
PRESCRIPTION: 180 PRINCIPLES OF TOURISM

Last date for assessing this prescription is 31 December 2008

INTRODUCED 1988
REVISED 1999 (Implemented Semester One 2000)

AIM OF SUBJECT

To provide students with an overview of the tourism industry and the factors which influence its structure and development, with specific reference and application to New Zealand.

COURSE LENGTH

The equivalent of 20 National Qualifications Framework credits, with a minimum of 60 class contact hours or the equivalent for open learning/distance tuition.

ASSUMED PRIOR KNOWLEDGE

It is not assumed that students will come to this course with any prior knowledge of the tourism industry.

RESOURCES

Suggested student references

Burkart, A. J. and Medlik, S. Tourism: past, present and future. London: Heinemann. Latest edition.

Collier, Alan. Principles of tourism: a New Zealand perspective. Auckland: Longman. Latest edition.

Craig-Smith, Stephen J. and French, Christine. (1994). Learning to live with tourism. Melbourne: Pitman.

Goeldner, Charles R., Ritchie, J.R. Brent and McIntosh, Robert W. Tourism: principles, practices, philosophies. New York: Wiley. Latest edition.

Holloway, J. Christopher. The business of tourism. Harlow, Essex: Longman. Latest edition.

Pearce, Philip L., Morrison, Alastair and Rutledge, Joy. Tourism: bridges across continents. Sydney: McGraw-Hill. Latest edition.

TIME AND ASSESSMENT SCHEDULE

The prescription assumes a RCAP model of assessment (R= recall, C = comprehension, A = application, P = problem solving). In assessing to the prescription, it is expected that, in general, assessment will be of the ability of students to apply the learning outcomes and to undertake problem solving within the course material. Assessment of comprehension should be undertaken only where it is appropriate. Assessment of recall is implicit.

| TOPICS | Time in hours | Assessment Weightings (%) | |
|---|---------------|---------------------------|------|
| | | min | max |
| 1 The Nature of Tourism | 3 | 3 | 8 |
| 2 History and Growth | 3 | 3 | 8 |
| 3 Structure of the Tourism Industry | 4 | 4 | 9 |
| 4 Transportation | 4 | 4 | 9 |
| 5 Accommodation | 4 | 4 | 9 |
| 6 Attractions and Activities | 2 | 2 | 5 |
| 7 Selling the Tourism Product | 4 | 4 | 9 |
| 8 Ancillary Services | 2 | 2 | 5 |
| 9 Support and Developmental Organisations | 2 | 2 | 5 |
| 10 Supply | 4 | 4 | 9 |
| 11 Demand | 8 | 10 | 15 |
| 12 Marketing | 6 | 8 | 15 |
| 13 Impacts of Tourism on the Host Destination | 8 | 10 | 15 |
| 14 Finance | 2 | 2 | 5 |
| 15 The Future of Tourism | 4 | 4 | 9 |
| | TOTAL | 60 | 100% |

This schedule is a recommendation and guide for tutors, examiners, and students. It gives:

- 1 an approximate allocation of time in hours by topic.
- 2 an approximate percentage allocation for assessment by topic.

TEACHING NOTES

Introduction

As already stated in the section Aim of the Subject, the intention of this paper is to provide students with an overview of the tourism industry as a whole, regardless of the sector of the industry that students may be training for or eventually work in. The paper is macro in approach.

Despite the fact that the prescription has been split into 15 topics, it is important to recognise that these topics are not in fact discrete, and cannot be studied, nor necessarily assessed, in isolation.

The rapid growth in the tourism industry requires personnel, especially at management level, with a clear understanding of the nature of tourism as a total experience and the contribution that each of the sectors makes to this experience.

Daily newspapers and other media are a crucial source of current material, which is of real interest to students and helps them understand and relate to current issues. Lecturers and students alike should not overlook the Internet as a source of learning material. While reading references are provided in this prescription, it should be noted that these will tend to date relatively quickly, and the onus is on lecturers to ensure that students are provided with the most up to date information available.

Lecturers should note that this paper is about an actual functioning industry, and should not expect to deliver it solely from a textbook. Whenever possible, reference should be made to industry publications and personnel, and site visits undertaken.

Specific comments on topics in the prescription follow.

The Nature of Tourism

This topic sets the scene for the rest of the course. It introduces some key terms and concepts, which are fundamental to the rest of the course. Particular attention should be paid to the nature of the tourism product, the “One Industry” concept and issues of quality within the tourism industry.

History and Growth

The intention in this section is not for students to become experts on the historical development of tourism, but rather that they understand how and why the tourism industry is where it is at today by examining historical influences.

Transportation

Some commentators suggest that the regulation of the airline industry is no longer critical knowledge for the student. However, the air service (bilateral) agreements are still the basis by which airlines have access to markets. These agreements are important not only to the transport sector, but the manner by which they are taken up by airlines has important flow on effects through the rest of the tourism industry. Airlines have the ability to inhibit growth from a generating market as well as to affect tourism in a host destination.

Attractions and Activities

Lecturers should stress that, despite the visibility of the accommodation and transport sectors, it is the attraction and activity sectors which provide the incentive or drawcard for tourists to visit a destination. This point should be strongly emphasized to students. It reinforces the “One Industry” concept.

Selling the Tourism Product

Those involved in selling travel to the public are commonly referred to as the “Travel Industry”.

Ancillary Services

In this prescription, a separate topic has been established to cover ancillary services. Ancillary service providers should be considered in categories which are aligned with the functions they perform within the tourism industry. The categorisation is based on the “Linking Concept” developed by Chuck Gee from the University of Hawaii.

Supply

Having discussed the various participants in the industry in topics 4 – 9, this topic is designed to bring together their collective role in the development of tourism product. The “One Industry” concept should be reinforced in this topic.

Marketing

The focus in this topic has shifted from product and services marketing, the emphasis given in the previous prescription, to destination marketing, which is a key concept that students at this level should be familiar with. The marketing of a tourist product/service is dealt with in the NZDipBus paper 285 Tourism Industry Management.

Impacts of Tourism on the Host Destination

All stakeholders that affect or are affected by the tourism industry and not just the tourism industry itself are considered in this topic. The issue of sustainability is to be included here.

The Future of Tourism

This topic provides the lecturer the opportunity to revisit topics previously discussed and present them in an integrated manner.

Planning

This topic was contained in the previous prescription, but has been removed from this version. It was thought the content was either of at a level that was too high or it has been covered in the discussion of the role of government in the topic Structure of the Tourism Industry.

Elasticity

The NZDipBus paper 120 The Economic Environment includes the concept of elasticity. In this tourism paper, it is not expected that that the concept will be discussed in any great depth. It is the principles that are to be applied to the tourism industry, and calculations of elasticity are not required. Up to date data on elasticities can found in the recent work undertaken by the National Bank for the Tourism Industry Association.

Research

This prescription may appear to provide no opportunity for discussion on research. However, opportunities can be taken as follows:

- topic 1 – the importance of statistical measurement (refer to assessment criterion 1.5)
- topic 2 – interpret New Zealand's tourist volume and expenditure statistics (refer to assessment criterion 2.4)
- topic 3 – as part of the role of the public sector (refer to assessment criterion 3.1)
- topic 11 – in the process of assessing demand (refer to assessment criterion 11.5)
- topic 12 – as part of the marketing process (refer to assessment criterion 12.1).

Suggested Assessments

Assessment criteria 4.3, 5.6, 6.2 and 8.2 lend themselves towards an opportunity to integrate topic areas in one assignment.

TOPICS

1 THE NATURE OF TOURISM

Learning Outcome

At the completion of this topic, students will be able to comprehend the nature of the tourism industry understand the various terms associated with tourism

Assessment Criteria

Students will be expected to:

- 1.1 Define and use common terminology, including the following:
 - tourism
 - tourism product
 - travel
 - traveller
 - visitor

- tourist
- excursionist
- international tourism
- domestic tourism
- regional tourism
- generating market
- host destination
- in-bound travel
- out-bound travel
- independent travel
- inclusive travel.

- 1.2 Explain what is meant by the “One Industry” concept and outline its significance to the New Zealand tourism industry.
- 1.3 Discuss what is meant by the term “quality product” and why it is important that New Zealand provide quality tourism products.
- 1.4 Discuss the importance of people as a component of the tourism product.
- 1.5 Explain the importance of, and the problems associated with, statistical measurement in tourism.
- 1.6 Outline the types of statistics commonly generated within the tourism industry, and give examples of specific surveys conducted internationally and within New Zealand.

2 HISTORY AND GROWTH

Learning Outcome

At the completion of this topic, students will:

- understand the historical changes that have affected the growth and development of the tourism industry
- demonstrate knowledge of the present status of global tourism, as well as tourism to and within New Zealand.

Assessment Criteria

Students will be expected to:

- 2.1 Differentiate between travel facilitators, travel motivators and resistance factors as conditions affecting the expansion of travel.
- 2.2 Outline major social, cultural, economic and transportation changes which have influenced the growth of tourism.

- 2.3 Interpret international tourism volume and expenditure statistics with regard to the total world tourism market and the major host destinations and generating markets.
- 2.4 Interpret New Zealand's tourism volume and expenditure statistics in terms of New Zealand's growth as both a tourist generating market and a host destination.
- 2.5 Outline the significance of domestic tourism to the tourism industry in New Zealand.

3 STRUCTURE OF THE TOURISM INDUSTRY

Learning Outcome

At the completion of this topic, students will have an understanding of the roles of and inter-relationships between the participants in the New Zealand tourism industry, both internationally and within New Zealand.

Assessment Criteria

Students will be expected to:

- 3.1 Outline the structure of the tourism industry in New Zealand.
 - Identify the participants in the New Zealand tourism industry and the ways in which they can be classified.
 - Explain the roles of the public and private sectors in the tourism industry.
 - Explain the inter-relationships between the participants in the tourism industry.
- 3.2 Identify the major international organisations involved in tourism, and outline the major functions of each.
- 3.3 Explain the concepts of horizontal and vertical integration as they apply to the tourism industry.

4 TRANSPORTATION

Learning Outcome

At the completion of this topic, students will have an understanding of the structure of the transportation sector of the tourism industry.

Assessment Criteria

Students will be expected to:

- 4.1 Identify the three main modes of transportation within the tourism industry, and outline the components within each.

- 4.2 Outline the regulatory system existing within the air transportation industry, both internationally and within New Zealand.
- 4.3 Discuss what affects changing patterns of tourist demand have had on the New Zealand transportation industry in the last decade.

5 ACCOMMODATION

Learning Outcome

At the completion of this topic, students will have an understanding of the accommodation sector of the tourism industry.

Assessment Criteria

Students will be expected to:

- 5.1 Differentiate between categorisation, classification and grading of accommodation.
- 5.2 Describe the various categories of accommodation that a tourist might occupy.
- 5.3 Describe different systems of grading accommodation, and discuss the advantages and disadvantages of national grading systems for accommodation.
- 5.4 Outline the characteristics of the accommodation product, including fixed capacity, fixed location and perishability.
- 5.5 Outline patterns of ownership and management in the accommodation sector within New Zealand and abroad.
- 5.6 Discuss recent developments within the accommodation industry in New Zealand

6 ATTRACTIONS AND ACTIVITIES

Learning Outcome

At the completion of this topic, students will have a knowledge of the attraction and activity sector of the tourism industry, and understand its critical importance to the industry.

Assessment Criteria

Students will be expected to:

- 6.1 Describe the function of attractions and activities within the tourism industry in terms of their contribution to the development of the tourism product.
- 6.2 Describe the range of attractions and activities in a given location within New Zealand.

7 SELLING THE TOURISM PRODUCT

Learning Outcome

At the completion of this topic, students will have an understanding of the methods by which the tourism product is sold to the consumer.

Assessment Criteria

Students will be expected to:

- 7.1 Outline the sales distribution systems operating within New Zealand.
- 7.2 Explain the role and functions of travel agents as a component of the tourism industry.
- 7.3 Outline the role and functions that a tour operator performs, distinguishing between in-bound and out-bound operators.
- 7.4 Identify global trends which are impacting on the “travel industry” worldwide as well as within New Zealand, and discuss how these trends are affecting the roles of the various tourism industry stakeholders.

8 ANCILLARY SERVICES

Learning Outcome

At the completion of this topic, students will have a knowledge of those ancillary services which form a critical component of the tourism product.

Assessment Criteria

Students will be expected to:

- 8.1 Describe the contribution of ancillary service providers in terms of the development of the tourism product.
- 8.2 Describe the range of ancillary services within a given region of New Zealand.

9 SUPPORT AND DEVELOPMENTAL ORGANISATIONS

Learning Outcome

At the completion of this topic, students will have a knowledge of the support and developmental organisations which interface with the tourism industry.

Assessment Criteria

With regard to the “Linking Concept”, students will be expected to:

- 9.1 Describe the functions of public and private sector organisations which provide support services to the tourism industry.
- 9.2 Describe the functions of public and private sector developmental organisations involved in tourism.

10 SUPPLY

Learning Outcome

At the completion of this topic, students will be able to analyse the factors affecting supply of the tourism products, and the effects of changes in these factors on supply.

Assessment Criteria

Students will be expected to:

- 10.1 Explain the characteristics of the tourism product in terms of:
 - its service nature
 - its lack of homogeneity
 - its perishability
 - its rigidity (ie inelasticity of supply).
- 10.2 Explain the inter-relationships between attractions and activities, amenities, and accessibility, and how these factors can affect the host destination’s success.
- 10.3 Identify and explain the factors influencing supply of the tourism product, and analyse the effects of changes in these factors on supply.
- 10.4 Evaluate a given tourism destination within New Zealand (town, resort or geographical region) in terms of its strengths and weaknesses as a destination.

11 DEMAND

Learning Outcome

At the completion of this topic, students will be able to:

- understand the factors affecting demand for tourism product (particularly the importance of motivational factors)
- analyse the effects of changes these factors have on demand for tourism generally and with reference to specific generating markets.

Assessment Criteria

Students will be expected to:

- 11.1 Explain the factors that create demand for tourism products and services, and explain the various motivations of those who travel by choice. Reference must be made to relevant motivation theories, and the concepts of seasonality and periodicity.
- 11.2 Differentiate between general and specific facilitators and motivators, and explain why this distinction is important to New Zealand as a host destination.
- 11.3 Explain the concepts of price and income elasticity of demand as they relate to tourism.
- 11.4 Outline the three components of the price of the tourism product, and explain the effects of changes in these components on the demand for tourism.
- 11.5 Analyse the effects of changes in demand for one tourist sub-product on related tourist sub-products.
- 11.6 Apply the above concepts to New Zealand as a host destination to regions within New Zealand and to particular tourism products.

12 MARKETING

Learning Outcome

At the completion of this topic, students will understand the importance of marketing as a critical success factor in the positive growth and development of the New Zealand tourism industry.

Assessment Criteria

Students will be expected to:

- 12.1 Outline the components of the marketing process.
- 12.2 Relate these components to tourism destination marketing.

- 12.3 Identify practical applications of the destination marketing process in the tourism industry in New Zealand at both national and regional levels.

13 IMPACTS OF TOURISM ON THE HOST DESTINATION

Learning Outcome

At the completion of this topic, students will be able to assess and evaluate the impact of tourism on the host destination.

Assessment Criteria

Students will be expected to:

- 13.1 Identify and explain the effects of tourism on a nation's economy in terms of:
- direct effects on GDP and employment
 - indirect and induced effects via the multiplier process.
- 13.2 Discuss the possible social, cultural, and environmental effects of tourism on a host destination.
- 13.3 Apply the above concepts to an analysis of a given region or locality within New Zealand to determine the combined impact on the destination.
- 13.4 Discuss the effects of tourism on developing nations.

14 FINANCE

Learning Outcome

At the completion of this topic, students will understand the requirements, sources and methods of financing tourism development.

Assessment Criteria

Students will be expected to:

- 14.1 Outline the investment requirements of tourism as an industry.
- 14.2 Describe the role(s) played by government, industry, tourists and tourism organisations as sources of finance.
- 14.3 Outline the methods by which finance can be raised from each of the above contributors.
- 14.4 Discuss current investment issues facing the New Zealand tourism industry.

15 THE FUTURE OF TOURISM

Learning Outcome

At the completion of this topic, students will be able to draw upon the concepts previously studied to make reasoned judgements on the future directions, growth, and impact of tourism on New Zealand.

Assessment Criteria

Students will be expected to:

- 15.1 Discuss trends in world tourism.
- 15.2 Identify those factors that are likely to have an effect on future demand for tourism, both to new Zealand and within New Zealand at both regional and national levels.
- 15.3 Interpret relevant statistics and other information to predict trends in visitor flows both to and within New Zealand.
- 15.4 Discuss factors likely to inhibit New Zealand's capacity to meet increasing/changing tourism demand.