



# PRINCIPLES OF TOURISM

PART II

(Updated Edition)

ZENAIDA L. CRUZ, Ph.D.

01






# PRINCIPLES OF TOURISM

**PART II**

(Updated Edition)

ZENAIDA L. CRUZ, Ph.D.

Published & Distributed by

 **REX Book Store**

856 Nicanor Reyes, Sr. St.  
Tel. Nos. 736-05-67 • 735-13-64  
1977 C.M. Recto Avenue  
Tel. Nos. 735-55-27 • 735-55-34  
Manila, Philippines  
[www.rexpublishing.com.ph](http://www.rexpublishing.com.ph)

Published by  Book Store, Inc.

Copyright 2005

by

ZENAIDA L. CRUZ

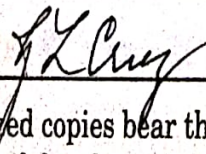
ISBN 978-971-23-4387-2

REPRINTED: FEBRUARY 2010

No portion of this book may be copied or reproduced in books, pamphlets, outlines, or notes, whether printed, mimographed, typewritten, photocopied or in any other form, for distribution or sale, without the wirtten permission of the Publisher and Author. The infringer shall be prosecuted in compliance with copyright, trademark, patent, and other pertinent laws.

**No 11279**

ALL RIGHTS RESERVED



---

Authorized copies bear the signature  
of the above author.



# Preface

Tourism is becoming one of the most important social and economic activities in the world today. The number of domestic and international travelers is steadily increasing and many countries are now seeking to develop tourism for its many benefits.

Whether for pleasure or for business, travel demand is rapidly growing. Higher incomes, more leisure time, changing lifestyles, increased overseas visiting and a growing number of people reaching retirement age—all indicate that the tourism industry will continue to expand. The industry has responded to the increased growth opportunity with new hotels, resort destinations and convention centers as well as growing local service industries which support the needs of the tourist.

Tourism is an industry that employs more people worldwide than any other enterprise. It is an industry that will be the world's largest by the year 2020. Obviously, an industry of this size has a tremendous impact on the lives of individuals and the economies of nations. The explosive growth of the tourism industry has created a demand for professionals who are committed to professional careers in the industry. It demands the services of well-trained, enthusiastic and responsible individuals.

*Principles of Tourism Part II* introduces the reader to the socioeconomic, environmental and cultural impact of the tourism industry. It also gives an overview of the travel sectors—their development, composition, and roles in tourism as well as the different trends and types of operation of each sector. Learning objectives are provided at the beginning of each chapter. Chapter summaries, discussion questions, and references are found at the end of each chapter.

This book is an introductory textbook for college and university courses in tourism. It provides useful information to tourism faculty, tourism promotion and development organizations,

# Table of Contents

## Chapter 1

### *The Impact of Tourism* ..... 1

The Impact of Tourism. The Economic Effects of Tourism. Impact Control Measures. Social Impacts of Tourism. Host-Visitor Interactions. Positive Social Effects of Tourism. Negative Social Effects of Tourism. Impact Control Measures. Impact of Tourism on Culture. Positive Effects of Tourism on Culture. Environmental Impact of Tourism. Positive Environmental Impact of Tourism. Conservation. Development of Attractions. Historic Preservation. Resident Benefits. Negative Environmental Impact of Tourism. Environmental Conflicts. Geological Conflicts. Resident Conflicts. Impact Control Measures.

## Chapter 2

### *Tourism Planning* ..... 28

Meaning of Planning. Reasons for Tourism Planning. Consequences of Lack of Tourism Planning or Poor Tourism Planning. Tourism Planning in Developed Countries. Tourism in Developing Countries. Roles and Responsibilities for Tourism Planning. Barriers to Planning. The Tourism Planning Process.

## Chapter 3

### *Tourism Development* ..... 48

The Relation Between Tourism Planning and Tourism Development. The Roles of the Government and the Private Sector in Tourism Development. Characteristics of Individual Tourism



Development Project. Steps in the Tourism Project Evaluation and Analysis System. Role of Government Financial Incentives in Tourism Development. Direct and Indirect Incentives. Private Sector Financing for Tourism Development. Detailed Design and Construction.

**Chapter 4**

Tourism Marketing ..... 68

Definition of Marketing. Uniqueness of Tourism Marketing. Marketing Orientation. Marketing Segmentation. Product Life Cycle. Strategic Marketing Process.

**Chapter 5**

Tourism Promotion ..... 82

Meaning of Tourism Promotion. Promotion and Communication. Promotion and Traveler's Buying Process. Relationship of Promotion to Marketing. Promotion Planning. The Message. Promotion Mix. Major Issue of Promotion.

**Chapter 6**

Tourism Distribution Channel ..... 97

Meaning of Tourism Distribution Channel. Travel Intermediaries. Distribution Channels. Relation of Distribution to Marketing. Strategies.

**Chapter 7**

Transportation Services ..... 108

Transportation and Travel Evolution. Historical Development of Transport System. Selection of Transportation Mode.

Chapter 8

Accommodations ..... 138

The History of the Accommodations or Lodging Industry. Types of Accommodation. Classification of Hotels. Rating Systems. Organization of the Lodging Industry. Management Methods. Chain Accommodation Operations. Hotel Terminology. Hotel Profitability. Average Length of Stay. Break-even Point. Accommodation Reservation. Hotels and Airlines. Accommodation Promotion.

Chapter 9

Food Services ..... 162

History of the Food and Beverage Service. Types of Restaurants. Franchising. Restaurant Profitability. Restaurant Promotion.

Chapter 10

Recreation and Leisure ..... 181

Meaning of Recreation and Leisure. Recreational Activities. Varied Views of Recreation and Leisure. Recreational Participation. Motivations for Recreational Participation. Factors Promoting the Growth of Recreation. Types of Organized Recreation. Two Major Recreation Service Components. Sports as Popular Recreation. Tourism – A Major Recreation Service Component. The Need for Professional Leadership. Emerging Professional Identity. Challenges Facing the Recreation and Leisure Service Field in the Twenty-First Century.



The Gaming Entertainment Industry ..... 196

Gaming. Meaning of Gaming Entertainment. History of the Gaming Entertainment Business. Games and Facilities that Exist on the Casino Floor. Reasons for Visiting Casinos. Scope and Importance of Gaming Entertainment. Controversial Elements of the Gaming Entertainment Industry. Key Players in the Gaming Entertainment Industry. Career Opportunities in the Gaming Entertainment Industry.

Glossary ..... 210

Index ..... 220



## *Index*

- A**
- Accommodation, 138
    - history of the, 138
    - promotion, 158
    - reservation, 156
    - types of, 142
  - Advertising, 87
  - Airline, 157, 172
    - catering, 172, 174
    - deregulation, 133
    - regulation, 131
  - Airplane galleys, 173
  - Analysis, 53
    - cost/benefit, 60
    - economic feasibility, 58
    - market, 53
    - site, 52
  - Apartment-hotels (Apartels), 145
  - Attractions, 21
    - development of, 21
  - Average guest check, 170
- B**
- Bed and breakfast, 144
  - Behavior, 11
  - Beverages service, 162
  - Break-even point, 170
  - Budgeting, 91
    - major issue of, 92
  - Buffet restaurants, 167
- C**
- Cafeterias, 165
  - Campgrounds, 144
  - Caesar's Palace, 205
  - Caesar's World Inc., 205
  - Casinos, 190
    - operations, 206
    - gambling, 190
    - reasons for visiting, 201
    - organized crime and, 203
  - Chain operation, 151
  - Coffee shops, 164
  - Communication, 83
  - Community, 12
    - problems, 12
  - Condominium hotels, 143
  - Conflicts, 23
    - environmental, 23
    - geological, 24
    - residents, 24
  - Control measures, 6, 17, 25
    - impact, 6, 17, 25
  - Culture, 15
    - native, 15
- D**
- Deli shops, 166
  - Disease control, 10
  - Distribution channels, 102
    - types of, 103
    - classifications, 103
- E**
- Employment, 3
  - Entertainment, 207
    - operations, 207
  - Ethnic restaurants, 165

- F**  
 Family or commercial restaurants, 164  
 Fast-food restaurant, 166  
 Flight kitchens, 173  
 Food, 162  
   and beverages operations, 206  
   cost percentage, 168  
   quality, 173  
   services, 162  
   services structure, 171  
 Foreign language, use of, 10  
 Franchising, 149, 167  
   management contracts, 149  
 Fun centers, 190
- G**  
 Gambling, 203  
   addiction, 203  
 Gaming entertainment, 196  
   career opportunities in the, 206  
   controversial elements of the, 203  
   history of, 198  
   industry, 196  
   key players in the, 204  
   meaning of, 197  
   scope and importance of, 202  
 Gourmet restaurants, 165  
 Gross profit, 169
- H**  
 Harrah's Entertainment, 204  
 Health conditions, 10  
 Health spas, 145  
 Hilton Hotels Corporation, 205  
 Hostels, 147  
 Hotel, 157  
   classification of, 147  
   condominium, 143  
   management contracts, 149  
   management methods, 148  
   operations, 206  
   organization chart, 150  
   profitability, 153  
   rating systems, 147  
   room occupancy, 153  
   terminology, 152
- I**  
 Impacts, 31  
   human, 32  
   marketing, 32  
   organization, 32  
   other, 33  
   physical, 31  
 Incentives, 62  
   direct and indirect, 62  
   fiscal, 62  
   government financial, 61  
 Income, 2  
 Inflation, 4  
 Intercultural communication, 15  
 Intermediaries, specialty, 101  
 Investment, 4  
 ITT Corporation, 205
- L**  
 Labor cost, 169  
 Land values, 4  
 Lazer's Product Life Cycle, 30



- Leadership, 191  
     need for professional, 191
- Leisure, 181  
     meaning of, 181  
     varied views of, 182
- Life cycle, 73  
     product, 73
- Lodging industry, 138  
     management methods, 148  
     organization of, 148
- Logistics, 173
- M**
- Management contracts, 149
- Market, 86  
     planning, 74  
     process, 74  
     targets, 75, 86
- Marketing, 104  
     definition of, 68  
     mix, 77  
     orientation, 70  
     process, 74  
     relation of distribution to, 104  
     segmentation, 71  
     selecting a strategy, 76  
     strategy, 76
- Menus, 172
- Message, 86
- MGM Grand Hotel, 205
- Mirage Resorts, 204
- Motels or motor hotels, 142
- P**
- Parks, 189  
     themes, 189
- Payments, balance of, 3
- Pensions, 143
- Plan development, 42
- Planning,  
     meaning, 28  
     barriers to, 35
- Plog, 29
- Post mobility adjustment era, 110
- Prefeasibility study, 52
- Preservation, historic, 22
- Price, 77
- Private homes, 145  
     timesharing, 146
- Product life cycle, 30
- Professional identity, 191
- Promotion, 83  
     other forms of, 91  
     planning, 84  
     relationship to marketing, 84
- Promotion mix, 86
- Public relation, 91
- R**
- Recreation, 72  
     factors promoting the growth of, 184  
     meaning, 181  
     service, 192  
         challenges facing the, 192  
         components, 186, 189  
         types of organized, 186  
         varied views of, 182
- Recreational activities, 182  
     participation, 183
- Referral groups, 152
- Registration cards, 156
- Renaissance, 15

- Research, 39
- Resort hotels, 143
- Restaurant
  - catering, 174
  - profitability, 168
  - promotion, 177
  - types of, 164
- Retail operations, 207
- Roger's Product Adoption Curve, 30
- Roles, 11
  
- S**
- Sales promotion, 89
- Segmentation, 72
  - geographic, 73
  - product related, 73
  - psychographic, 73
- Slot machines, 200
- Social change, 9
- Social saturation, 11
- Social structure, 11
  - changes in the, 11
- Sports tourism, 190
- Sports, 188
  - as popular recreation, 188
  
- T**
- Tour operators, 100
- Tourism,
  - benefits of, 6
  - characteristics of, 69
  - development, 48
    - government financial incentives in, 61
    - roles of government and private sector in, 49
    - sector financing for, 63
  - development project, 64
    - characteristics of, 50
    - stages of the, 64
  - distribution channel, 97
    - meaning of, 97
  - distribution system, 98
  - economic effects of, 1
  - environmental impact of, 18
    - impact of, 1
      - market segmentation bases, 72
  - marketing, 68, 78
    - uniqueness of, 69
  - negative cultural impact of, 16
  - negative economic aspects of, 4
  - negative environmental impact of, 22
  - negative social effects of, 11
  - overdependence on, 5
  - planning, 28, 48
    - consequences of lack of, 31
    - in developing countries, 33
    - poor, 31
    - process, 35
      - essential steps in the, 36
    - reasons for, 28
    - roles and responsibilities for, 34
    - symptoms of inadequate or poor, 31
  - positive effects of, 15
  - positive environmental impact of, 18
  - positive social effects of, 9



- project evaluation, 52
  - steps in the, 52
- promotion, 82
  - meaning of, 82
- resource components, 37
  - categorization of, 37
  - inventory of, 39
- site, 56
  - master list of, 56
  - selection criteria, 56
- social impacts of, 7
- Tourist, 8
  - frequency of, 8
  - Inns, 144
  - types of, 8
- Transport system, 110
  - historical development of, 110
- Transportation, 108
  - mode, 111
  - restaurants, 167
  - selection of, 111
  - services, 108
- Travel, 112
  - by air, 128
  - by automobile, 120
  - by bus, 127
  - by motor coach, 127
  - by ship, 116
  - by train, 112
  - cruise ship, 116
- Travel agents, 98
- Travel evolution, 108
- Travel intermediaries, 99
- Travel system era, 109
  - automobile-based, 109
  - early-industrial, 109
  - express, 109
  - mature railway, 109
  - modern tourism, 110
  - pre-industrial, 109
- Tres Grande Vitesse, 115