



**Component 2: Learning Aim A**  
Factors that influence global travel and tourism.



**Economic Factors**

**Economic recession** - when the economy declines significantly for at least 6 months. That means there's a drop in GDP, income, employment, manufacturing and retail sales. Can have a negative effect on the travel and tourism industry because people have less disposable income.

**Economic boom** - a period of increased commercial activity within either a business, market, industry or economy as a whole. People have more disposable income and are most likely to spend their money on luxury products such as holidays. This is a positive for the travel and tourism industry.

**Disposable income** - is the amount of money that households have available for spending and saving after income taxes have been accounted for.

**Levels of employment** - a measure of the extent to which available labour resources (people available to work) are being used. If people lose their jobs or become unemployed then they have less money to spend on holidays and are less likely to take a holiday.

**Exchange rates** - this is the value of the currency of one country against another. Rates of currency exchange are constantly changing. This will affect how much a tourists money is worth when they change it to another currency. Rates can affect how much a tourist will have to spend on holiday for services such as accommodation, meals out, entertainment and gift shopping.

**Fuel Costs** - the cost of fuel changes all the time, depending on the price of oil. Rising oil prices can affect the price of fuel and so travel and tourism organisations have to pass on this cost to their customers. Airlines may also reduce the amount of flights that they offer.

**Political Factors**

**Legislation and Regulations** - This can affect visitors in a number of ways. Certain laws are put in place to try to ensure visitor safety and security or to protect the destination.

**Trade and taxes** - some countries have a departure tax for when people leave the country e.g. the UK has a charge known as Air Passenger Duty (APD) which is added to the cost of flights for those with more than 20 seats.

**Political instability** - the threat or outbreak of war can have a huge impact on tourism. Holidays may be cancelled and tourists will be advised not to travel.

**Funding and tax incentives** - tourism can benefit a country in many ways, so governments are keen to develop tourism in any way that they can e.g. in Kenya, the government has introduced tax incentives such as removing VAT from air tickets and park entrance fees to encourage more people to visit.

**Passport and visa requirements** - to travel from the UK a tourist needs a valid passport in order to leave and gain entry to outbound destinations. Some countries also require a valid visa.



**Political Unrest - Kenya**

In January 2008, Kenya experienced severe political unrest. As a result of this, UK tour companies suspended visits to Kenya. The country experiences a 73% fall in visitor numbers for the first 3 months of 2008. When the country was considered safe again, Richard Branson became involved in promoting the country.

**Analyse** - examine something methodically and in detail, typically in order to explain, interpret or communicate something.

**Assess** - give careful consideration to the factors or events that apply and identify which are the most important or relevant. Make a judgement on the importance of something, and come to a conclusion where needed.

**Define** - give the meaning of a term or phrase.

**Describe** - give an account of something, such as steps in a process or characteristics of something. The response should be developed, but does not require justification or reasoning.

**Discuss** - consider the different aspects in detail of an issue, situation, problem or argument and how they interrelate.

**Explain** - provide reasoning to justify or exemplify a point. The response should be developed using

linked points providing reasoning/justification.

**Evaluate** - consider various aspects of a subject's qualities in relation to its context, such as strengths or weaknesses, advantages or disadvantages, pros or cons. Come to a judgement supported by evidence which will often be in the form of a conclusion.

### Natural Disasters

**Geological hazards** - earthquake, volcano, tsunami

Can cause damage to infrastructure that is important to the travel and tourism industry - hotels, airport, roads etc.

**Severe weather hazards** - flooding, drought, wildfires, landslides, tornadoes, avalanches, snowstorms

Can affect certain parts of the world on a regular basis.



### Whitsunday Islands Case Study

Whitsunday Islands is located in Queensland, Australia. Daydream Island Resort and Spa is a popular tourist destination. The region was struck by Cyclone Debbie in March 2017. This had a massive impact on tourism in the region.

Social Impacts	Economic Impacts	Environmental Impacts
People can't go on holiday	Businesses lose money from potential customers	Coral reefs destroyed
Increased pressure for a rebuild	Refunds for pre-booked visits	Litter polluted the ocean
14 people died	Cost \$1.5 billion to redevelop area	Animals habitats destroyed and lost
Homes left without power		
Some tourists stranded		

### Media, Publicity and Image

#### Types of media:

Social media, newspapers, adverts, TV/News reports, radio and TV Programmes.

#### Visitor numbers:

Locations used in TV shows and films become popular with tourists.

#### Negative effects:

Some destinations have been given bad reputations due to media coverage, which can affect the amount of people visiting that destination e.g. Magaluf is known as a 'wild party' resort.

#### Positive effects:

Coverage of special events can show the good things about a resort and can generate a lot of positive publicity e.g. The World Cup in 2018 and the 2012 Summer Olympics in London



### Named Examples

**Turkey** has seen a decline in tourist numbers. This is due to ongoing bad publicity about the destination, as it shares a border with Syria, and is subject to frequent terrorist attacks.

**Maya Bay** has seen an average of nearly 6,000 people visiting and relaxing here each day. This has helped to develop tourism in the area, but came at a huge price to the environment. This was the result of the film 'The Beach' which was released in 2000.

## Safety and Security Concerns

### Safety measures:

In order to keep tourists safe on holiday, authorities and travel providers will use a range of safety measures. Designed to stop problems arising and to provide visual reassurance that they take security seriously.

### Airport safety:

Airports have the most stringent safety measures of any organisation in the travel and tourism sector - luggage being scanned, individuals being screened and passport checks. Can be time consuming and cause delays.

### Personal safety:

Staying safe makes the difference between a dream holiday and a nightmare experience. Being in an unfamiliar place and sometimes with a language barrier can put people at risk - theft of personal belongings, getting lost or accidents.

### Safety guidance:

Foreign and Commonwealth Office (FCO) will issue advice on safety and security to tourists. They will advise which countries are not safe to travel to and how to stay safe in certain destinations.

### Effects on tourism:

If a destination is no longer considered as 'safe' then this can have a devastating impact on their tourism industry.



Foreign &  
Commonwealth  
Office



## Health Risks and Precautions

### Infectious diseases and illnesses:

These can affect tourists and the symptoms can be extremely unpleasant, sometimes resulting in death if not treated properly e.g. malaria, cholera, tetanus, norovirus and yellow fever.

### Effects on the destination:

People may be reluctant to take the necessary precautions before they travel, this could be due to cost of vaccines or the time required. Therefore they may opt to travel to destinations that don't require these things.

### Precautions and preventative measures:

There are many common sense approaches that tourists can take to limit the possible risks e.g. wearing insect repellent, keeping exposed parts of the body covered, using special bed netting, having a required vaccine, washing hands before eating and drinking bottled water not tap water.

### Travel insurance:

It is important for tourists to have insurance cover so medical bills can be paid, if they get ill then they can claim money back against the cost of their holiday and insurance can help get them home if they are very ill or in the case of death.

## Travel and Tourism Organisations Responses to Factors

### Reviewing destinations offered:

Organisations will constantly review destinations that they offer and add new destinations when needed, especially when the destinations have received positive media coverage and have become popular.

### Adapting and developing new products and services:

The success of products and services depends on there being a demand from customers. This is in response to real-world situations e.g. 2015 terrorist attacks in Tunisia. TUI offered cut-price deals to encourage the recovery of Tunisian tourism.

### Adapting operational procedures:

Organisations must review their procedures due to multiple global threats to security. This allows them to identify where they could improve their current practice, ensuring the safety and security of their customers. Positive media coverage can lead to increased visitor numbers in destinations. Organisations may have to adapt by offering more flights to a destination e.g. in 2018, 70 new flights were being offered to Croatia. When there is a natural disaster, travel organisations will adapt by cancelling flights.

### Reviewing pricing structures:

Many organisations perform a cost risk analysis and adjust prices in order to maintain visitor numbers. People are willing to travel to places that may be considered 'risky' if they feel that the holiday price is excellent value for money.



## Government Responses to Factors

### Providing the public with up to date information:

Travel advice is provided by local, regional and national government agencies e.g. traffic reports and delays as well as weather warnings affecting travel.

### Travel restrictions:

Governments have the power to impose travel restrictions. They can also limit the ability of members of their own population to travel freely. They can also restrict inbound tourist access to their country or part of it, along with visa restrictions.

### Promoting a positive image:

It is important to promote a positive image that encourages tourism. Governments have organisations that are responsible for tourism promotion e.g. in the UK we have VisitBritain.

### Introducing security measures:

Governments constantly review their security measures due to the ongoing threat of terrorism e.g. venues now have to check all bags before members of the public are allowed to enter.

### Encouraging employment:

Governments will provide funding to invest in tourism within their country. This helps to create jobs e.g. in 2015 the UK government pledged £1.7 million of funding to provide 500 new apprenticeships and 1500 jobs.



### Practice Exam Questions

1. Explain how the changing cost of fuel may affect tourism in the UK. (2)
2. Give the meaning of the term environmental degradation. (1)
3. In some global destinations there is a risk of contracting infectious diseases, such as cholera. Give two ways tourists can protect themselves against cholera. (2)
4. Media coverage can influence global travel and tourism. Explain two ways that media coverage can affect visitor numbers to a destination. (4)
5. Voluntary sector organisations often support communities when a natural disaster occurs, such as a tsunami. State one other type of natural disaster (1)
6. To support communities, voluntary sector organisations need to raise funds. Give three ways that a voluntary sector organisation could raise funds. (3)
7. Explain one way a wildfire could affect travel and tourism organisations. (2)
8. A recession is one economic factor that can influence travel and tourism organisations. Chianti Travel is a UK tour operator offering package holidays to destinations in Europe. Describe two ways that Chianti Travel could respond to a recession. (4)
9. Safety and security are considerations for many people when travelling to some global destinations. Give two safety and security measures in airports to keep passengers safe. (2)
10. Explain two ways that increased safety and security measures could affect passengers using transport terminals. (4)

### Voluntary Organisations Responses to Factors

Voluntary organisations play an important role in global travel and tourism e.g. preserve historic buildings, promote sustainable tourism and provide emergency support to destinations affected by major events.

#### Raising awareness of issues:

Work with governments to raise the negative issues associated with global tourism. Voluntary organisations (charities) believe that if tourism isn't managed then this will have a negative impact on local communities and environments and can cause long-term problems for residents, including the overall decline of tourism.

#### Raising funds:

Securing funding is an important issue for tourism charities that want to promote sustainable tourism.

