Enriching Knowledge for the SS Tourism and Hospitality Studies Series: Introduction to Tourism

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- ➡ Sectors of tourism industry
- ➡ Distribution Channels of Tourism Products
- ➡ Impacts of tourism
- ➡ Changes in tourism industry under the COVID-19 pandemic
- ➡ Future development in tourism industry

Sectors of tourism industry

The Public Sector

- Government :
- Government departments and some public tourism organizations, such as Tourism Commission established in May 1999 and is under the Commerce and Economic Development Bureau

1. map out Government's tourism development policy and strategy
2. provide a focal point for liaison with the tourism industry
3. enhance co-ordination in developing tourism

- Tourism Organizations:
- Under government funded such as Hong Kong Tourism Board

1. promote Hong Kong as a travel destination worldwide
2. enhance visitors' experience once they arrive

Major role of Public Sector

- Planning and facilitating tourism, devise policies and plans for development, Include the generation of guidelines and objectives for the growth and management of tourism, both in short and long term

- Control and supervision of tourism:

    - Controlling and supervising tourism

    - Prevent undesirable growth

    - Maintain quality standard

    - Help match supply and demand

    - Protect tourists against industrial malpractice of failure

Major role of Public Sector (con't)

- Direct Ownership of Components of the Tourism Industry, governments own parks, museums, historic sites, streets and highways railways to facilitate the development of the tourism industry

- Promoting Tourism to Home and Overseas Markets, produces and distributes maps, charts, and tourism literature, increase tourism growth by effective marketing

- Investment Support, provision of land by the government at less than market value and low interest rate

- Active Involvement, Legislation which is conducive to foreign investment

Private Sector

- Produces goods and provides service to consumers and earn profits
- Majority of tourism organizations are owned and operated in the private sector
- Primary purpose is to profit and pay the owners or shareholders who invested their money

- Accommodation
- Food and Beverage
- Transportation

Accommodation

Accommodation

1. Provided place, lodging or rooms to tourists to stay

2. The hotel leader in the world: Marriott international, inc, manage, franchise, own, and develop Marriott-brand hotels: 30 brands, around 7,650 properties, 1.42 million rooms, 131 *countries*

3. Some factors affecting tourists from choosing accommodation

Price	Location	Comfort
Service	Brand	Star Rating

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Accommodation

Hotel Rating System in Hong Kong

➡️ Away from home composes of three main elements:

① Satisfactory accommodation

② Safe transportation

③ Suitable entertainment

➡️ Accommodation is the temporary home for travelers

1. Hotels
2. Motels (motor hotels)
3. Resort hotels
4. Campgrounds,
5. Hostels
6. Guesthouses.

Five Dimensions	*Weight*
Facilities	0.25
Location	0.20
Staff to Room Ratio	0.20
Achieved Room Rate	0.20
Business Mix	0.15
Overall	1.00

Hotel Category	*Composite Score*
High Tariff A Hotels	3.00 or above to 3.99
High Tariff B Hotels	2.00 or above to 2.99
Medium Tariff Hotels	1.00 or above to 1.99
Tourist Guesthouses	– self explanatory –

Accommodations and Target Segments

- Target market is a group of people who have ==similar wants and needs==

- Similar demographics like median age, race, or income level

- ==Specific type of people== or groups who are the most efficient or potential customers

- Leverage the targeting in **product, sales, and marketing strategies**

- Every hotel must align their marketing and sales efforts if they want to attract and book more of these ideal guests

- Historical sales data is great hints to know ==target audience profiles and preferences==

What Is a Resort?

- What is the difference between a resort and a hotel?

- A hotel is a place that provides lodgings, or sleeping accommodations, to its patrons. Hotels may or may not provide meals and other services for travellers and other paying guests as well.

- A resort is a space, similar to a hotel, that offers relaxation and recreation to its patrons. Resorts will always offer accommodations as well, in which case people might refer to such locations as a "resort hotel." Basically, the resort meaning is that of a hotel, but just with more accommodations, amenities, and activities, providing a wide variety of recreational facilities/programs.

Characteristics of Resort Management

- There are several features that distinguish resort properties from other types of lodging properties

- Guests

- Recreation

- Location

- Local dependence

- Seasonality

- Personnel

- Employee training

- Revenue and accounting

- Traditions

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Vacationing individuals

Vacationing families

Convention guests

Higher expectation and demanding

Stay longer than typical commercial hotel guests

Rooms are typically more expensive

Target Guests

Any resort hotel in Hong Kong?

Auberge Discovery Bay Hong Kong

Disney Explorers Lodge

Disney's Hollywood Hotel

Hong Kong Disneyland Hotel

Hong Kong Gold Coast hotel

Hong Kong Ocean Park Marriott Hotel

Other type of Loggings

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1. **A Guesthouse** is a form of accommodation that is sometimes being called the simple lodging with basic services

2. **Motel**, also called Motor Lodge, Motor Court, Tourist Court, or Motor Inn, originally a hotel designed for persons travelling by automobile, with convenient parking space provided

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Food and Beverage

Specialty Restaurant

- Deal in a particular type of cuisine like Chinese, Italian or French etc

- Each aspect of the restaurant is typical and related to the area of region of community whose food is being served

- Guest can feel the specific country culture and tradition of that area while dining in restaurant

- Restaurants may be attached to resort or may independently exist

- Specific hours of function and normally more expensive than ordinary restaurants

Room Service

Room Service is attached to a hotel and caters to the F & B requirements of the guests who are staying in the hotel only

Room service operates round the clock in resort and 5 stars hotel

Prices in the room service are generally higher than outlets

Transparentation

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MODE	CARRYING AND CAPACITY	ADVANTAGES	DISADVANTAGES	SIGNIFICANCE FOR TOURISM
Air	• Aircraft • Medium to High capacity	• Speed • Suited to long distance	1. High fuel consumption 2. Stringent safety	1. Reduced the time of travel 2. Increased accessibility to places 3. Stimulate the growth of international mass tourism
Water	• Ship/cruise • Medium to High capacity	• Relaxation • Suited to long or short distance	1. Comparatively Slow 2. High labour costs	Cruising becomes a popular travel transportation, particularly in Europe and USA
Road	• Car, bus, or coach • Low capacity	• Flexibility • Suited to short distance	1. Possible congestion	1. Door-to-door flexibility allows tourist to plan routes 2. Mass transport network for excursions
Rail	High capacity	• Convenience: arrives at and depart from central district	1. High fixed costs	1. Special carriages can be added 2. Trans-continental routes and scenic lines

Airline	Airline (in Chinese)	IATA	Callsign	Commenced Operations
Hong Kong Airlines	香港航空	HX	BAUHINIA	2006
Cathay Pacific	國泰航空公司	CX	CATHAY	1946
HK Express	香港快運航空	UO	HONGKONG SHUTTLE	2004
Greater Bay Airlines	大灣區航空	HB	GREATER BAY	2022 expected

Airline Companies

Luxury Airline

- Make every trip more comfortable
- Offer premium perks and upgrades for tourists
- Enhanced privacy, upscale food and beverage service, access to premium entertainment and private transportation to and from the airport
- Amenities offered for first class and business class

Airlines – low cost / fare airlines

- Provide shorter routes, with high turn around frequency
- Use older planes or rent planes from others
- Operate with higher load factors
- Stop at secondary airports
- Cut fringe services
- Extra fees for other additional services
- Cut out intermediaries, or low commission to agents
- Online rather than having a physical distribution offices

Cruise

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Uniqueness of Cruise Products-
A Blend of the 5A's

5 A's:

Attractions

Activities

Access

Accommodation

Amenities

Types of Cruises

Ocean Voyages: A one-way passage from one point to another over a major body of water.

Standard Cruises: An open water cruise may be one way or round-trip with several ports of call.

River/Canal Cruises: River and canal cruises are closely linked to the culture and heritage of the country being toured.

Destination / Expedition Cruises: based on the destination to be visited.

Common International Cruise Routes

1. Alaska
2. Caribbean
3. European Areas
4. Canada & New England
5. Hawaii
6. Asian and Pacific Region
7. Panama Canal
8. South America

- 阿拉斯加
- 加勒比海
- 歐洲地區
- 加拿大及新英格蘭
- 夏威夷
- 亞洲及太平洋地區
- 巴拿馬運河
- 南美洲

Fly-Cruise 海陸空之旅

Have to fly to the home port first before taking the cruise

It is common because:

Not all cities have cruise terminal

The place of residence is not a home port

The place to go is far away and there is a limitation in time spent for a vacation

Dinning Area

Dinning Room: cruisers will have breakfast, lunch and dinner in cruise. So large cruise will have several features dinning rooms.

Alternative Dinning Area: buffer, pool side kiosk or bar will be provided in modern cruises.

Showrooms
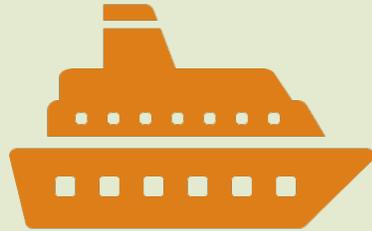
Entertainment events usually take places in cruise each night to entertain guests as well as make money.
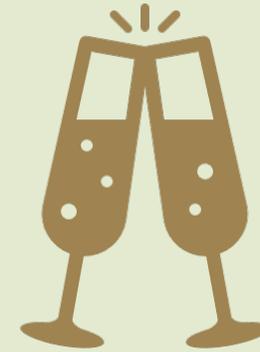
For instance: dancing night, discos, wine tasting and opera.

Pool Area and Health Club

- Majority of ships have one or more swimming pool. (indoor & outdoor) They will normally locate in upper deck with nice view.

- Massages, facial treatments, saunas, aromatherapy and other beauty or relaxation-related service will be indeed needed by cruiser who look for relax trip.

Casino and Internet Center

Gambling is usually legal on cruises, most cruise vessels boast casino where cruisers can play blackjack, roulette and other games.

Internet access will be offered, guests can send or receive email to extend their business from office if necessary.

Gift Shop & Medical Facility

Cruisers can buy sundries, swimsuit, souvenirs and duty-free goods in the cruise. It could convenience guests and generate capital to cruise company.

One or more duty nurse must be assisted in cruise which accommodates 200 or more passengers required by maritime law.

Distribution Channels

Three Different Forms of Distribution Channels

UNILATERAL   **BILATERAL**   **MULTILATERAL**

What Is a Unilateral

A contract agreement in which an offer or promises to pay after the occurrence of a specified act

Most often used when an offeror has an open request in which they are willing to pay for a specified act

In a unilateral contract, the offeror is the only party with a contractual obligation

Direct book with hotel or airline companies

What is Bilateral

An agreement between 2 parties which establishes some terms and conditions

Represents the value of goods and services that have been exported from one party to another

Influencing factors include international and domestic policy in both providers and consumers

Deliver the goods or services from supplier to travel retailer, such as travel agents, and then to customers (end user)

Make booking through travel agents (such as OTA)

What is Multilateral

- Process of booking between groups of three or more parties
- Multilateralism is generally considered to comprise certain qualitative elements or principles that shape the character of the arrangement or institution

Service supplier	Travel wholesaler	Retailer	Customer

Hotels or Airlines	GDS	Travel Agent	Business or Leisure Traveler
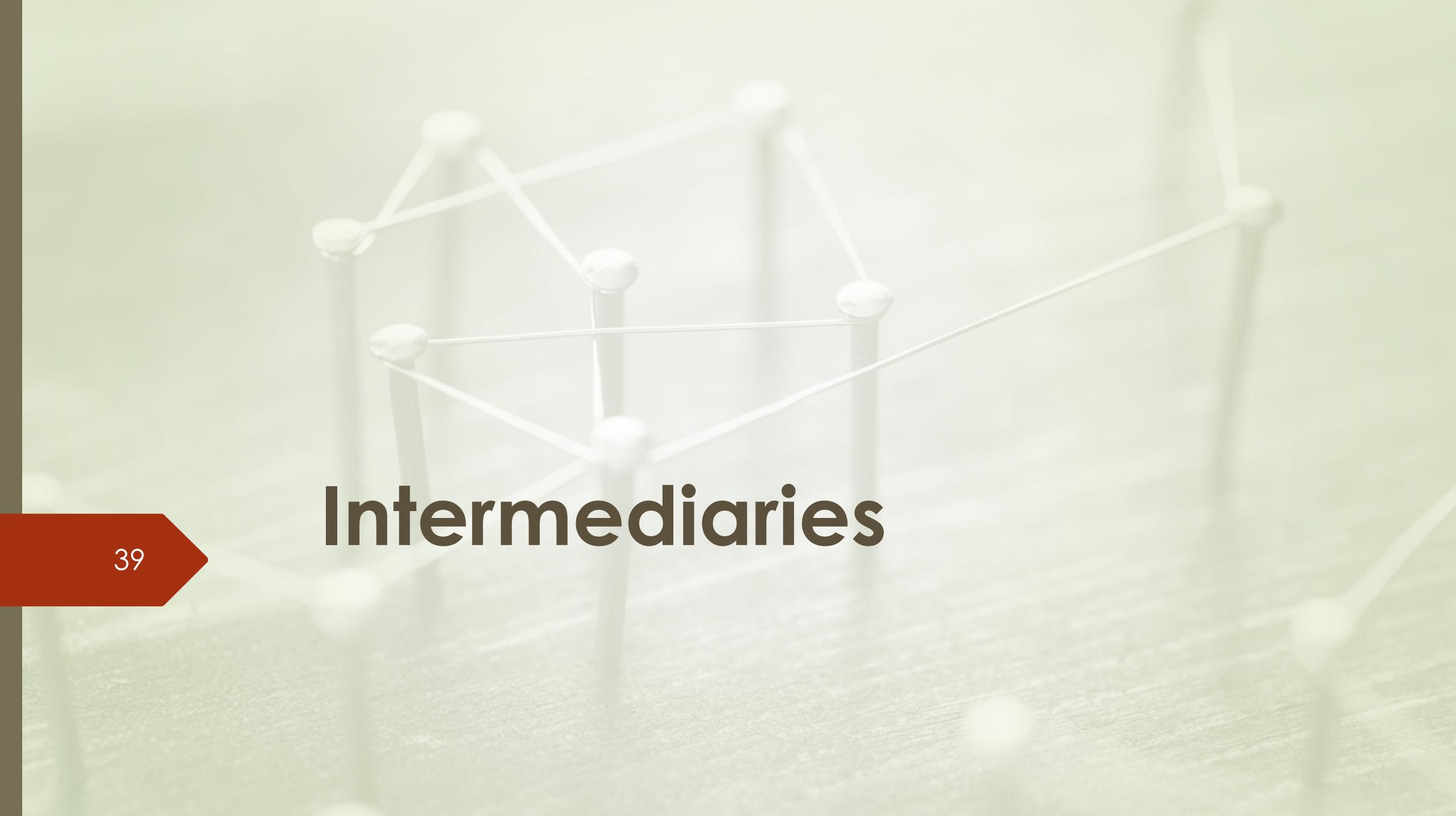
Intermediaries

Types of Intermediaries

Agents/Brokers, individuals or companies that act as an extension of the product providers, make their profits through fees or commissions

Wholesalers, a company that showcases and distributes travel products such as hotel rooms, transfers, and ancillary products to their network of clients

Distributors, the series of companies or businesses that are involved in transporting, storing and providing goods and services to customers

Retailers, link between the tourist industry and retailing. Shopping, buying local products and trying out local cuisines are integral aspects of the tourist experience.

Roles and functions of travel agents

The main members of the tourism supply chain (Zhang et al., 2009; Tigu and Calaretu, 2013)

1. Accommodation Companies
2. Transportation Companies
3. Food and Beverage Companies
4. Recreation Companies
5. Shopping Companies
6. Travel Agencies
7. Tour Operators

1. Preferred supplier is a company that signed agreement with another company to provide it with both goods and services
2. Partnerships are very common in the travel industry
3. Potential for symbiotic and mutually-beneficial relationships

Roles and functions of travel agents

1. Providing one-stop tourism products, wide variety of needs includes food, accommodation, transport, touring and sightseeing, shopping, entertainment, linking tourists with tourism service providers

2. Retail channel for tourism products, transport, accommodation and catering organizations will also sell their own products/services directly to travelers

3. Facilitating customers' tourism activities and promoting the development of the tourism, travel agencies can book the relevant travel services before the customer departs, guaranteeing that the trip will go smoothly industry, customize guests needs such as study tour

Factor of consideration	Key Elements in a Tour			
	Hotels	Transports	Food	Itinerary
Preferences/ needs	• star rankings • location of hotels	• departure and arrival time • mode of transport	healthy food	• guided tour • self-tour
Interest	Entertainment facilities	in-flight	local and traditional cuisines	• shopping • sightseeing • adventure
Budget	• Standard • Deluxe • Suite	• economy class • business class • first class	meals are included or excluded	entrance fees of theme park and other own expenses
Safety	Hotel licensed	history of accidents under the brand	risk of food poisoning	risk of crimes and thefts

43 Factors Considered by a Travel Planner When Planning a Tour

Product Knowledge Required by a Travel Agent

Product Knowledge	Examples
Destinations	Climatic conditions Political situations Major attractions Travel regulations and documents
Airlines	Reservation system Route operations Flight schedules Fares Services offered on board
Airports	Timings Facilities Custom and security regulations Distances from cities
Surface (Rail and Road) and Water Transport	Time tables Fares and car rentals Reservation systems and procedures
Principal Suppliers	Image and financial standing Quality of service
Knowledge of Other Aspects	Local excursions Special interest tours

Disintermediation

- Customers get more direct access to items or services by reducing or eliminating third parties

- Self-booking tools and unlimited access to information made for better-informed travelers by internet

- Customers achieve truly personal and crafted experiences

- Rise of airbnb

- Technology to eliminate the obstacles between tourists and destination

Impacts of tourism

Positive economic impacts of tourism

- Creating jobs, large number of people with various levels of skills and abilities
① Direct employment: employment generated from business that directly provides services to tourists
② Indirect employment: manufacture goods and provide services which are bought or used by business
- Provide tax revenue
① Direct taxes: salary tax, increase in tourist expenses would result in an increase in income of people working in the tourism industry
② Indirect taxes, departure tax and hotel room tax, expenditure tax
- Improve the balance of payments: flow of goods, services and capital in and out of a country during a given period
- **Economic growth from multiplier effect**: foreign exchange earner for developing countries

Tourism Multiplier Effects

First order:
- Expenditure in destination (attract capitals from overseas)
- Tour operators (travel agents)
- Investors (international theme park investors)

Second order:
- Wages (local people income)
- Interest (attractions such as Tai Kwun)
- Profits (trading & selling)

Third order:
- Savings (local people save money in bank)
- Tax (charge consumption tax
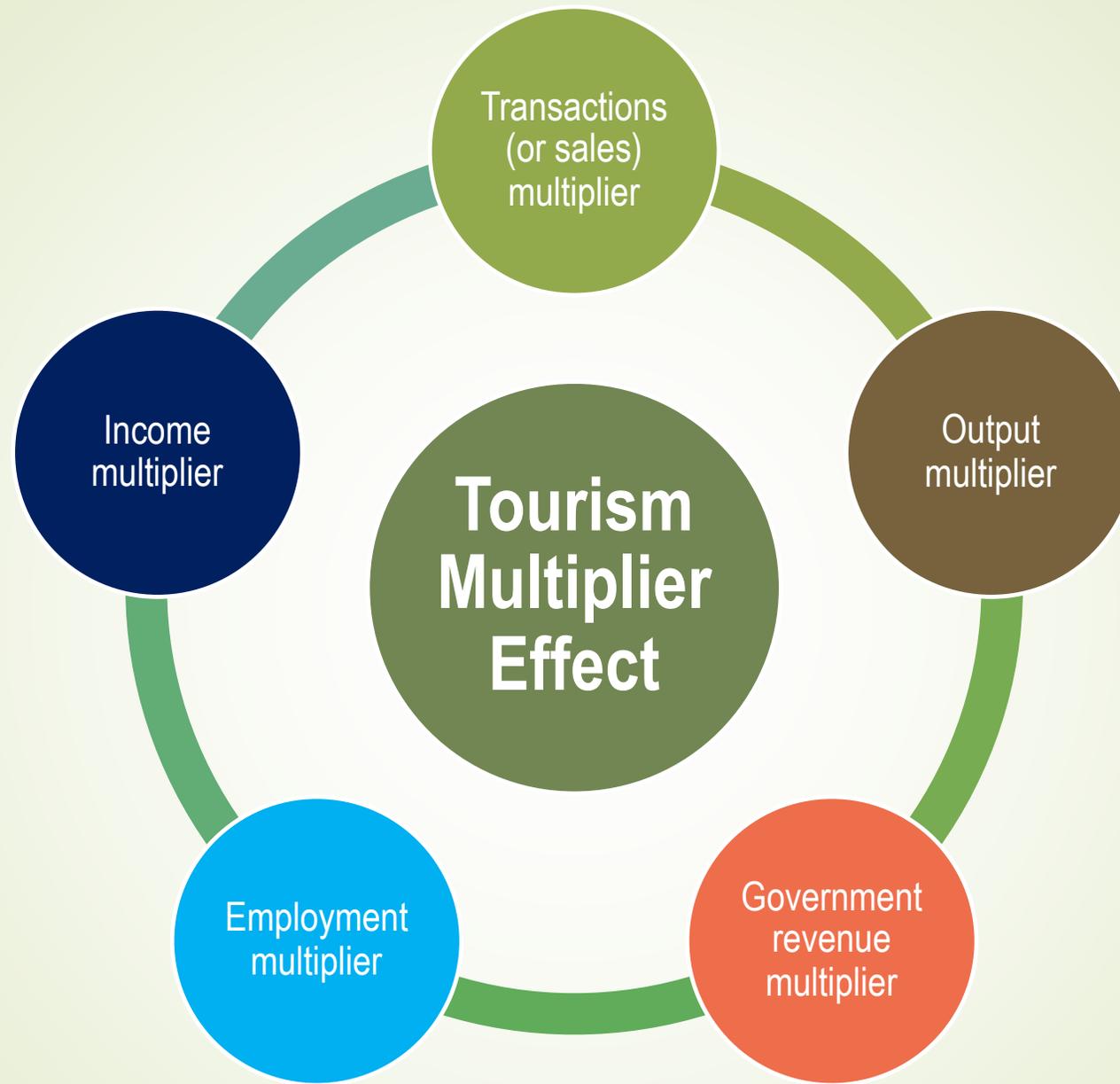
Transactions (or sales) Multiplier

Estimate a business's value based on the multiples used in a peer group of transactions

Measures the amount of ==additional business revenue created in an economy==

Result of an increase in tourist expenditure

Output Multiplier

Measures the amount of additional output generated in an economy as a result of an increase in tourist expenditure

Output multipliers are concerned with changes in the actual levels of production and not the volume and value of sales

Not all sales will be related to current production (payable makes inventories increase)

The value of an output multiplier and transactions multiplier will be different

Income Multiplier

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Measures the additional income

A dollar spent turns into more money

Places will then re-spend that money on inventory, utilities and more workers

Wages and Salaries, Rent, Interest and Profits

Employment Multiplier

Measures the amount of **direct, indirect** and **induced** jobs created in the city

Measurement of either the **total amount of employment** generated by an additional unit of tourist expenditure

Or

The **ratio of the total employment** generated by this same expenditure to the direct employment alone

Government Revenue Multiplier

- ➤ Measures the impact on government revenue, from all sources, associated with an increase of tourist expenditure

- ➤ Expressed in gross terms

- ➤ Net terms, government revenue is reduced by the increase in government expenditures associated with the increase in tourist activity

Conclusion of Tourism Multiplier Effect

Spending on tourism is huge on a global scale which means <mark>good revenue</mark>

Net contribution to a destination's economy depends largely on the spending leakages

May be <mark>affected by imports, taxes</mark> and repatriation of profits and wages

Negative Economic impacts of tourism

Facilitate the increase in consumer prices and land prices: great pressure on the limited resources in host country

Over-dependency on tourism: popular destination may become out of fashion quickly, the business and quality of life may be changed dramatically

Generate leakage

Expenditure on imported goods and services required by tourists

Money earned and sent to their own countries by foreign workers in tourism industry

Profits of foreign-company-owned tourist facilities diverted overseas

Socio-cultural Impact In Positive

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◆ **Improve the way of life**

◰ Promote social development through ==employment creation==

◰ Supports the ==creation of community== facilities and services

◰ Upgraded infrastructure, health and transport improvements

◰ Improve the reputation and visibility of host community

◆ **Encourage cultural exchange**

◰ Learn about each other's culture and custom

◰ ==Respect and tolerance for each other's culture==

◰ Develop and extend host countries' culture

◆ **Boost for cultural conservation**

◰ Boost the ==preservation and transmission of cultural== and historical traditions

◰ Appreciation of ==local art,== crafts, folklore, history, ==religion or language==

Socio-cultural Impact In Negative

- **Lifestyles**
  - Congestion
    1. Visitors and local residents over shared usage of local recreational facilities
    2. Additional demands on social services and supporting infrastructure
    3. Conflict of land use
  - Transformation of forms and types of occupation
    1. Draw workers from other sectors of the economy
    2. Place people, especially women and young people, in a financially less dependent position
  - Health problems
    1. Spread diseases, such as COVID-19
    2. Over usage of facilities such as sewage treatment with health risks

Socio-cultural Impact In Negative

Moral Issues

- Possible unethical issue
- Prostitutes concern

Crime Generation

- The density of the population
- The location of the resort in relation to an international border
- The per capita incomes of hosts and tourists

Doxey's Index of Tourist Irritation

- Based on the understanding of local residents' attitude change toward tourists and tourism development in different stages of a destination's life cycle

- Assumes the resulting circumstances with negative sociocultural impacts can lead to irritation in the local community

- Irridex has been currently considered as one of the most important models between local residents and tourists

- FOUR stages including:

1. The level of euphoria

2. The level of apathy

3. The level of irritation

4. The level of antagonism

5. The final level (the result of the FOUR stages)

Doxey's Index of Tourist Irritation

The level of euphoria (興奮愉快)	1. Residents are enthusiastic and thrilled by tourist development 2. <mark>Opportunities for locals</mark> and tourists bring in money
The level of apathy (理所當然)	1. Industry expands people begin to take the tourist for granted 2. <mark>Profit-taking</mark> and contact become more formal
The level of irritation (煩厭不快)	1. Close to saturation point 2. Locals <mark>cannot handle</mark> the numbers without expansion of facilities
The level of antagonism (敵對感覺)	1. Irritations have become more overt 2. See the tourist as the <mark>intruder</mark>
The final level	1. Ecosystem will never be the same 2. Must learn to <mark>adopt the changes</mark>

Environmental impact in Positive	
Preservation and conservation of environment	1. Provides the <mark>necessary motive and money </mark>for preserving treasures and ancient monuments 2. Make natural resources <mark>sustainable</mark> 3. Converted to agriculture, mining or other forms of <mark>industrial development</mark>
Enhancement of environment	1. Improve destination image by planting flowers, developing <mark>well-designed tourist facilities</mark> 2. Provides <mark>incentive for "cleaning up"</mark> the overall environment
Development of environmental awareness	1. Encourage local <mark>awareness of natural environment</mark> 2. Controls and planning to maintain the quality of the environment

Environmental impact in Negative

Water pollution	1. Rivers, lakes, and the sea polluted by recreational and tourist transportation 2. Untreated sewage from kitchens and bathrooms of island resorts
Air pollution	1. Excessive use of vehicles 2. Major tourist attraction areas that are accessible only or mainly by road
Soil pollution	1. Litter is the most visible
Noise pollution	1. Vehicles, aircraft and motorboats 2. Theme parks, car or motorcycle races may generate noise
Visual pollution	1. Poorly designed buildings 2. Use of large and ugly advertising signs 3. Poor maintenance of buildings

Measurement of Environmental Impact

➤ **The Importance of Environmental Impact Assessment (EIA)**

➤ Limited environmental resources are being consumed

➤ Environmental impacts: Physical, Biological and Socio-economic (**culture**)

➤ Conducted for evaluating how serious the environment could be affected

➤ **Key Considerations of Environmental Impact Assessment**

➤ In general speaking EIA is:

➤ mainly for evaluating the net economic returns of tourism activity

➤ compare alternative developments and allocate resources more effectively

➤ to raise the profile of environmental issues

OCED Framework in Assessing Tourism and Environment Stress

Stressor activities	Stress	Primary response environment	Secondary response (reaction) human
Major construction activity 1. Urban expansion 2. Change in land use	1. Restructuring of local environments 2. Lands being taken out of primary production	1. Change in population 2. Change in health and welfare 3. Change in visual quality	1. Designation of wildlife conservation and national parks 2. Controls on access to recreational lands
Generation of waste residuals	1. Effluent discharges 2. Solid waste disposal 3. Noise	1. Change in quality of environmental media 2. Health of humans	1. Recycling of waste materials 2. Decline in tourist revenues 3. Expenditure of pollution abatement by tourist-related industries
Tourist activities	Destruction of species	1. Change in habitat 2. Change in population	1. Expenditure on management of conservation 2. Controls on access to recreational lands

Measurement of Environmental Impact (con't)

The studies of Impacts of Tourism in Hong Kong

- Positive Impact

- Improving employment opportunities, tax revenue, and economic diversity (Kim et al., 2013)

- Residents may actively participate in tourism activities when they perceive positive tourism impacts (Gursoy & Rutherford, 2004)

- Tourism impacts on a destination are economic, sociocultural, and environmental among others (Andereck et al., 2005; Ogorelc, 2009; Nunkoo & Ramkissoon, 2011; Uysal et al., 2016).

- Negative Impacts

- Quality of life in the destination, include crowding, traffic congestion, and environmental pollution (Andereck & Nyaupane, 2011; Andereck et al., 2005)

- Bring along social problems which could contribute to social and cultural changes in the host community (Perdue, Long, & Kang, 1995)

Positive Impacts of Tourism in Hong Kong

- Improves the area's appearance
- Preserves historic buildings and monuments
- increases employment opportunities
- increased availability of recreation facilities/opportunities
- Demand for historical and cultural exhibits
- Promotes cultural exchange
- Contributes to income and standard of living
- Increases tax revenues
- Increases opportunities for shopping
- Improves transport infrastructure

Negative Impacts of Tourism in Hong Kong

- Tourism creates an increase in traffic congestion

- Increases noise pollution and litter

- Results in over-crowding

- Heightened tension between residents and tourists

- The district shops tend to tourists

- Inflation concern

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Changes in tourism industry under the COVID-19 pandemic

The changes of Hong Kong Tourism under COVID-19

Jul 2020

HKTB Research

2020 年 6 月訪港旅客統計 Monthly Report - Visitor Arrival Statistics : Jun 2020

1. 訪港旅客人次撮要（按居住國家／地區計） **Total Visitor Arrivals by Country / Region of Residence**

居住國家／地區	Country / Region of Residence	2019 年 6 月 Jun 2019 人次 No.	2020 年 6 月 Jun 2020 人次 No.	增長率 % Growth	2019 年 1 至 6 月 Jan - Jun 2019 人次 No.	2020 年 1 至 6 月 Jan - Jun 2020 人次 No.	增長率 % Growth
合計	**TOTAL**	5,143,734	14,606	– 99.7	34,871,856	3,516,080	– 89.9
內地	**Mainland**	4,000,994	6,682	– 99.8	27,573,517	2,681,241	– 90.3
非內地	**Non-Mainland**	1,142,740	7,924	– 99.3	7,298,339	834,839	– 88.6
短途地區市場 (不包括內地)	**Short Haul Markets (Exclude Mainland)**	762,880	2,299	– 99.7	4,696,391	466,925	– 90.1
澳門特區	Macau SAR	114,924	117	– 99.9	698,719	116,980	– 83.3
短途地區市場 (不包括內地以及 澳門特區)	**Short Haul Markets (Exclude Mainland & Macau SAR)**	647,956	2,182	– 99.7	3,997,672	349,945	– 91.2
台灣	Taiwan	155,363	495	– 99.7	923,988	102,808	– 88.9
日本	Japan	94,264	50	– 99.9	674,505	50,144	– 92.6
南韓	South Korea	92,229	83	– 99.9	737,100	39,650	– 94.6
印尼	Indonesia	66,592	255	– 99.6	235,651	24,624	– 89.6
馬來西亞	Malaysia	39,631	38	– 99.9	242,330	20,562	– 91.5
菲律賓	Philippines	95,140	1,174	– 98.8	508,705	57,502	– 88.7

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The changes of Hong Kong Tourism under COVID-19

- Staycation, focus on residents, but low margin

- Shopping arcades reduce income contribution

- Food and Beverage selling dropped

- Retails particular Jewelry, cut some stores in major tourist districts and added new ones in local residential areas (Lok Fook)

- Ocean Park Hong Kong only had 1.4 million visitors in 2020 (given that provided different discounts)

- Disneyland Hong Kong only had 1.7 million visitors in 2020

The changes of Hong Kong Tourism under COVID-19

1. Flycation arrangement

2. No more Cathay Dragon

3. Cathy Pacific losses of HK$7.6 billion (US$977 million) in the first half of 2021

Stakeholders

- Local community and tourists play essential parts, tourism development comes from the conflict between these two groups (**Wassler et al., 2016**)
- Residents must share nature-based resources with inbound tourists (**Tsaur et al., 2006**)
- Different stakeholders' perceptions and preferences towards nature-based tourism in Hong Kong (**Suh & Gartner, 2004; Zhang & Chan, 2016**)
- Mainland Chinese visitors drive Hong Kong's tourist numbers to record high of 65.1 million in 2018

Table 1: Hong Kong's tourism industry: value added and employment

	% of total value added (GDP)		% of total employment	
	2000	2018	2000	2018
Tourism (i) + (ii)	**2.4**	**4.5**	**3.6**	**6.6**
(i) Inbound tourism	1.7	3.6	2.7	5.8
Retail sales	0.3	1.0	0.9	2.6
Accommodation services	0.5	1.0	0.8	1.0
Food and beverage services	0.2	0.5	0.6	1.3
Cross-boundary passenger transport services	0.5	0.7	0.2	0.4
Others	0.2	0.5	0.2	0.6
(ii) Outbound tourism	0.8	0.8	0.9	0.8
Travel agency, reservation service and others	0.3	0.3	0.6	0.5
Cross-boundary passenger transport services	0.5	0.6	0.3	0.3

Hotel staycation package

- Staycation hotels may be forced to extend their service to those wrong segmentations

- Lower down the profit margin to gain the cash flow to avoid lay off

- Designated Hotels for Quarantine, it may affect the staff perspective and hotel reputation

- Hotel room likes a party room

- Conflicts between hotel staff and local residence

Virtual tour

Changes in tourism industry under the COVID-19 Pandemic

- Cultural Playground
- Cultural preservation
- Local guided tour
- Tourism workshop
- Virtual tour and activities

Virtual Tour providers' Experience

- ▶ Interaction virtual tourism
- ▶ Story telling
- ▶ You can make decision
- ▶ Indoor and outdoor views

What makes virtual tours work?

- **Storytelling and theatrical approach**, the content is entertaining and informative. Participants can go through all the way and merge the selected destination

- **Human touch in the time of social distancing**, emphasize interaction with the audience, respond instantly to participants' preferences and choices to customize the experience

- **Excellent technology**, as the technology keeps improving such as 5G mobile network to provide clear and stable connection

Arise of Tourism KOL

- KOL culture will be a factor to affect people to join virtual tour motivation
- Communication and learning will be more interactive and eager
- Cost saving, as the KOL can entertain many people at the same time, no tour guide and tourists' ratio restriction
- Old generation will not enjoy this type of business

Future development in tourism industry

- Buy products through virtual platform

- Online and Offline dual business mode

- Eco tourism and sustainable tourism as having more experience with the local heritages

- Tour will be more diversified

- Multi-languages required

- Accelerate the withdrawal of traditional travel agents from the market

COVID-19 made them a necessity, but virtual events are here to stay

According to a recent Condé Nast survey, 90% of respondents said that even once live events are back, they would still be interested in the virtual offerings.

Future development in tourism industry

- **Safety & Hygiene Tourism Trends,** airlines, cruises, hotels, restaurants or bars, the **safety and hygiene** standards have been absolutely paramount

- **Shift From International to Local,** various travel restrictions and the reluctance of many people to travel abroad has meant, shift to look for local travel experience

- **Growth of Contactless Payments,** contactless payments has enabled tourism companies to reduce friction and improve the speed of check-ins and check-outs, and more flexible to process online shopping

- **Virtual Reality Tourism Trends,** major tourism trends disrupting the industry and capitalizing on the technology

- **Internet of Things (IoT),** devices include heating and cooling systems, entertainment systems and other items often found in a hotel room, giving rise to "smart" hotel rooms

Q&A