the medium- and long-term. **A democratisation of holiday production remains a hostage of capacity-related risk management.**

22.2.2 Customers: 'Fear' of the 'unknown'

Holidays are by nature inseparable and intangible. Services cannot be physically examined beforehand, and are produced and consumed concurrently. This, in conjunction with their relatively high cost (financial and opportunity-related), renders them a high-risk consumption possibility for end-customers. In order to deal with this perceived, and arguably real, risk, customers engage on extensive information searches and a consideration of aspects such as: tour operator reputation, and brand awareness (Papathanassis & Knolle, 2011). In turn, the democratisation effect on distribution enabled by the internet remains a challenge for specialists. **The customers can, at least theoretically, locate their preferences and book their niche holidays on the internet; the question is whether they are actually willing to do so.**

Despite the rapid diffusion of the Internet in the European tourism sector over the last decade, a closer look reveals that over half of the bookings involve flights (Marcussen, 2009). More information-intensive service components such as hotels and car rentals represent a rather small fraction of online bookings. Mainstream holiday packages represent only approx. 14% of online bookings. Where specialist packages are concerned one can expect a miniscule role of internet sales. Taking for example the cruise sector, currently amongst the most promising tourism niches (Papathanassis, 2009), online sales represent only 7% of cruise revenues (Peterson, 2008).

Interestingly enough, looking at the top 20 travel websites ranking by Hitwise (2010), the online market travel seems to reflect the concentration structure evident in the stationary market (figure 22a).

Rank	Website	Visits Share
1.	Google Maps	17.48%
2.	MapQuest	6.54%
3.	Expedia	2.92%
4.	Southwest Airlines	2.51%
5.	Bing maps	1.89%
6.	Yahoo! Maps	1.77%
7.	priceline.com	1.77%
8.	TripAdvisor	1.52%
9.	Delta Air Lines	1.50%
10.	Orbitz	1.29%
11.	Yahoo! Travel	1.28%
12.	Travelocity	1.25%
13.	American Airlines	1.02%
14.	CheapOair.com	0.95%
15.	Google Earth	0.87%
16.	JetBlue Airways	0.85%
17.	Hotwire	0.83%
18.	MyTrafficMaps.net	0.79%
19.	Continental Airlines	0.77%
20.	Kayak	0.74%

Figure 22a: Top 20 travel websites 2010 (Source: Hitwise 2010)

In this ranking, tour operators and travel agencies are hardly represented, and those who are, belong to the mainstream. Nevertheless, referral sites, an essential distribution and marketing instrument for specialists, seem to be gaining importance (PhoCusWright – Hitwise, 2008). **Colourfully stated, it seems that, even though internet-based holiday distribution is in principle democratic, it is by far not a democracy.**

22.2.3 The 'long tale': The role of integrated tourism groups

Mainstream tour operators, have long-realised the individuality trend and the resulting importance of variety and customisability in the holiday market. Moreover, increased variability and fragmentation in the holiday market, ultimately disables standardisation. Price-transparency, price-parity (across channels), and price–comparison become difficult, enabling higher profit margins for all players. To manage the trade-off between a cost-saving standardisation and profit-generating differentiation, mainstream tour operators enrich their standard holiday packages with extra features and maintain large brand portfolios. Extra features range from:

- Additional holiday components (e.g. insurances, rental car option, exclusive transfers and excursions), to
- Different room type and catering options (e.g. sea view / partial sea view / pool view, standard / superior / deluxe, bed & breakfast / half-board / full-board / All-inclusive).

The corresponding tour operator brands selectively combine segment-compatible components with features and options and push tailored package descriptions through the appropriate distribution channels. This represents an instance of mass-customisation, aided by a plethora of holiday brochures, complex price tables and buzzwords such as: 'dynamic packaging', 'real-time packaging' and 'x-products' to create the impression (and benefits) of endless choice and individuality. Nevertheless, at the end of the day, it represents essentially variations of the same mainstream holiday package; not necessarily a different form of holiday satisfying non-mainstream motives. Thus, it appears more like a 'long-tale' as opposed to a 'long-tail'.

This is not to suggest that this is necessarily negative. At the end of the day, mass-tourism has transformed a 'privilege for the few' to practically a 'right for the many'. Mass tourism has enabled and supported economic development in many countries and has arguably contributed to the understanding between different cultures. What we are suggesting here is simply that the tourism sector is not as 'long-tailed' as it may seem.

22.3 Who's wagging the tail: Implications for mainstream tour operators

Large mainstream tour operators, despite their 'long-tales', are still faced with low profit-margins and price competition. In order to improve profitability, they have opted for expensive vertical integration across the tourism value chain. In other words, they have 'bought' the profit margins of holiday component suppliers down the chain. This additional profit has proven also very costly, due to integration and complexity costs; plus the additional risk, capacity-ownership implies.

Entering and developing niche markets, presents with an alternative opportunity to generate higher profits. In fact, mainstream companies have penetrated a number of niche markets such as educational (e.g. DrTigges belongs to the TUI AG) and wellness tourism. The danger here is that, in order to integrate those niches into the existing structures and operations, they are 'mainstreamed' and become part of the 'tale'. A typical example of this process is the development of the cruise sector initially a promising and profitable niche, becoming increasingly similar to a mass-produced holiday package and appealing to a much a wider-market than the one of the 'archetypal cruiser' (Papathanassis, 2009). Mainstream tour operators have been entering this market (e.g. TUI with TUI Cruises), while the ever-increasing capacities and competition are putting pressure on costs, prices and profits, leading to a more 'tale-like' standardisation (Papathanassis, 2010).

It seems that mainstream, mass-holiday producers are trapped into their own 'modus operandi' of standardising and increasing capacities to the point of un-profitability. That's what mass-producers do; they mass-produce! The current governance model characterised by a process-based departmental structure and source-market business units constricts the flexibility and autonomy required to serve niche markets. A directive, top-down style, at the top, politics in the middle-level and relatively low-pay at the mid- and low levels is not a satisfactory environment for knowledgeable, motivated specialists. Stated simply, profitable and innovative niche holiday experiences do not come out from a 'holiday assembly line'. Sustaining profits within each niche market, while managing a large portfolio of specialists, necessitates different structures, management practices and governance principles that those dominating in large tourism companies today. A decentralised profit-centre / business unit-type organisation is arguably more appropriate for managing a portfolio of specialists. Nonetheless, a decentralised profit-centre structure in its pure form (i.e. business units are solely responsible for their results and the holding is simply a non-operational financial reporting instrument), is not appropriate for dealing with the seasonality and increased capacity-risk plaguing specialists.

In a sense, what is required is a participatory (but not intrusive / controlling) and advisory (but not commanding) central function staffed by seasoned tourism professionals, who deeply understand the particularities of the holiday business. **A 'benevolent' holding** as such, which serves as a risk-buffer, needs to be coupled with clear objectives and expectations for the business units. As to encourage responsible autonomy, variable payment schemes and profit participation for the units' personnel (not just management) could be utilised more intensively. In such a model, corporate development departments of large tourism holdings are well-advised to extent their market research activities beyond maximising market-shares and conducting large scale customer surveys. Economic sustainability, innovation management, market exploration, industry-boundary redefinition and qualitative market research are strategic imperatives in this context. Our proposed model, is similar to the so-called 'aggregators' as described by Anderson (2009). However, 'aggregators' are essentially online marketplaces. The 'aggregation' proposed here, mainly takes place at the production level, subsidising risk management and R&D.

For a large tourism group, capable of profiting from niche market portfolio, the question of 'who is wagging who' is irrelevant. Neither should the holding 'wag' the specialist business units, nor should they 'wag' the holding. Analogous to every tail-wearing animal, the body and the tail they need to act as a one coordinated entity to enable survival in a risky environment.

22.4 Between bread-crumbs and a loaf: Implications for specialists

While many niches are short-lived and highly challenging small companies, those specialists who are successful and enjoy repeat customers tend to be very 'comfortable'. Concretely, this means that as long as operations run smoothly and repeaters are taken care of, the company makes profits; at least in the short-term. Such small-companies tend to have flat / lean structures, focus on daily operations and are hesitant in adopting innovations, new practices and technologies. Ironically, they tend to become victims of their own success. Product development and new customer acquisition is inhibited by the fear of dissatisfying repeaters. Investment potential is consumed in maintaining an increasingly demanding group of existing customers with ever-increasing expectations. Innovation and infrastructural / technological projects fall victims to limited fund-availability and human-resource deficits.

The ever-increasing competition of the mainstream large companies and the market volatility in niche markets, threatens the long-term economic sustainability of operationally-lean specialists. Often enough it takes a single unfortunate event, leading to a cancelled or badly-booked trip, to force them into bankruptcy. Markets and sectors evolve and the emergence of longer, thicker tails reflects such an evolution. Companies with the capability to develop and willingness to innovate can benefit in this context. Even though the 'democratisation of production and distribution' are not realised yet, they still reflect a potential. The question is: Who is going to realise and capitalise on it? Will it remain a 'long-tale' or will the 'long-tail' scenario materialise? Web 2.0, location-based services, open-source, crowd-sourcing, and online data-mining are more than mere buzzwords. They can be seen as re-distributers of production and distribution power in the holiday value-chain; as enablers of a 'tourism business democracy'. From a specialist's perspective this necessitates:

- Readiness to leave the 'comfort-zone' of repeat customers and operational routines,
- Willingness to experiment and explore new technological options, and
- Commitment to investing short-term profits in the longer-term 'organic' growth of the organisation (i.e. investment infrastructure and human resources)

The paradigm of the **'adventurous specialist'**, who while experiencing 'hunger' in a (capacity-driven) risky environment is still willing to use the 'bread crumbs' to create a 'bread loaf' instead of 'eating' them, is arguably a challenge. Nevertheless, many SME's, due to their owner-manager governance and the corresponding long-term focus this implies, are culturally-equipped to meet it.

22.5 A closing word on the future

The long-tail scenario should not be merely conceived as an extrinsic business inevitability. Its (degree of) materialisation and form does not just depend on socio-technological trends, but also on the tourism sector dynamics and the cumulative actions of its players – big as well as small. Mainstream tour operators could benefit greatly and finally 'crack' the 5% profit margin by embracing niche markets and re-engineer themselves to manage a portfolio of 'specialist stars' (as opposed to being restricted to 'mainstream cows'). Specialists can take advantage of the new and emerging technological possibilities to sustainably benefit from their chosen niches. End-customers can benefit from a wider choice of truly-individualised holiday experiences. For the sector as a whole, this could indeed represent a 'holiday' from cost- and profit-pressures and the associated, ethically- and environmentally-questionable, practices characterising current mass-tourism.

22.6 References

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