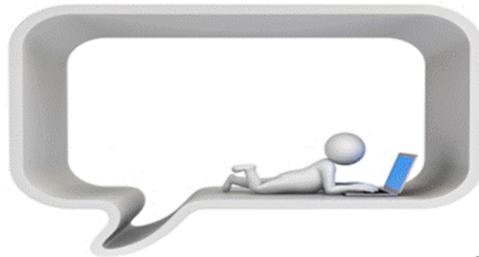


# TOURISM AND HOSPITALITY STUDIES



## **Trends and Issues in the Tourism and Hospitality Industry**

Fine-tuned version

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**Manual on Module V –  
Trends and Issues in the Tourism and  
Hospitality Industry**

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(Fine-tuned version) September 2024

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## Introduction

A set of curriculum support package of tourism and hospitality learning and teaching materials is being developed by the Personal, Social and Humanities Education Section of Curriculum Development Institute, Education Bureau for the implementation of the senior secondary Tourism and Hospitality Studies fine-tuned curriculum in schools. The curriculum support package is comprised of five manuals, and they are developed to broaden students' knowledge of the five different units of the Tourism and Hospitality Studies curriculum.

The content of this manual – Trends and Issues in the Tourism and Hospitality Industry, should enhance students' understanding of the dynamic nature of the tourism and hospitality industry. In addition, the manual includes activities to deepen students' understanding and help them to apply theories and concepts. Furthermore, students should be able to develop enquiry, problem-solving and decision-making skills through these activities.

All comments and suggestions related to this curriculum support package may be sent to:

Chief Curriculum Development Officer (PSHE)  
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Wan Chai  
Hong Kong

**Fine-tuned version September 2024**

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# 1. Introduction to Current Issues in Tourism and Hospitality

The Tourism and Hospitality industry refers to the sector that encompasses tourism, hotels, restaurants, hospitality, and related services. This industry plays a significant role worldwide by providing accommodation, dining, entertainment, and other services to travelers, while also making important contributions to the local economy.

Here are some key issues faced by the Tourism and Hospitality industry:

**Impact of COVID-19:** Since 2020, the COVID-19 pandemic has had a tremendous impact on the Tourism and Hospitality industry. Travel restrictions, flight cancellations, and a decrease in tourists have led to a drastic decline in hotel bookings, and the restaurant industry has also faced significant challenges. Many businesses have had to close or reduce operations, facing severe economic hardships.

**Sustainable Development:** The impact of the Tourism and Hospitality industry on the environment and society is increasingly being scrutinized. Businesses need to consider how to reduce energy consumption, minimize waste generation, and implement sustainable operational practices. Additionally, protecting cultural heritage and ecosystems, as well as respecting local communities and cultures, are key aspects of sustainable development.

**Rapid Technological Advancements:** The rapid development of emerging technologies has greatly influenced the Tourism and Hospitality industry. Online booking platforms and mobile applications have made it easier for travelers to book accommodations, flights, and activities. Furthermore, data analytics and artificial intelligence technologies provide businesses with better customer insights and marketing strategies. However, the rapid advancement of technology also brings challenges such as security and privacy protection.

**Human Resource Management:** The Tourism and Hospitality industry is labor-intensive, making effective human resource management crucial. Businesses need to ensure the recruitment, training, and retention of excellent employees, provide a favorable working environment, and offer competitive benefits. Additionally, businesses must address challenges related to seasonal demand fluctuations and high employee turnover.

Destination Competitiveness: Every destination aims to attract more tourists and increase tourism revenue. Therefore, destination competitiveness has become a significant issue in the Tourism and Hospitality industry. Businesses need to develop unique tourism products and experiences, provide high-quality services, and collaborate with local governments and other stakeholders to enhance the competitiveness of their destinations.

These issues have a profound impact on the development and operational strategies of the Tourism and Hospitality industry. Businesses need to continually monitor and address these issues to ensure the sustainable growth of their operations.

### **ACTIVITY 1**

Students are divided into groups of 3-4 people.

Based on the challenges faced by the tourism and hospitality industry listed above, propose some feasible solutions and share your views in the classroom.

## 2. Sustainable Tourism

### 2.1 The Concept of Sustainable Tourism

The tourism and hospitality industries are changing rapidly. It is important to consider that tourism is deeply intertwined with a multitude of other sectors, such as transportation, attractions, and entertainment. All these sectors form part of a dynamic human activity system that is perpetually evolving. Changes in any one sector can create a ripple effect, leading to shifts in other sectors. Therefore, the ever-changing nature of these sectors inevitably exerts a profound impact on tourism, shaping its growth and development.

Sustainable development in tourism is a concept that involves meeting the needs of the present without compromising the ability of future generations to meet their own needs. This definition was first introduced in the Brundtland Report, officially titled "Our Common Future," by the World Commission on Environment and Development. The applications of sustainable development are in three areas:

1. **Economic Sustainability:** This involves using and managing resources efficiently to ensure long-term economic growth and stability. It includes aspects like job creation, economic productivity, and reducing the gap between the rich and the poor.
2. **Social Sustainability:** This focuses on improving the quality of life for all individuals by promoting social inclusion, equal opportunity, and strong community cohesion. It includes aspects like human rights, labor rights, social justice, cultural diversity, and political participation.
3. **Environmental Sustainability:** This involves protecting and preserving the natural environment for future generations. It includes aspects like reducing pollution, promoting renewable energy, conserving natural resources, and protecting biodiversity.

## 2.2 Tourism and Sustainable Development - Application of Its Principles in Tourism

Tourism is in a special position in the contribution it can make to sustainable development and the challenges it presents. In economic terms, the dynamism and growth of the sector, and the major contribution make to the economies of many countries and local destinations. In terms of social and environmental, tourism is an activity which involves a special relationship between consumers(visitors), the industry, the environment and local communities.



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### ACTIVITY 2

Watch ‘An Inconvenient Truth’ under the guidance of your teacher and discuss the issues raised in the film. Pay particular attention to the tips provided on the inside of the front cover of the movie that gives you ideas of what YOU can do to help in the fight against our changing climate.

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## 2.3 The World Tourism Organization (UN Tourism)'s Definition of Sustainable Tourism

The World Tourism Organization (UN Tourism) defines sustainable tourism as "Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic, and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability." (Hall, 2021).

As a real-life example, you can think about the changes caused by the COVID-19 pandemic. The COVID-19 pandemic has affected the tourism industry due to travel restrictions as well as reduced tourist demand. The travel industry has been hit hard by the spread of the coronavirus as many countries have introduced travel restrictions to contain its spread. In many cities around the world, planned trips have dropped dramatically. Conflicts and one-way travel restrictions occurred in the region, and many tourist attractions around the world, such as museums, theme parks and sports venues were closed. These rapid changes require travel businesses to stay alert to quickly react to changes, trends, and issues so they can make the necessary adjustments to their business. This includes preparing for unforeseen circumstances and changes in their operating environment. One way to do this is to constantly scan the media for trends that could impact the business and set aside money to deal with unforeseen developments beyond the company's control. For instance, a sudden increase in global awareness about the importance of rainforests might lead to a surge in demand for their eco-tours. On the other hand, a natural disaster like a hurricane could disrupt their operations and potentially damage the natural attractions they rely on. To stay agile and sustainable, EcoTravels constantly monitors various media outlets, travel blogs, social media, and scientific reports to keep up with the latest trends, environmental issues, and potential threats. They also engage with local communities, conservation organizations, and other stakeholders to stay informed about local developments. In terms of financial preparedness, EcoTravels sets aside a portion of their profits into a contingency fund. This fund is used to deal with unforeseen circumstances like natural disasters, unexpected maintenance of their facilities, or sudden changes in the local economy.

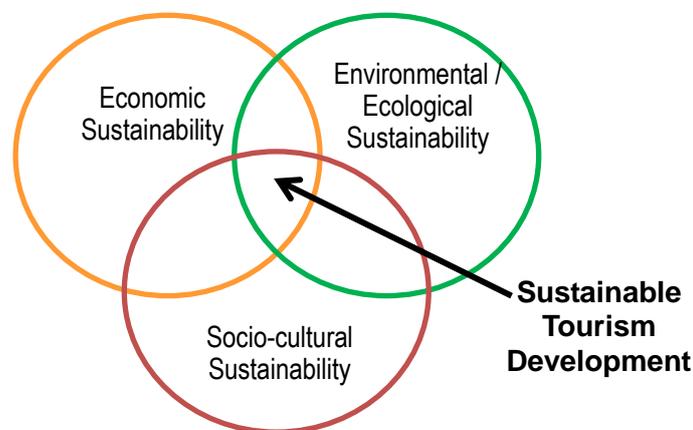
### **Sustainable Tourism vs Ecotourism**

A clear distinction should be made between the concepts of ecotourism and sustainable tourism: "The term ecotourism itself refers to a segment within the tourism sector with focus on environmental sustainability, while the sustainability principles should apply to all types of tourism activities, operations, establishments and projects, including conventional and alternative forms (Source: UNEP - International Year of Ecotourism 2002 available at [http://www.unep.fr/scp/tourism/events/iye/pdf/iye\\_leaflet\\_text.pdf](http://www.unep.fr/scp/tourism/events/iye/pdf/iye_leaflet_text.pdf)).

## 2.4 Guidelines For Achieving Sustainable Tourism - An Agenda for Sustainable Tourism and Its Twelve Aims

Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments (Source: UNWTO, UNEP 2005). An agenda for sustainable tourism can be articulated as a set of twelve aims which list out all the key elements to be considered and give clear guidelines of how sustainable tourism can be achieved in three different aspects: economic, social and environmental aspects as shown in Figure 2.1.

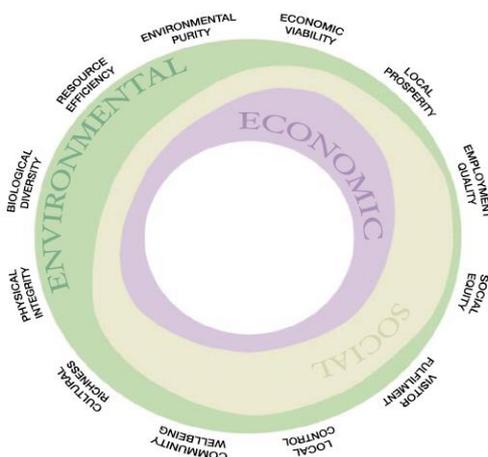
**Figure 2.1: Sustainable Tourism Development**



The agenda formulated in this way can then be used as a framework to develop policies for more sustainable tourism that recognize the two directions in which tourism policy can exert an influence:

- minimizing the negative impacts of tourism on society and the environment; and
- maximizing tourism's positive and creative contribution to local economies, the conservation of natural and cultural heritage, and the quality of life of hosts and visitors.

The twelve aims of the agenda for sustainable tourism are categorized into three different aspects. The order in which these twelve aims are listed does not imply any order of priority, and each one is equally important.



**Figure 2.2: Relationship Between the Twelve Aims and the Pillars of Sustainability**

**A Environmental  
Sustainability**

1. Physical Integrity

To maintain and enhance the quality of landscapes, both urban and rural, and avoid the physical and visual degradation of the environment.

Examples of measures include:

- Ensuring that new tourism development is appropriate to local environmental conditions, such as the siting of new structures with respect to physical landform, vegetation, and coherence of existing urban structures; Maintaining high quality rural and urban landscapes as a tourism resource, such as avoiding the proliferation of advertisements and graffiti.

2. Biological Diversity

To support the conservation of natural areas, habitats and wildlife, and minimize damage to them.

Examples of measures include:

- Working with national parks and other protected areas, such as preparing national guidelines on sustainable tourism in protected areas;
- Promoting development and management of ecotourism, such as development of certification system for ecotourism products.

3. Resource Efficiency

To minimize the use of scarce and non-renewable resources in the development and operation of tourism facilities and services.

Examples of measures include:

- Taking account of resource supply in the planning of tourism development, such as planning provision of water and energy supplies in tourism development projects;
- Promoting a reduce, reuse, recycle mentality, such as the creation of markets to recycle tourism supplies (paper, glass and plastic in particular).

4. Environmental Purity

To minimize the pollution of air, water and land and the generation of waste by tourism enterprises and visitors.

Examples of measures include:

- Promoting the use of more sustainable transport, such as travelling by rail and boat which are less polluting when compared with air travel;
- Reducing the use of environmentally damaging chemicals or products, such as the disposal of chemicals present in cleaning products or the release of CFCs into the atmosphere from cooling systems.

## **B Social-cultural Sustainability**

### **5. Social Equity**

To seek a widespread and fair distribution of economic and social benefits from tourism throughout the recipient community, including improving opportunities, income and services available to the poor. Tourism policies concerned with social equity should seek to benefit disadvantaged people by delivering economic and social benefits to them. There are many reasons why tourism is well-placed to reach disadvantaged people, mainly because it is a labour intensive service industry with relatively low entry barriers and an activity that in situ within communities.

Examples of measures include:

- Developing income earning opportunities for disadvantaged people, such as encouraging the development of small, individual or community-owned tourism businesses within disadvantaged communities;
- Utilizing income from tourism to support social programmes, such as raising funds by taxation on tourists or tourism enterprises and use it for education, health and social welfare.

### **6. Visitor Fulfillment**

To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, disability or in other ways.

Examples of measures include:

- Improving access for all, such as ensuring tourism facilities and infrastructure are accessible and usable by people with disabilities;
- Monitoring visitor satisfaction, such as maintaining a regular survey of visitors to destinations and encouraging enterprises to obtain feedback from their guests.

7. Local Control

To engage and empower local communities in planning and decision making about the management and future development of tourism in their area, in consultation with other stakeholders.

An example of measures includes:

- Fully engaging the local community in the development of tourism policies and plans, such as undergoing the process of wider consultation for the community and other stakeholders.

8. Community Wellbeing

To maintain and strengthen the quality of life in local communities, including social structures and access to resources, amenities and life support systems, avoiding any form of social degradation or exploitation.

Examples of measures include:

- Reducing congestion, such as managing demand and reducing seasonality by marketing and pricing techniques to promote off-season visits;
- Promoting mutual use of facilities and services by residents and tourists;
- Influencing the behavior of tourists towards local communities, such as regulating certain aspects of visitor behaviours, e.g. noise and littering, etc.

9. Cultural Richness

To respect and enhance the historic heritage, authentic culture, traditions and distinctiveness of host communities.

Examples of measures include:

- Ensuring effectiveness management and conservation of cultural and historic heritage sites, such as securing more money from visitors for conservation through promoting greater use and management of admission income;
- Working with communities on the sensitive presentation and promotion of culture and traditions by informing tourists about local traditions and culture before and during the trip, while at the same time, informing local communities about the cultures of their potential visitors.

**C Economic  
Sustainability**

10. Economic Viability

To ensure the viability and competitiveness of tourism destinations and enterprises, so that they are able to continue to prosper and deliver benefits in the long term.

Examples of measures include:

- Understanding the market, such as identifying markets that will continue to deliver business in the long term through market research of travel patterns and tastes;
- Delivering visitor satisfaction, such as attention to value for money and the overall competitiveness of the destination; and obtaining regular feedback from visitors;
- Maintaining and projecting an attractive destination, such as creating a positive and consistent image through effective destination branding and ensuring safety and security are available to visitors.

11. Local Prosperity

To maximize the contribution of tourism to the economic prosperity of the host destination, including the proportion of visitor spending that is retained locally.

Examples of measures include:

- Reducing leakages, such as support locally owned businesses and encouraging employment of local labour so a higher proportion of profits is likely to be retained within the community;
- Strengthening links between business to encourage and facilitate local sourcing of supplies, such as encouraging tour operators to use locally based service providers and products that are most likely to benefit local communities;
- Influencing levels of visitor spending through attracting higher spending markets and increasing length of stay by increasing the availability of spending opportunities.

12. Employment Quality

To strengthen the number and quality of local jobs created and supported by tourism, including the level of pay, conditions of service and availability to all without discrimination by gender, race, disability or in other ways.

An example of measures includes:

- Increasing employment opportunities, such as creation of jobs that are stable and that provide fair salaries and benefits.
- Encouraging enterprises to provide skills on the job training and career advancement.

In short, the twelve aims of sustainable tourism thus aspires to be more energy efficient and more climate sound (for example by using renewable energy); consume less water; minimize waste; conserve biodiversity, cultural heritage and traditional values; support intercultural understanding and tolerance; generate local income and integrate local communities with a view to improving livelihoods and reducing poverty. Making tourism businesses more sustainable benefits local communities, and raises awareness and support for the sustainable use of natural resources. (Source: United Nations Environment Programme (UNEP) and World Tourism Organization (UNWTO – Tourism in the Green Economy 2012)



Crowding on the Nathan Road sidewalk creates an unpleasant experience for visitors and local people.



Respect for wildlife in all its forms is required to make natural attractions sustainable.



Air pollution combined with cloudy skies can reduce the attractiveness of a tourist destination.



On a clear day, the tourist destination is much more attractive.

## 2.5 Sustainable Tourism Development Case Studies

### The Case of Hong Kong – Tai O Heritage

#### Hong Kong Heritage

#### Tai O Heritage Hotel looks at raising awareness for heritage among Hong Kong citizens

Travel Daily News - 22 October 2012, 09:52

*After decades of destroying its historical heritage, Hong Kong tries to preserve what ever remains to be seen... The new Tai O Heritage Hotel in Lantau, opened last March, is the right step to promote heritage conservation and sustainable tourism in the former British colony.*



HONG KONG - Heritage and Hong Kong form certainly the most unlikely marriage. The former British colony with scarce lands in its urban areas, conducted since the late sixties a systematic policy of destroying most of its historical heritage to give way to speculative developments along its shores. Old mansions and Victorian style buildings made then ways to skyscrapers, malls and offices – not always from the best architectural standard.

Even in relative recent history, Hong Kong showed no mercy to some of its most grandest old buildings: gone in 1978 was the classic Tsim Sha Tsui Railway Station (Now remains only the Tsim Sha Tsui Clock Tower ")-the same fate was shared in 1981 by the Hong Kong Club Building, a beautiful Victorian structure and in 1982 it was the turn of the Repulse Bay Hotel, which saw celebrities such as Marlon Brando, Spain Prince Juan Carlos or Peter Seller.

A few buildings remain today from old Hong Kong in Central district around the Legislative Council building while in Kowloon, the most striking facade is still the one from the Peninsula Hotel. But times are changing. Since reverting to China PRC, Hong Kong people rediscovers the need for history and started recently to value again their heritage- probably as they see it as part of their roots.

Recently, the Old Tai O Police Station, built in 1902 on Lantau island, has been revitalised and converted into the 'Tai O Heritage Hotel', in celebration of the timeless local cultural heritage. The Old Tai O Police Station originally housed policemen posted to combat pirates who roamed the surrounding waters. As crime rates declined over the years, it ceased to operate as a police station and functioned as a patrol post from 1996 to 2002 as it just faces Mainland China maritime territories.

The Opening Ceremony was even attended by the former Chief Executive Chief Executive of the Hong Kong Special Administrative Region, **Donald Tsang** who then declared that, "the 'Revitalisation' of Old Tai O Police Station contributes to the heritage conservation,

community development and tourism of Tai O. It helps promote Tai O as an exclusive cultural destination for both local and overseas visitors. I wish this project can continue to engage the public in bolstering Tai O's economy and achieve synergy with other local facilities. In addition to promoting heritage conservation, tourism and green living, this project is expected to preserve Tai O's unique cultural tradition and give Hong Kong people and overseas tourists an impressive experience."

The historic building in the charming fishing village of Tai O was able to conserve its unique architectural features, while modern interventions tastefully inserted. It is one of the six projects under Batch I of the Development Bureau's Revitalising Historic Buildings with the idea of conserving 20th century colonial architecture and combining the beauty of Chinese and Western architectural styles.

The Tai O Heritage Hotel engages local communities to appreciate heritage conservation. The project contributes to the sustainable development of Tai O tourism through a series of tailor-made eco-tours and cultural experience tours. Running as a non-profit social enterprise, the Hotel has a gross floor area of 1,170 sq m, with nine colonial-style rooms and suites, establishing a publicly-accessible Heritage Interpretation Centre, an exhibition area displaying the history of the former police station and that of Tai O people.

Tai O Lookout is also a glass-roofed restaurant featuring Tai O specialties, which also showcases Hong Kong and Tai O artists' ingenious creations. Free guided hotel tours are offered daily.

To establish a close connection between this historic site with the community and the people in Tai O, the Hotel provides employment opportunities and training to Tai O residents. Among the 16 full-time and 4 part-time staff, about half are Tai O natives. The heritage hotel is another opportunity for travellers to rediscover Hong Kong colourful past.

Source: Travel Daily News. Available at:

<http://www.traveldailynews.asia/news/article/50712/tai-o-heritage-hotel-looks>

### ACTIVITY 3

#### Questions For Discussion:

Based on the information provided in the above article and your understanding of sustainable tourism, try to discuss the following questions:

1. What types of tourists will be attracted to visit Tai O?
2. How can the local community of Tai O benefit from the development of heritage hotel?
3. Suggest how sustainable tourism can be achieved in three different aspects of sustainable tourism mentioned in Figure 2.1.

## The Case of Macau – Sustainably Tourism Development of Macau

Title: Application of Technology Empowers Sustainable Development in the Tourism Industry

Date: September 28, 2023

Source: Macau News, Issue 802, 4th Edition

**【Report】** Ms. Maria Helena de Senna Fernandes (文綺華) Director of Macau Government Tourism Office and Deputy Chairperson of the World Travel & Tourism Council, participated in the session titled "Focusing on Sustainable Development: Exploring the Future of the Asia-Pacific Tourism Industry" at the 10th World Travel & Tourism Forum • Macau 2023. She discussed how Macau plans to achieve sustainable development in the tourism industry, highlighting the use of technology to enhance interaction and connection between tourists and the destination. She also shared insights on Macau's "1+4" development strategy, promoting diversified economic growth, and fostering community participation, including the development of community tourism.

During the session, Ms. Maria Helena de Senna Fernandes (文綺華) emphasized that technology is transforming people's lifestyles and advocated for the digitization of the tourism industry. Through various social networks, tourists can maintain connections with friends from around the world even after they leave. Additionally, by collecting and analyzing data, tourists can receive information on the crowd situation at various attractions and receive recommendations for interesting places, thus improving their travel experience in Macau.

In a subsequent media interview, Ms. Maria Helena de Senna Fernandes (文綺華) stated that the session was an excellent opportunity for sharing. Participants discussed strategies employed by governments worldwide to develop and manage destinations, aiming for sustainable development. Examples included attracting tourists to their preferred locations and avoiding concentration at specific attractions by encouraging them to explore different areas. Macau intends to leverage technology and other policies to empower sustainable tourism development. She expressed confidence that the forum's attendees would draw from the shared experiences and ideas presented in various sessions.

## Synergy between Technology, AI, and Human Customer Service

Ms. Maria Helena de Senna Fernandes (文綺華) also pointed out that while AI technology can assist in providing real-time guidance and commentary services for tourists, visitors who come to Macau would still appreciate communication and interaction with real people. Therefore, in addition to utilizing technological applications to assist these tourists, the industry is expected to increase the number of personnel with language skills in order to serve tourists effectively.

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<http://www.macaucee.com.mo/content.asp?id=95373>

### 10th Global Tourism Economy Forum · Macao 2023

<https://www.dst.gov.mo/en/about-us/press-release/f63d4a6a43ce4b729360192f75f54df3.html>

## ACTIVITY 4

### Questions for Discussion: :

Based on the above article, let's discuss how the Macau tourism industry can promote sustainable development through the application of technology.

## 3. Tourism and Hospitality Issues Induced by Globalization

### 3.1 Globalization

#### 3.1.1 Globalization and Its Effects on Tourism Development

“Globalization is essentially a process by which an ever tightening network of ties that cut across national political boundaries connects communities in a single, interdependent whole, a shrinking world where local differences are steadily eroded and subsumed within a massive global social order” (Mowforth and Mundt 1998:12). It is facilitated by the rapid movement of people, information, money and ideas around the globe.

How is globalization felt in the tourism context? We can think of several ways which include the following:

- Commodification and trivialization of local cultures – everything takes on a practical and commercial (for money) aspect
- Americanization through McDonald's, KFC and Starbucks



McDonald's fast food outlets can now even be found on islands in the South Pacific such as in Fiji.

- – Standardization - all cities of the world look the same. Experiencing the diversity of building styles, dishes and cultures was once a main reason to visit cities. Today as one travels around the world one finds that many airports, hotels and cities are more or less the same – this takes the fun out of traveling.



Welcome to New York, London or Paris? No, welcome to Beijing.

- Free flow of money around the world where it can earn the highest rate of return on investment
- The location of manufacturing shifts to where wages are the lowest at the expense of local people. Souvenir production is an example whereby Australian koala toys are manufactured in China or where coconut souvenirs sold in the Maldives are made in Bali.
- Small scale operations such as Peregrine Adventures, a Melbourne based tour company, are bought out by bigger companies (First Choice in the UK) who in turn are purchased by even larger companies (TUI of Germany).
- Most of the economic restructuring (change in ownership) is in the interest of big business not in the interest of the public and of the local people.
- The Hilton Hotel Corporation was recently sold to an investment fund that is primarily interested in a high rate of return on its investment for its shareholders and not in the wellbeing of guests, local people, and employees or in corporate social responsibility.
- Multinational companies such as CNN present consumers with their idea of the “truth” behind the news. They tell us what is important and what is not. They show us places we should want to travel to
- National Geographic brings the world’s most exotic travel experiences to our living room and we become “armchair travellers”. This raises the question whether we still have to travel to places when we have already ‘experienced “ them on our flat screen TVs.

Globalization is felt particularly in less developed countries, many of which see tourism as an important development option. Unfortunately developing tourism can require that poor countries have to take out billion dollar loans to build the necessary infrastructure for tourism development and this can be a problem because they may not be able to pay back their debts. Airports, roads, hotels, restaurants and theme parks may be built but they are of little use to

locals who can't afford to fly or stay in those hotels.

Tax concessions (tax holidays) are often provided to outside developers to provide them with incentives to develop tourism infrastructure such as hotels in developing countries. By allowing developers not to pay local taxes for the first 5 or more years they are depriving the local government and hence the citizens of revenue but often no infrastructure would be build if such concessions are not offered.

International tourists demand international style hotels, food and drinks and hence developing countries have to import up-market building materials such as marble from Italy, food (oysters from Australia) and drinks (Scotch whiskey) from abroad which means that much of the tourism earnings flows abroad. This is called leakage because the money leaks out of the local economy and it can't be used to benefit local people.

### 3.1.2 Driving Forces of Globalization

#### 1. Technological development

Globalization has been facilitated by two technologies. First, the development of transportation technology has reduced the time cost and monetary cost of long distance travel. There are now low-cost carriers (e.g., Spring Airlines in the Mainland, Hong Kong Express EasyJet in the UK) offering low fares which enable not-so-wealthy passengers who are willing to accept few in-flight services to travel.



Second, the rapid development of the Internet technology in recent years has facilitated international communication and enabled potential travelers to explore the attractions in a destination and search for small businesses. Through the development of global on-line booking systems such as booking.com, hotels.com, priceline.com, and travel.rakuten.co.jp, people can reserve air tickets and accommodations easily on their own without the help of travel agents.

#### 2. Economic drivers

People in western countries enjoy more disposable incomes and annual days of vacation, which enable them to pursue international tourism more frequently.

#### 3. Increased familiarity with own country

Westerners are more experienced and knowledgeable, who have now grown familiar with their own country and similar countries of the West. The same applies to the Chinese as well in the recent years. The richer people have been to the major popular destinations in the Mainland and Hong Kong, and therefore now look for places that are new and distant such as Arctic and Iceland.

### 3.2 Cultural Homogenization

One of the potential negative consequences of globalization and tourism is homogenization of culture. It refers to the transfer of ideas, values and lifestyles of the dominant countries (especially America) into other countries throughout the world. That is to say, people in major tourists destination use the same kind of things, eat similar food, have similar lifestyles, and believe in material, technology and competition as the people in developed countries do. In particular, hotels of international chains (e.g., Holiday Inn, Hyatt, and Marriott),



All facilities in a brand hotel, such as the setup of guest rooms should be standardized in order to meet the international standard



Nowadays, smart phones and digital cameras are common belongings of youngsters

international fast food outlets (e.g., McDonald's, KFC, Starbucks), and people wearing fashionable clothing and footwear and using branded smart phones and digital cameras can be found in almost all tourist destinations, including Paris, Barcelona, Tokyo, Moscow and Beijing. Even in the Middle East, the heart of Islam, a Starbucks is opened in Saudi Arabia's sacred city of Mecca, serving its signature coffee to Muslim pilgrims who come from various places over the world.

Even though the hotels and dining outlets can really serve the needs of the local people and the tourists, some cultural critics have pointed out that they may make the local culture westernized or Americanized. Even for European countries such as France, the people are worried that their own cultures may be threatened. The French people in the first few years of the opening of Disneyland Paris (in 1992) once disliked the Park partly because Disney Paris initially did not serve alcohol within the Park but having wine for a lunch is an essential part of French culture. Also, in 2004 when Starbucks opened its first store in Paris and American tourists were excited when they could get over their homesickness with a cup of the American coffee, some critics accused the



The popularity of Western-styled cafés in Hong Kong is one example of influences to the local culture

American coffee shop of invading the Parisian cafe culture. In a conventional Parisian café, one cannot get and take away the coffee in under 20 minutes, and at a price Starbucks offers.

Cultural homogenization is of particular concern in rural communities of developing countries because the imported culture may seriously change the people's traditional lifestyle and the values of the younger generations. For example, in a Thai hill village, the younger members of the community preferred the clothing styles that tourists wear, and now the children wear T-shirts and baseball caps in order to look like the tourists. They aspire to the material standards and values of the tourists but were unable to achieve them. Anthropologists called this the "Demonstration effect". Their change of lifestyles led to the conflict between them with the other generation.

Cultural homogenization is considered a problem because

1. Homogenization means lowered "diversity", which is often considered the key to vitality, resilience and innovative capacity of a living system. The General Conference of UNESCO took the position in Article 1 of the Universal Declaration on Cultural Diversity that "...cultural diversity is as necessary for humankind as biodiversity is for nature". Cultural diversity is about existence of multiple forms of knowledge, wisdom and energy which all contribute to improving and moving the world forward.

2. Homogenization also means that destinations are getting more similar to visitors' country of origin. People usually choose to visit a place which provides new experience rather than what they can find and see at home. If what people can see and experience in the destination are just what they can see and experience at home, they will lose their interest in travel.

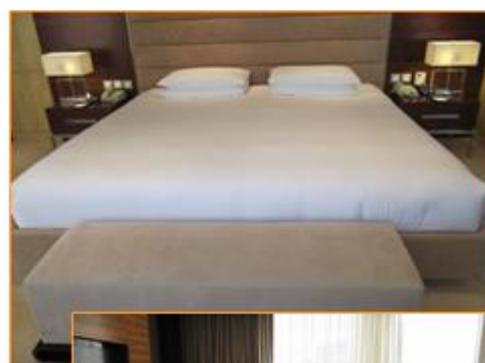


Curiosity of Westerners about the Eastern cultures is one of their travel motivators. This picture shows a Westerner looking at the traditional stores in her Beijing visit.

The following three factors are usually considered the causes of cultural homogenization through tourism.

1. Demonstration effect. The people in host destination, especially in developing countries, copy the lifestyles of the tourists. Local people see that visitors use advanced digital equipment's, wear precious watches and dress in beautiful fashion. Some of them aspire to these and hope one day they can escape from their rural community and possess jewelry and digital products like the tourists do.

2. Destinations bringing in western products to satisfy the tourists. Though most tourists wish to look for exotic elements in the other cultures during their tour, they still expect to enjoy the daily amenities that they enjoy at home. That is to say, they want the food and drink they usually consume, their hot showers, comfortable beds and the instant news from back home. Such amenities (e.g., refrigerators, western-style furniture, TV sets) therefore have to be transported to the destination to meet the visitors' needs. Western style food and drinks are also offered. At the same time, some local people are actively engaged in servicing these amenities. They learn how to prepare and serve the western-style drinks, make the bed, and fix the shower. Therefore, their own lifestyles are also gradually modified.



The quality services provided by hotels are mainly dependent on the contribution of local staff.

3. Multi-national corporations have taken the opportunities to extend their services to various places in the world to satisfy the needs of western tourists. McDonald's, KFC and Starbucks are opened in Beijing, Tokyo, Madrid and Paris as these cities are popular tourist destinations. Similarly, Coca Cola is promoted and sold in major tourist cities all over the world. These

corporations bring the American food products to other places in Asia and Europe and to some extent have changed the food culture of these cities.



Some scholars asserted that the effects of homogenization are more than about the types of objects people use or consume. For example, Benjamin Barber, a political theorist, argued that American fast food (the McDonald's as an example) is not just about the food. It is about "fast", and fast is an attack on how people in other cultures live. For example, in Europe, the family members after coming home from work and school normally sit together for three hours to enjoy their family dinner. "Fast" food destroys the idea of family dinner as an occasion for family members to talk and share daily experiences. It also destroys the French idea of the café as a place to sit and read the newspaper.

Similarly, when rural people in destinations give up their traditional clothing and wear the rugged jeans, it is not only about the type of dress they wear. It is about "rugged", which means



The above picture shows the traditional costumes wore by Koreans. They are now only wore by citizens in special festivals.

that people do not need to care for the gracefulness of their clothing any more. When rural people (also in Europe) bring in air conditioners instead of relying on natural breeze for comfort, it is not only about the use of a technology. It is about a mentality that man should use technology to master nature rather than live harmoniously with nature. When rural people begin to use fashionable products, the issue is not only about products

but "fashionable". It means that when people buy things, they will not ask whether the product is "durable" but "fashionable". They fall into consumerism that being trendy is important.



Some valuable cultures are disappearing under the impact of trends and technology



However, other scholars queried the observation that cultures in other countries have been Americanized. Instead, they argued that cultures over the world have become diversified rather than homogenized.

1. The economist Tyler Cowen argued that when people of one society interact with people of another society, though the two societies become more alike, diversity within society actually goes up and consumers have greater choice. For example, Cuban music was produced largely for American tourists who went to nightclubs in Cuba in the 1950s, and Persian carpets were produced in large numbers in the 19<sup>th</sup> century to sell to European buyers who sold to North American buyers. Cuban music and Persian carpets were brought back to their home countries by the travelers and now can be found in many places over the world.



International tourism has increased diversity within countries and allows people to see products (food, music, clothing etc.) which originated from other parts of the world.

2. Globalization is not a one-directional process in which American culture spreads to other countries, and the other countries just passively accept it (the so-called “Americanization” phenomenon). While forces of globalization enable American culture to get into other countries, other countries also spread their lifestyles throughout the world. For example, India cultural practices such as meditation, yoga and spiritual healing are learnt by people over the world. Japanese foods such as sushi are also becoming highly popular in many western countries. In a globalizing world, cultures of different countries are spread to other countries (including the US), making the culture within different countries more diversified.



Some foreign cultures have become parts of Hong Kong life style .

### 3.3 Mass Tourism and Sustainability

Since the beginning of the 19th century, tourism opportunities were becoming more available to the lower classes of the United Kingdom and many European countries. England first introduced the European spa movement, in which the industrial working class went to the seaside to enjoy spa and other recreational activities. This movement later extended to various European countries such as Germany, France and Italy. After the Second World War, it became popular for people to join standardized and all inclusive package tour for their holiday. The term “mass tourism” was used to describe this kind of activity. Many different forms of mass tourism exist but the most common are mass beach tourism (sun, sea and sand tourism) and mass winter sports tourism.

It was criticized that mass tourism creates intense pressures on the environment because it involves a large number of tourists visiting the same areas within a certain period of time (the high season). To cope with the large number of tourists, facilities such as hotel complexes, theme parks and marinas have to be constructed. The construction of these facilities affects the natural scenery. In addition, garbage disposal from hotels, littering by tourists, and oil leakage from cruise ships and other motorized boat traffic all

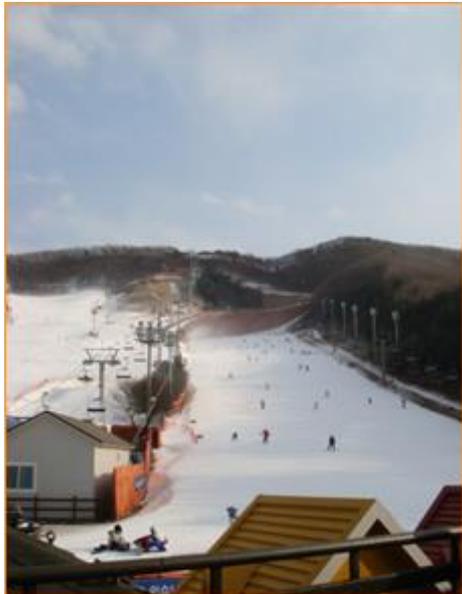


The above picture shows the overcrowded condition in a tourist attraction.

cause damage to the environment. This leads to direct degradation, pollution, and destruction of the soils, vegetation, water, wildlife and the ecosystems (coastal, mountains and inland).

Take the example of tourism development in Kenya. Seemingly, the development of tourism in Kenya has been an African success story. The tourist industry in the country is the second largest source of foreign exchange revenue followed by agriculture. However, as many resorts and hospitality facilities were built in an unplanned manner and in large scale in fragile coastal and marine ecosystems of the country, the quality of its tourism resource declined sharply. In the wildlife parks and reserves, excessive accommodation facilities have been built in important and fragile wildlife habitats (near the breeding grounds or important feeding areas). This destroyed the beauty of the park and threatened the habitats of the animal species. Furthermore, high concentration of tourists in fragile marine environments has led to problems

of overcrowding, trampling, and damage to marine resources such as coral reefs, mollusk shells and marine turtles. Unplanned mass tourism weakened the quality of Kenya's tourism product, and the country gradually lost its appeal.



The constructions of skiing sites have negative impacts on natural mountain landscapes

Apart from the coastal areas, mountain landscapes are the second major environment where tourism impacts are serious. In the Alps, infrastructures such as hotels, ski-lift or cable cars have been built for mass winter sport tourism. In the Mainland, to meet the needs of the large number of visitors in famous destinations such as Zhangjiajie and Taishan, cable cars and escalators have been constructed. These to some extent destroyed the natural scenery of these attractions. In addition, there are also difficulties in disposing of rubbish and problems due to improper disposal of human waste in the mountains.

Environmental impacts are not limited to the natural environment; the human and physical environment can be affected as well. Take the example of Spain. Because of the increased interest of tourists in the coastal villages such as Torremolinos, Benidorm and Lloret del Mar, many tourism facilities were built and the images that were shown on travel posters of these villages are no longer seen. On the coasts of southern Spain, the Italian Riviera, the Viareggio Coast and the Adriatic Sea, uncontrolled building has completely destroyed the natural character of those areas. Hundreds upon hundreds miles of shoreline has been changed by the construction of hotels, restaurants, bars and houses, creating permanent visual pollution. In addition, the noise from discos and bars, traffic fumes, and overcrowding during the high season have made these places a less desirable destination than before.



Can the natural environment be conserved under the excessive development of tourism facilities near the coastal line?

Other cities like Venice and Barcelona also experience similar congestion problems. The St Mark's Square in Venice and the historical places in Barcelona (the Guell Park, the Sagrada

Familia and the Pedrea) are totally overcrowded most part of the year, which makes the stay there less pleasant.

One of the features of globalization is that tourists have plenty of choices in the selection of their destination. Once the quality of a destination declines, it will become less popular to the tourists, and they will visit other countries which offer similar tourist attractions. Tourism business in the community is gradually declining. The destination will only be left with degraded resources, under-utilized facilities and unfulfilled business opportunities.



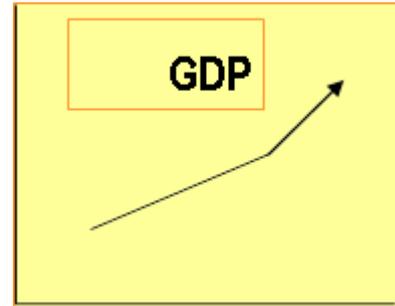
After the closing of the Beijing Olympic Games, can the Bird's Nest (Beijing National Stadium) be a tourism attraction or used for other functions?

### 3.4 Exploitation and Fair Trade

#### 3.4.1 Exploitation

Tourism development has been once considered a tool to help poor countries. Tourism enables the countries to earn foreign exchange income, create jobs and achieve economic growth. However, a critical evaluation of the development of tourism in some developing countries reveals that it is not all happy stories. The countries can be exploited by multinational companies of developed countries, and the benefits of tourism can be limited. These can be explained by several factors.

1. Concessions given to the multinational companies. Because the developing countries are not able in providing high quality services demanded by international travelers. Many governments in developing countries granted tax concessions to multinational investors and developers as incentives for them to build tourism infrastructure such as hotels and resorts. The developers are allowed not to pay local taxes for the first few or more years, which reduce the revenue of the local government and the citizens. For example, in the small island states comprising the Eastern Caribbean Currency Union (ECCU), tax concessions have been employed as a strategy to attract investment in tourism. Because of the concessions, the ECCU received less tax revenues, as they expected that increased foreign direct investment could bring additional financial benefits. However, a report supported by the International Monetary Fund shows that overall revenue losses from concessions had been large in the ECCU countries, ranging between 9.5 and 16 percent of gross domestic product a year. Unfortunately, it was also found that the benefits due to granting concessions were marginal at best.



2. Low paid jobs provided. Many employees in the tourism sector need specific qualifications, such as foreign language proficiency. However, local people in destination areas often do not have such qualifications and education, and training schools are not even present. For example, the Sheraton Hotel in Santa Cruz, Mexico required 100% English language fluency for front desk applicants and 80% fluency for maids. The majority of people in Mexico did not meet these requirements. In most developing countries, highly qualified and well-paid positions are usually occupied by managers from developed nations, particularly with international hotel chains, whereas unqualified and low-paid jobs or seasonal jobs are offered to local people.



3. Demand on local natural resources. Due to the limited bargaining power of the developing countries, the multinational tourism investors may oblige the government of the destination to follow their requirements and conditions; otherwise they will not be willing to invest in some projects. For



Resort projects of large corporations have led to serious impacts on environmental resources

example, in the case of Kenya, the large corporations may demand building resorts in lagoons, fragile sandy beaches and coral reefs, or accommodation in fragile wildlife habitats. They exploit the natural resources of the destination without thoroughly considering the environmental impacts.

4. Economic leakage. With the advancement of communication technology, major corporations nowadays can develop strategic alliances to enhance their competitive advantage. Some international travel companies (e.g., Six Continents Hotels, the German tour operator TUI, Star Alliance in air travel industry) provide the entire package of services to the traveler, from itinerary planning and purchasing of tickets, right through to travel, accommodation, food, and local tours. In



Do you think the local community can gain much benefits from tourists through selling souvenirs?]

so doing, most of the expenses are taken by the international companies. The tourists spend only a small amount of their money in the destination, and the local community receives little benefit. The local people may only provide services such as selling handicraft, petty transport (taxis), shopping guides etc. which can generate little income.

Furthermore, because the host destination may not be able to produce the quality of goods that satisfies the demand of international tourists, consumer goods may need to be imported from other countries to satisfy the demands of the visitors. For example, hotels in Jamaica (an island country in the Caribbean Sea) imported three-quarters of shrimp consumed by tourists. According to United Nations Environment Programme, it was estimated that in some extreme cases, out of each US\$100 spent on a vacation tour by a tourist from a developed country, only around US\$5 actually is retained by people in a developing-country destination. Other more modest studies estimated that 70% of all money spent by tourists ended up leaving Thailand, 80% of tourists' money left the Caribbean, and 40% left India.

### 3.4.2 Fair Trade

#### 1. Definition of Fair Trade

According to the World Fair Trade Organization (WFTO), fair trade is defined as “a trading partnership, based on dialogue, transparency and respect that seek greater equity in international trade. It contributes to sustainable development by offering better trading conditions in the South, and securing the rights of, marginalized producers and workers – especially for developing countries.”

Source: World Fair Trade Organization (WFTO). Available at: [www.wfto-pacific.com](http://www.wfto-pacific.com)

#### 2. Meaning of Fair Trade in Tourism

Many developing countries are now heavily relied on tourism for income. Fair trade in tourism ensure that the people whose land, natural resources, labor, knowledge, and culture are used for tourism activities actually benefit from tourism. It can maximize the benefits from tourism for local destination stakeholders through mutually beneficial and equitable partnerships between national and international tourism stakeholders in the destination. It should support the right of indigenous host communities, whether involved in tourism or not, to participate as equal stakeholders and beneficiaries in the tourism development process.

Source: Tourism Concern – Action For Ethical Tourism. Available at:

<http://www.tourismconcern.org.uk/principles-and-definitions.html>

#### 3. The Importance of Fair Trade in Tourism

The promotion of the fair trade concept is not only limited to the trading of agricultural products but is also extended to the development of tourism and hospitality industry in developing countries.

The tourism industry is dominated by powerful multinational corporations based in developed countries. The impoverished communities whose environments, people and cultures are exploited to provide holidays for the wealthy rarely have a voice in the development of the tourism economy and, as a result, rarely benefit from it.

The World Tourism Organization states that the travel industry is one of the major economic hubs in the world, accounting for 7% of global trade in 2019. For certain countries, the tourism industry can contribute to over 20% of their GDP. Overall, it is the third-largest export category in the global economy.\*

\*<https://www.france24.com/en/live-news/20211129-pandemic-to-cost-global-tourism-2-0-trillion-in-2021-un>

Yet, with the industry dominated by big multinationals and much of the profits flowing back to the developed world, little of the benefits are reaching the poorer communities that provide the cultural and environmental resources the industry depends on.

For example The World Travel & Tourism Council (WTTC) has released a report forecasting that the tourism industry in Africa will grow at an average annual rate of 5.1% over the next 10 years. Africa is expected to generate \$168 billion in annual tourism revenue and create over 18 million jobs. Furthermore, with improvements to air infrastructure, simplified visa processes, and enhanced tourism marketing, Africa's tourism industry could even see an average annual growth rate of up to 6.5%., a yet poverty levels there remain acute\*.

\*[http://paper.people.com.cn/rmrb/html/2024-03/14/nw.D110000renmrb\\_20240314\\_1-17.htm](http://paper.people.com.cn/rmrb/html/2024-03/14/nw.D110000renmrb_20240314_1-17.htm)—

Nevertheless, tourism is increasingly seen and promoted as a means of addressing poverty. However, tourism will only support local livelihoods if the inherently unfair terms of trade are addressed, local communities are able to retain control of tourism development, and a means of marketing and distribution is found that is not dominated by international corporations based in the developed world.

A process that enables fairly traded tourism products to reach their core Northern markets, developed within a transparent decision making process that involves the producers, service providers and communities, and based upon clear development principles, can create an alternative trade in tourism which will enable long-term, sustainable benefits for local economies and communities.

Sources:

Tourism Concern – Action For Ethical Tourism. Available at:

<http://www.tourismconcern.org.uk/why-fair-trade.html>

World Tourism Organization (UNWTO). Available at:

<http://media.unwto.org/en/press-release/2012-05-07/international-tourism-receipts-surpass-us-1-trillion-2011>

## A Case of Fair Trade in Tourism –

Fair Trade in Tourism (FTT) is the concept of visiting a place as a tourist and trying to have only a positive impact on the environment, society, and economy of that place. An example is the coffee trade in Yunnan province (Topick. hket, 2015).

Yunnan Province, located in southwestern China, is known for its diverse ethnic minority groups and rich natural resources. However, it was historically one of the less developed regions in China due to its mountainous terrain and lack of infrastructure. However, Yunnan has benefited economically from the coffee trades because of fair trade in tourism. Yunnan, with its altitude and climate favorable for growing high-quality coffee beans, can produce high-quality coffee beans, which are often fruity without bitter. However, because Yunnan is far from major coffee consuming markets such as Europe and the United States, the growing scale was small and scattered, so a unified coffee brand was not formed before. After years of challenging work, Yunnan Coffee has won the National Coffee Bean Competition National Championship for three consecutive years. Today, not only is Yunnan coffee recognized by the international market, but the region has also become a famous travel destination in Mainland China. These developments have significantly improved the quality of life and individual income of Yunnan farmers.

There are a total of six objectives to be achieved under this programme, which include:

Table 3.1

<b>Fair Share</b>	Participants are entitled to a fair share of income directly proportioned to their contribution to a specific tourism activity.
<b>Democracy</b>	Employees are entitled to participate in decisions that concern them.
<b>Respect</b>	Respect for human rights, culture and environment, which includes safe working conditions, gender equality, reduced consumption and protection of natural resources.
<b>Reliability</b>	Service delivery should be reliable and consistent, and basic safety and security for both host and visitor should be ensured.

<b>Transparency</b>	Ownership of business should be clearly defined, sharing of profits, benefits and losses must be transparent.
<b>Sustainability</b>	Increase knowledge through capacity building, share resources through partnerships, encourage the responsible use of resources and reduce leakage through local purchasing and employment.

Source: Baobab – Fair Trade Tourism. Available at:  
<https://www.fairtradetourism.org/>

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#### 4. Practices of Fair Trade in Tourism

Below are some examples of fair trade practices that can be applied in tourism:

- Equitable consultation and negotiation taking into account the interests of local community stakeholders, including tourism enterprises, and indigenous residents not involved in tourism;;
- Transparent and accountable business operations through environmental and social audits;
- Employment of local resident and indigenous people to develop human potential;
- Training and development at local community level for managerial positions, if appropriate as part of a public, private and civil society partnership;
- Investors aware of and adhering to national, regional and local planning and environmental regulations;
- A fair price, negotiated in partnership with local suppliers;,,
- Fair competition between foreign and domestic investors to enhance opportunities for domestic investment and competitiveness;
- Shared tourism revenues to ensure that the return from the use of public assets for tourism, benefits and enhances public social and environmental resources in the destination;
- Use of local products and materials where appropriate (ecologically sustainable if possible);
- Compliance by foreign investors with destinations' tax regulations. Present transfer pricing policies of transnational corporations should be reviewed to ensure adequate liability.

Source: Tourism Concern - Fair Trade in Tourism. Available at:

<https://travindy.com/news/2015/03/fair-trade-tourism-principles/>

## 5. Benefits of Fair Trade to Tourism Enterprises

### - *Satisfied customers:*

Informed customers who feel satisfied that their money is benefiting the right people and that they are not destroying what they have to come to love : no more feeling guilty, no more feeling uncomfortable when asked for donations, no more feeling hassled by vendors, or begging children, no more feeling 'ripped off' or cheated. The price that they pay will cover a fair share for the people they are visiting who will no longer need to degrade themselves by scrabbling for the crumbs thrown to them by well-off tourists.

### - *A high quality tourism product:*

Tourism investors who care about the people and environment in destinations are doing themselves a favour by nurturing and protecting the very product they are using for making a profit. By taking part in degrading it they are automatically losing the chance to make a decent business from it.

### - *A good reputation attracting increased consumer trust:*

In times of fierce competition and little product differentiation, the reputation is often all a company has to attract customers and gain their repeat business. A company that openly expresses a commitment to ethical practice and responsible behaviour and lives up to it through action can also charge a fair price if the customers can see the benefits they gain from it. All it takes is some commitment and creative marketing.

Having a conscience does not need to be expensive. It makes good business sense and it creates high quality standards.

Source: Tourism Concern - Fair Trade in Tourism. Available at:

<http://fama2.us.es:8080/turismo/turismonet1/economia%20del%20turismo/economia%20del%20turismo/tourismconcern.pdf>

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World Fair Trade Organization (WFTO)

<https://wfto.com/>

World Tourism Organization (UNWTO)

<https://www.unwto.org/>

## 4. Trends in Tourism and Hospitality - Economical Aspect

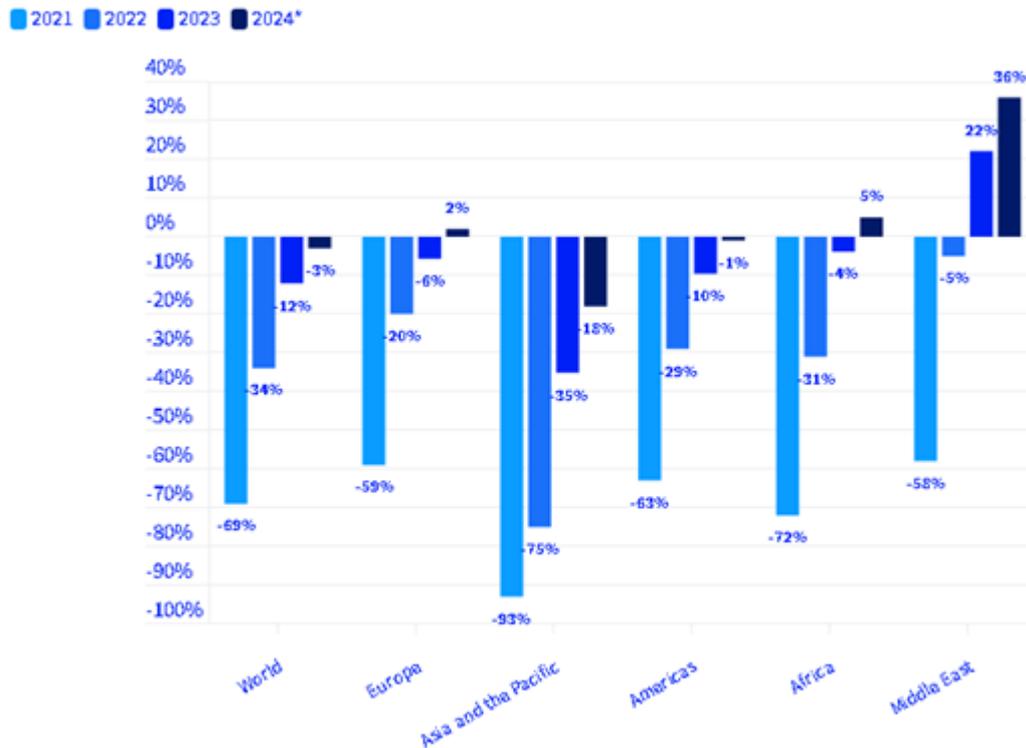
### 4.1 Tourism Sector

The latest UNWTO World Tourism Barometer provides a comprehensive overview of the sector's performance in 2023, tracking recovery by global region, sub-region and destination. Key takeaways include:

- The **Middle East** led recovery in relative terms as the only region to overcome pre-pandemic levels with arrivals 22% above 2019.
- **Europe**, the world's most visited region, reached 94% of 2019 levels, supported by intra-regional demand and travel from the United States.
- **Africa** recovered 96% of pre-pandemic visitors and **Americas** reached 90%.
- **Asia and the Pacific** reached 65% of pre-pandemic levels following the reopening of several markets and destinations. However, performance is mixed, with South Asia already recovering 87% of 2019 levels and North-East Asia around 55%.\*

\*Source: <https://news.un.org/zh/story/2024/01/1125947>

## International Tourist Arrivals (% change over 2019)



Source: UN Tourism | World Tourism Organization © - % change over 2019 | \*Preliminary figures  
Data as collected by UN Tourism, May 2024. Published: 21/05/2024

Fig.4.1 International Tourist Arrivals (% change over 2019)

Source: <https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024>

The latest UNWTO data also highlights the economic impact of recovery.

- International tourism receipts reached USD 1.4 trillion in 2023 according to preliminary estimates, about 93% of the USD 1.5 trillion earned by destinations in 2019.
- Total export revenues from tourism (including passenger transport) are estimated at USD 1.6 trillion in 2023, almost 95% of the USD 1.7 trillion recorded in 2019.
- Preliminary estimates on the economic contribution of tourism, measured in tourism direct gross domestic product (TDGDP) point to USD 3.3 trillion in 2023, or 3% of global GDP. This indicates a recovery of pre-pandemic TDGDP driven by strong domestic and international tourism.

Several destinations reported strong growth in international tourism receipts during the first ten to twelve months of 2023, exceeding in some cases growth in arrivals. Strong demand for outbound travel was also reported by several large source markets this period, with many exceeding 2019 levels.

Source: <https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024>

#### 4.1.1 Disposable income

According to the concept of tourist flows, there are a number of micro factors influencing the patterns of travel. Among them, the economic development of a country including employment status and household income is an influential factor in determining tourist demand for travel. When the economy is good, a relatively large part of consumer disposable income will be spent on non-essential products and services such as tourism.

. In 2023, there were approximately 1.286 billion international overnight travelers worldwide, representing a growth of 34% compared to 2022, which is around 325 million more people. Among them, 700 million travelers came from Europe, accounting for 54% of the total global visitors.

The number of arrivals in July, September, and October 2023 reached 92% of the figures in 2019. Additionally, the months of June to August in the Northern Hemisphere accounted for one-third of the total annual arrivals.

Due to the impact of retaliatory travel post-pandemic, the international tourism industry has recovered to 88% of pre-pandemic levels. Following the strong rebound in 2023, the demand for international travel continues to rise, with increased flights and a stronger recovery in the Asian market and destinations. It is expected to drive a comprehensive recovery in 2024, returning to pre-pandemic levels, with an estimated growth of 2% in international tourist arrivals compared to 2019.

It is estimated that international tourism revenue in 2023 will reach \$1.4 trillion, which is about 93% of the \$1.5 trillion destination tourism revenue in 2019. The total export earnings from international tourism (including transportation) are expected to reach as high as \$1.6 trillion, which is nearly 95% of the \$1.7 trillion in 2019. Driven by both domestic and international tourism, the travel & tourism direct GDP (TDGDP) in 2023 will reach \$3.3 trillion, accounting for 3% of global GDP, on par with the level in 2019.

Driven by both domestic and international tourism, the travel & tourism direct GDP (TDGDP) in 2023 will reach \$3.3 trillion, accounting for 3% of global GDP, on par with the level in 2019.\*

\*Source: <https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024>)

Since most tourists are traveled by air, the airline traffic growth rate could be used to reflect the consumers' willingness to spend their disposable income on travel. According to a survey by the International Air Transport Association (IATA) as of October 2023, international air transport capacity and passenger demand have recovered to 87% of pre-pandemic levels, indicating a strong recovery in the airline passenger market. Global air passenger traffic in 2023 reached 94% of pre-pandemic levels, a significant increase from 69% in 2022.\*

\*Source: <https://www.iata.org/contentassets/f0bf81afe59440069695477f04fcb094/2023-12-05-01-cn.pdf>

#### 4.1.2 Travel patterns

Tourists' travel patterns including the type of trips and the number of trips are likely to be affected by the economic development of the tourist generating regions. The demand for short breaks dominates the market trend during economic hard time. In Table 4.1, the number of longer trips fell by 10% but there were more tourists in taking short breaks – an increase of 1%. Overall speaking, the total number of trips taken during the year fell by 6%, it means that lesser people are willing to spend their money on travel during economic hard time. Even when they wanted to travel, short trips that cost less money are preferred.

<b>Table 4.1: Short Breaks versus Long Trips (2009)</b>			
	<i>Total (million)</i>	<i>% of trips</i>	<i>% of change (2008/09)</i>
<b>Short breaks/trips (1-3 nights)</b>	110	28	1
<b>Long trips (4+ nights)</b>	285	72	-10
<b>Total trips</b>	395	100	-6

Source: World Travel Monitor, IPK International

A tightening of the economic situation will often result in reducing tourism spending (Source: Facts and figures, UNWTO). In Table 4.2, the number of long-haul travel fell by 10% indicating that tourists are not financially able to afford taking long-haul travels. However, the number of short-haul travels increase by 5%, data would suggest that tourists are continued to increase their short haul travels at the expense of decreased in income. How tourists can afford to travel with a decreased in income?

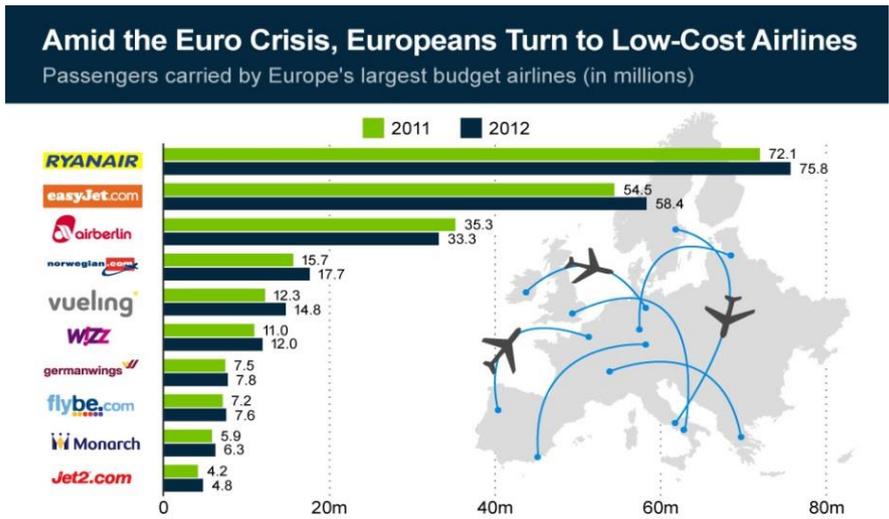
<b>Table 4.2: Short-haul versus Long-haul travel out of Europe (2009)</b>					
	<i>Trips (million)</i>	<i>% of Market Share</i>	<i>% of Annual Change</i>		
			<i>2007</i>	<i>2008</i>	<i>2009</i>
<b>Short-haul</b>	348	88	4	2	5
<b>Long-haul</b>	47	12	8	3	-10
<b>Total trips</b>	395	100	5	2	-6

Source: World Travel Monitor, IPK International

This could be explained by the popularity of low cost carriers, LCC, among tourists, and LCC have positive implications to the travel pattern of tourists during and after the economic hard time. LCC offer passengers with less expensive air fares which help tourists sharply reduce their travel budgets. Graph 4.3 shows a steady growth rate of tourists in choosing low cost carriers (LCC) when it is compared with the full-serviced carriers (FSC) as their mode of air travel during economic hard time. When consumers gone through the recession period, they are looking for more value in their spending, seek cost saving alternatives and find more economical ways to travel. Therefore, the demand for LCC continues to be strong after the recession. Graph 4.4 shows a steady of passenger-traffic growth in the LCC's market but a decrease in the FSC's market.

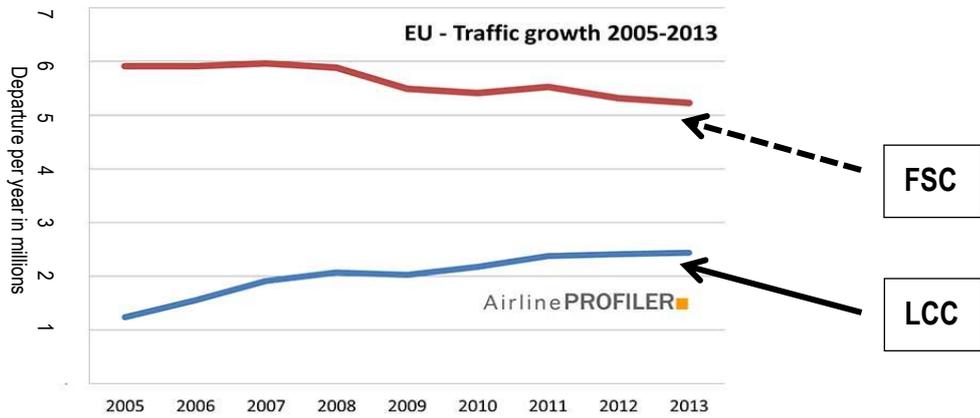
Today, LCC primarily focused on short-haul routes but they are likely to develop longer haul services in the near future (Deloitte:2015). It is likely that the hospitality industry going to change rapidly to meet the heavy demand of both short-haul and long-haul services passengers for accommodation. The section on "Accommodation Sector" will look at the implications of LCC for hospitality because a lot of low-cost carriers are bringing more tourists.

Graph 4.3: Low cost carriers an alternative during economic hard time



Source: The Statistics Portal – Respective airlines

Graph 4.4: Popularity of low cost carriers



Source: International Low-Cost Airline Market Research by Airline Profiler available at <http://www.airlineprofiler.eu/2014/07/international-low-cost-airline-market-research/>

## **1. The latest trends in travel patterns , please browse the following information and websites :**

Information source of this part is from UNWTO (2023). International traveler arrivals to Europe and the Middle East may surpass pre-pandemic levels in 2023, following a more robust rebound in 2022. However, tourists are expected to increasingly seek value for money and travel closer to home to cope with the tough economic situation. According to updated data from UNWTO, more than 900 million tourists traveled abroad in 2022- double the number recorded in 2021, but still 63% of pre-pandemic levels. Every region of the world recorded a significant increase in the number of international tourists. The Middle East saw the largest relative increase, with arrivals reaching 83% compared to pre-pandemic levels. Europe has reached nearly 80% of pre-pandemic levels when welcoming 585 million visitors in 2022. Africa and the Americas have both recovered about 65% of pre-pandemic visitor numbers, while Asia and the Pacific have only reached 23% due to stronger epidemic. pandemic. Related restrictions have only begun to be lifted in recent months. The UNWTO's first world tourism barometer of 2023 also analyzes performance by region and looks at the best performing destinations in 2022, including some that have recovered to 2019 levels. The international tourist arrival is presented in Figure 4.1 and the information of international tourist arrivals is shown in Figure 4.2.

Even though there is an increase in demand over the years, there are some fluctuations in some years, for example in the latter part of 2008 and throughout 2009 as well as the years after the outbreak of COVID-19. UNWTO expects the recovery to continue through 2023, although the sector faces economic, health and geopolitical challenges. The lifting of COVID-19-related travel restrictions in China, the world's largest outbound travel market in 2019, is a key step for the recovery of the tourism industry in Asia Pacific and globally. In the short term, the resumption of travel from China will be particularly beneficial for Asian destinations. However, this will depend on air travel availability and costs, visa regulations and COVID-19 related restrictions in destinations. By mid-January, a total of thirty-two countries had imposed specific travel restrictions regarding travel from China, mainly to Asia and Europe.

Substantial increases in international tourism revenues were seen in most destinations, which in some cases exceeded growth in arrivals. This is supported by an increase in average spending per trip due to longer stays, tourists are willing to spend more in their destination, and higher travel costs due to inflation. However, the economic situation could lead to a more cautious attitude among travelers in 2023, with spending cuts, shorter trips, and trips closer to home.\*

\*Source:<https://www.unwto.org/news/international-tourism-to-end-2023-close-to-90-of-pre-pandemic-levels>

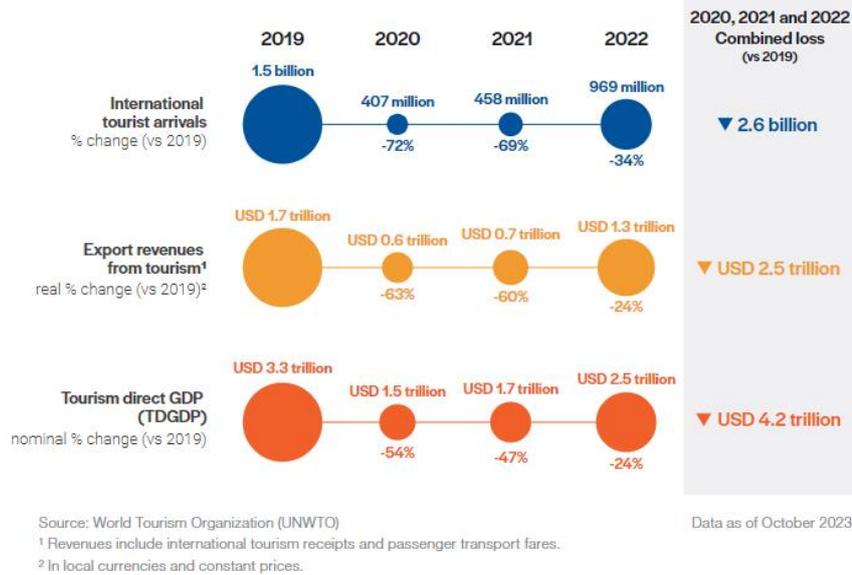


Figure 4.2: International tourist arrivals

Source: <https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024>

## 2. Tourism Trends: The Latest Opportunities for The Tourism Industry of 2024

### Tourism Trends

Tourism trends refer to the evolving patterns and preferences in the travel industry. These trends are important as they reflect changes in traveler behavior, emerging destinations, technological advancements, and shifts in the global economy and society. Understanding these trends is crucial for tourism businesses to adapt, innovate, and remain competitive. They help in anticipating future market demands, improving tourism experiences, and driving sustainable and responsible tourism development. Keeping up with these trends ensures the industry can meet the dynamic needs of travelers and capitalize on new opportunities.

- Wellness & Retreat Tourism: Focuses on health-improving travel.
- Eco-Travel: Reflects raising ethical and sustainability concerns, including options like volunteer conservation work
- Personalization in Tourism: Increasing demand for tailored travel experiences, signing closely with individual preferences.
- Cultural Tourism: Increasing interest in authentic cultural experiences, involving local traditions and historical insights.

- Bleisure Travel: Blending of business and leisure travel, often extending business trips for leisure purposes.
- Virtual Reality (VR) in Tourism: Use of VR technology to enhance visitor experiences, both for planning trips and during travel.
- Space Tourism: Emerging trend with growing interest in travel beyond Earth, offering a unique and futuristic experience.
- Travel Tech for Efficiency: Increasing the use of technology to streamline travel processes.
- Accessible Tourism: Focus on inclusivity, ensuring travel opportunities are available for people with various disabilities.\*

\*By Martijn Barten, Updated Feb 15, 2024

<https://www.revfine.com/tourism-trends/>

#### 4.1.3 Competitions among tourism receiving countries

Generally speaking, GDP is used as an indicator for measuring the economic performance of a country or a region. In Table 4.3, it shows that China, India, Brazil and Russia have a relatively higher GDP growth rate than most of the advanced economies such as the United States, Germany and Japan.

<b>Table 4.3: Annual Percentage Growth Rate of GDP</b>					
<b>Country name</b>	<b>GDP Growth (annual %)</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Brazil</b>	<b>-0.3</b>	<b>7.5</b>	<b>2.7</b>	<b>1.0</b>	<b>2.5</b>
<b>Russia Federation</b>	<b>-7.8</b>	<b>4.5</b>	<b>4.3</b>	<b>3.4</b>	<b>1.3</b>
<b>India</b>	<b>8.5</b>	<b>10.3</b>	<b>6.6</b>	<b>4.7</b>	<b>5.0</b>
<b>China</b>	<b>9.2</b>	<b>10.4</b>	<b>9.3</b>	<b>7.7</b>	<b>7.7</b>
Australia	1.7	2.0	2.2	3.6	2
Canada	2.7	3.4	2.5	1.7	2.0
France	-3.1	1.7	2.0	0.0	0.2
Germany	-5.1	4.0	3.3	0.7	0.4
Italy	-5.5	1.7	0.4	-2.4	-1.9
Japan	-5.5	4.7	-0.5	1.4	1.5
United Kingdom	-5.2	1.7	1.1	0.3	1.7
United States	-2.8	2.5	1.8	2.8	1.9

Source: The World Bank

In view of the GDP data, it could say that consumers from China, India, Brazil and Russia are more willing to spend their time and money on travel. According to UNWTO World Tourism Barometer issued on April, 2014, the emerging economies of China, Russia and Brazil have been the fastest growing outbound markets (tourist generating markets) in recent years. In 2013, these three source markets (tourist generating markets) accounted for some US\$ 40 billion of the total US\$ 81 billion increase in international tourism expenditure.

According to the data in Table 4.4, China overtook the United States and Germany in the ranking by international expenditures in 2013 as the world's top tourism spenders. It could explain that the huge growth of GDP in China has fuelled the expansion of the middle classes

and increasing the amount of disposable income they have available for international travel. Other than China, Russian Federation and Brazil also experienced double digit growth of spending for their citizens on travelling abroad. In addition to UNWTO data, research data from ITB World Travel Trends Report, also indicating the strong growth of international travel by people in emerging economies around the world. They were the dominant element of travel trends in 2013. (Source: ITB WTTR 2013/2014).

<b>Table 4.4: World's Top International Tourism Expenditure 2013</b>			
<i>Ranking</i>	<i>Top Tourism Spenders</i>	<i>Expenditure (US\$ billion)</i>	<i>% of Annual Change</i>
1	China	129	+26
2	United States	86	+3
3	Germany	86	+2
4	Russian Federation	53	+25
5	United Kingdom	53	+4
6	France	42	+8
7	Canada	35	+0.6
8	Australia	28	+1
9	Italy	27	+2
10	Brazil	25	+13

Source: UNWTO May, 2014

Therefore, it would be acceptable for the top tourist receiving countries listed in Table 4.5 to use the GDP data as well as the tourism expenditure data to predict the future development trend of tourist generating countries. In other words, the data could help to predict who are the tourists?

<b>Table 4.5: World's Top International Tourism Destinations 2013</b> (measured by arrivals and receipts)		
<i>Ranking</i>	<i>International Tourist Arrivals (↑ ↑)</i>	<i>International Tourist Receipts (💰 💰)</i>
1	France	United States
2	United States	Spain
3	Spain	France
4	China	China
5	Italy	Macao

6	Turkey	Italy
7	Germany	Thailand
8	United Kingdom	Germany
9	Russian Federation	United Kingdom
10	Thailand	Hong Kong

Source: UNWTO May 2014

In order for the tourist receiving countries to sustain their tourist arrivals and tourism receipts growth rate, it is essential for them to identify their competitors. In other words, to find out where do tourists go for their holidays? From the data below, it reveals there are fierce competitions among the tourism receiving countries for tourists.

According to the UNWTO's data on international tourist arrivals and international tourism receipts in 2013, Europe accounts for 42% of world international tourism receipts and 52% of the world international arrivals. Asia and the Pacific are the world's number 2 in ranking in terms of world international tourism receipts (31%) and world international tourist arrivals (23%). Although Europe is still the most attractive destinations for international tourists, Asia and the Pacific are catching up with Europe in becoming the world's top tourist destinations. Based on the data in Table 4.6, Asia and the Pacific recorded the highest relative growth, it indicated that more and more tourists are interested in spending their holidays in Asia and the Pacific.

<b>Table 4.6: International Tourism Arrivals and Receipts 2013</b> (measured by regions)				
<b>Annual Percentage</b>			<b>Growth Rate</b>	
<b>Regions</b>	<b>International Tourist Arrivals (↑ ↑) annual %</b>	<b>International Tourist Receipts (฿ ฿) annual %</b>	<b>International Tourist Arrivals (↑ ↑) annual % Growth Rate</b>	<b>International Tourist Receipts (฿ ฿) annual % Growth Rate</b>
Europe	52	42	5	4
Asia and the Pacific	23	31	6	8
Americas	15	20	3	6
Africa	5	3	5	0
Middle East	5	4	0	-2

Source: UNWTO May 2014

**The latest trends in Competitions among tourism receiving countries ,please browse the following websites :**

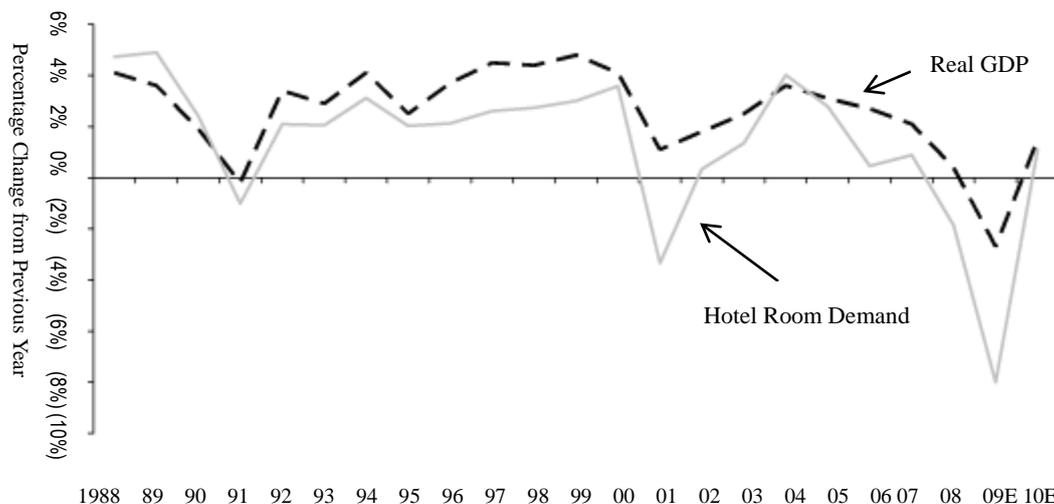
1. World Tourism Barometer, UN Tourism.  
<https://www.unwto.org/un-tourism-world-tourism-barometer-data>
2. World Tourism Barometer - Volume 22.Issue2. May 2024
3. World Bank GDP per capita growth(annual%)  
<https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG>

## 4.2 Accommodation Sector

### 4.2.1 Disposable income

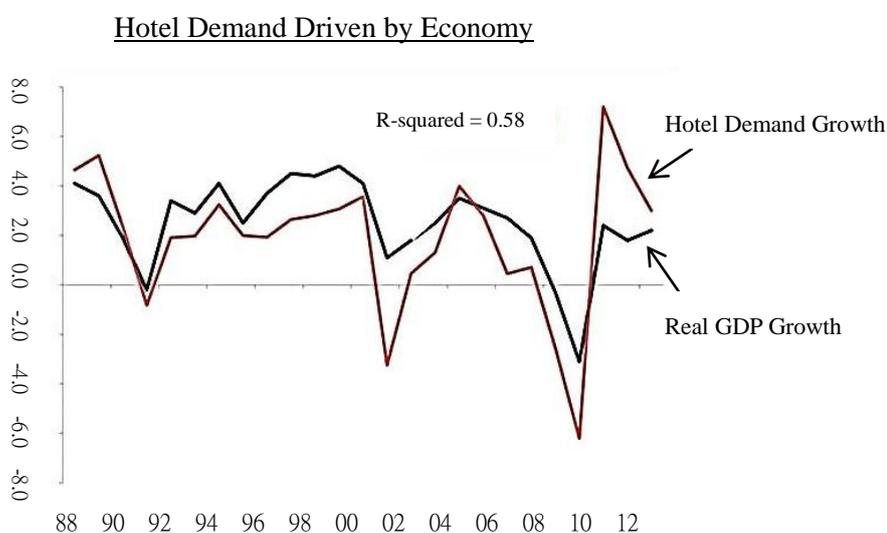
Hospitality industry is heavily affected by economic uncertainty as consumers rely on disposable income to meet their travel needs. Historically, there's an economic parallel between RevPAR (Revenue Per Available Room) and GDP (HotelNewsNow, August 2014). According to Deloitte's report on Hospitality 2015, demand for hotels overall has fallen four times faster than GDP during the recession in 2009, the most dramatic fall seen over the past century (refer to Graph 4.5). The data in Graph 4.6 confirms that there is an economic parallel between hotel demand growth rate and GDP growth rate. In this case, the GDP growth rate goes up in 2010 and the demand for hotel room increases.

**Graph 4.5: Annual Percentage Change in U.S. Hotel Room Demand Growth vs. U.S. GDP Growth (%)**



Source: Smith Travel Research and U.S. Department of Commerce (1988 - 2008), JLLH and International Monetary Fund (2009E - 2010E)

**Graph 4.6: Hotel Room Demand Driven by Economy**



Source: Smith Travel Research (STR) and U.S. Department of Commerce

There appears to be a correlation between the growth in global hotel room demand and the growth in global Gross Domestic Product (GDP). Prior to August 2023, the data shows the following:

In 2020, due to the impact of the COVID-19 pandemic, global GDP declined by 3.1%, and global hotel room demand declined by more than 20% that year.

In 2021, as the pandemic was gradually brought under control, global GDP rebounded, with a growth rate of 6.1%, and global hotel room demand also saw a significant recovery, with a growth rate of around 15%.

In 2022, affected by geopolitical factors, the global GDP growth rate slowed down to around 3.2%, and during the same period, the growth in global hotel room demand also slowed down, maintaining a growth rate of around 10%.

In general, the growth in global hotel room demand has a positive correlation with the growth in global GDP. In years when the global economy grows faster, the global demand for hotel accommodation tends to grow faster; conversely, in years when global economic growth slows down, the global demand for hotel accommodation also tends to slow down. This is mainly because global economic growth directly affects consumer spending and business activities, which in turn affects the global demand for hotel accommodation.\*

\*Source: <https://www.unwto.org/tourism-data/global-and-regional-tourism-performance>

#### 4.2.2 Implications for types of accommodation

In the late 2008, the global economy experienced an economic downturn, its implications for the accommodation industry are far reaching. During the economic recession, it caused both business travelers and pleasure travelers to reduce their spending in travels. They become more cost-conscious travelers, and they looked for cost saving alternatives and find more economical ways to travel including traveled by LCC (see Graph 4.3 and Graph 4.4) and stayed at budget hotels. After the recession, the consumers are looking for more value in their spending.

What kind of value is the consumers looking for?

As the global economy and tourism recovery gains momentum, many travelers continue to show a recession-era preference for **select-service hotels** that offer a compelling value proposition by providing many full-service amenities at a lower price point.

(Source: Global hospitality insights Top thoughts for 2014, available at [http://www.ey.com/Publication/vwLUAssets/EY - Global\\_hospitality\\_insights\\_2014/\\$FILE/EY-Global-hospitality-insights-2014.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_Global_hospitality_insights_2014/$FILE/EY-Global-hospitality-insights-2014.pdf))

The need for value from consumers are further elaborated by Paul Logan, senior VP of development - Asia, Middle East and Africa for InterContinental Hotels Group, select-service hotel is appealing to a much more independent traveler that doesn't want to pay for frills, the fixtures and facilities of a full-service hotel. (Source: "Budget hotel sector finds momentum in Asia" available at <http://www.hotelnewsnow.com/Article/9177#sthash.E84v52Uz.dpuf>). In view of the changing preferences of both business and leisure travelers, it is likely that the development of select-service hotels could become a global trend. Is Hong Kong hotel industry preparing itself for this trend? According to Mr. Chao, partner of Deloitte China, generally speaking, the Chinese tourist will fully embrace the destination, taking in shows, sights and shopping while not spending much time in their rooms. As such, they are not discriminating in terms of bed configuration or the availability of certain amenities and they place importance on good value for money (Source: Deloitte: Hospitality 2015 game changers or spectators?).

#### Activity 4.1

The following is the summary of lecture notes on " **Implications for types of accommodation** " by a "Tourism and Hospitality Studies" teacher

:

1. The accommodation industry, just like the tourism industry, is also influenced by global economic development trends. During economic downturns, business and leisure travelers will reduce their travel spending. They will become more cost-conscious and seek out more economical alternatives, such as choosing low-cost airlines and staying at budget hotels.
2. In recent years, the global economy and the tourism industry have started to recover, but many travelers still maintain the preferences formed during the economic recession, opting for select-service hotels with fewer amenities but lower prices.
3. This trend has also started to emerge in Hong Kong, where the small land area and dense population have led to an increase in small or standalone hotels (converted from industrial buildings or historic buildings). Mainland tourists tend to spend most of their time at their destinations, performances, attractions, and shopping, rather than in their hotel rooms. As a result, they have fewer requirements for the room layout and facilities, and they are mainly concerned about getting good value for money.

Students can be divided into groups of four to five people.

In addition to referring to the information above, browse the internet or from your own knowledge, discuss the following question

How do global economic development trends affect travelers' choice of different types of accommodation?"

After the discussion, each group should select one representative to share the findings with the other groups in the class

### 4.2.3 What are select-service hotels?

According to the Manual of Introduction of Hospitality on Hotels and their classifications, there are nine types of classification factor:

- Function
- Design
- Market Segment
- Location
- Rating
- Staff to room ratio
- **Price**
- Size
- Distinctiveness of properties

Based on the above classification factors, **Select-service hotels** are classified by the price factor. In general, hotels under this classification (price) factor can actually further break down into three main classes, and **Select-service** is one of the three classes:

1. Limited-Service
2. **Select-Service**
3. Full-Service

The details of how the above hotels are classed can appear a little fuzzy. Here we try to make things clearer by introducing definitions of these three different classes of hotel:

#### Limited-Service Hotel\*

A limited-service hotel was originally defined as a hotel without restaurant or banquet facilities. The service and amenities offered to guest of limited-service hotels are typically simple. It should be noted that these services and amenities have expanded over the past decade, and in today's market, a limited-service hotel's range of amenities might include a business centre, a fitness room, a guest laundry facility, a market pantry, and indoor and/or outdoor pool, and small meeting rooms. Limited-service hotels do not offer catering services of multiple restaurants. Room rates are usually on the lower end of the scale as well because demand for limited-service hotels generally comes from price-sensitive commercial and leisure travelers.

#### Select-Service Hotel\*

A select-service hotel is a hybrid hotel between a limited-service and full-service hotel. It offers the fundamental of limited-service hotels together with a selection of the services and amenities characteristics of full-service hotels. Generally, this means these hotels do not feature multiple restaurants, expansive catering services, or an abundance of meeting room usually find at full-service hotels.

In room amenities, however, can approach or meet the levels found at full-service hotels while keeping prices low. In fact, commercial demand has grown among select-service hotels during and after the global economic downturn in 2008, as budgets for business travel tighten. On the whole, it's fair to say that select-service hotels have more in common with limited-service hotels, but specific offerings of select-service hotels vary.

#### Full-Service Hotel\*

The most distinguishing feature of a full-service hotel is the abundant provision of food and beverage services suitable for both guests and groups. In addition, selective amenities such as spas, elaborate banquet rooms, doormen, valet parking, extended room services, concierge services, and high-end restaurant and boutiques distinguish many full-service hotels. In general, full-service hotel guests seek the extra amenities and service levels found only at these class of hotels.

\*Source: US Hotel Appraisals – An Overview of Hotel Asset Classes available at <http://www.ushotelappraisals.com/services/select-service-hotels/> and Vanguard Realty Advisors: Hotel – Limited-Service, Select-Service & Full-Service – Commercial Appraisal available at <http://www.vracommercial.com/commercial-appraisal-hotel-full-service-limited.html>

Since mainland tourists' market contributes the most tourists to Hong Kong, the demands for select-service hotels could become a local trend. The following types of hotels are examples of limited-service, select-service and full-service hotels operated in Hong Kong. On the whole, it's fair to say that each of the three classes of hotel have specific offerings which may vary differently from one hotel to another even within the same class.

## Comparison of Facilities among Limited-Service Hotels, Select-Service Hotels and Full-Service Hotels in Hong Kong

Table 4.7

<b>Limited-Service Hotels</b> *			
	<b>Mini Hotel Causeway Bay</b> Website: <a href="https://www.minihotel.hk/causeway-bay">https://www.minihotel.hk/causeway-bay</a>	<b>Holiday Inn Express Hong Kong Soho</b> Website: <a href="http://www.ihg.com/holidayinnexpress/hotels/us/en/hong-kong/hkgsh/hoteldetail">http://www.ihg.com/holidayinnexpress/hotels/us/en/hong-kong/hkgsh/hoteldetail</a>	<b>Hotel Ibis Hong Kong North Point</b> Website: <a href="https://ibis-north-point.hongkonghotelsandrates.com/zh/">https://ibis-north-point.hongkonghotelsandrates.com/zh/</a>
<b>Price</b>			
Hotel's Homepage	\$551	\$1,100	\$700
Hotel.com	\$630	\$1,000	\$700
Best Hotel Online	\$555	\$1,080	\$880
<b>Facilities</b>			
F & B Facilities	<ul style="list-style-type: none"> <li>• F&amp;B outlets: Not available</li> </ul>	<ul style="list-style-type: none"> <li>• F&amp;B outlets: Yes - 1 restaurant</li> </ul>	<ul style="list-style-type: none"> <li>• F&amp;B outlets: Yes - 1 restaurant</li> </ul>
IT Facilities	<ul style="list-style-type: none"> <li>• Wireless internet access in guest rooms and public areas</li> </ul>	<ul style="list-style-type: none"> <li>• Wireless internet access in guest rooms and public areas</li> </ul>	<ul style="list-style-type: none"> <li>• Wireless internet access in guest rooms and public areas</li> </ul>
Business Facilities	<ul style="list-style-type: none"> <li>• Not available</li> </ul>	<ul style="list-style-type: none"> <li>• Business service: Yes - copying machine, internet service and fax machine</li> <li>• Meeting facilities: Yes - 2 meeting rooms for 8-30 persons</li> </ul>	<ul style="list-style-type: none"> <li>• Business service: Yes - copying machine, internet service and fax machine</li> <li>• Meeting facilities: Not available</li> </ul>
Health and Other Facilities	<ul style="list-style-type: none"> <li>• Laundry service</li> </ul>	<ul style="list-style-type: none"> <li>• Self-laundry service</li> </ul>	<ul style="list-style-type: none"> <li>• Laundry service</li> </ul>

\*Sources: Hotel.com; Best Hotel Online; Mini Hotel Causeway Bay; Holiday Inn Express Hong Kong Soho; Hotel Ibis Hong Kong North Point

Table 4.8

<b>Select-Service Hotels*</b>				
	<b>Courtyard by Marriot Hong Kong</b> Website: <a href="http://www.marriott.com/hotels/travel/hkg-courtyard-hong-kong/">http://www.marriott.com/hotels/travel/hkg-courtyard-hong-kong/</a>	<b>Metropark Hotel Causeway Bay</b> Website: <a href="http://www.metroparkhotelcausewaybay.com/eng/">http://www.metroparkhotelcausewaybay.com/eng/</a>	<b>Novotel Nathan Road Kowloon</b> Website: <a href="http://www.novotel.com/gb/hotel-6771-novotel-hong-kong-nathan-road-kowloon/index.shtml">http://www.novotel.com/gb/hotel-6771-novotel-hong-kong-nathan-road-kowloon/index.shtml</a>	<b>iclub Wan Chai Hotel</b> Website: <a href="http://www.iclub-hotels.com/iclub-wan-chai-hotel/en/about/about-this-hotel.html#tab_name_3">http://www.iclub-hotels.com/iclub-wan-chai-hotel/en/about/about-this-hotel.html#tab_name_3</a>
<b>Price</b>				
Hotel's Homepage	\$1,400	\$1,700	\$1,600	\$800
Hotel.com	\$1,600	\$1,400	\$1,600	\$800
Best Hotel Online	\$1,500	\$1,700	\$1,430	\$820
<b>Facilities</b>				
F & B Facilities	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes               <ul style="list-style-type: none"> <li>- 1 restaurant and 1 takeaway outlet</li> </ul> </li> <li>24-hour room service</li> <li>Executive Lounge: Yes</li> </ul>	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes               <ul style="list-style-type: none"> <li>- 1 restaurant and 1 bar</li> </ul> </li> <li>24-hour room service</li> <li>Executive Lounge: Yes</li> </ul>	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes               <ul style="list-style-type: none"> <li>- 1 restaurant and 1 bar</li> </ul> </li> <li>24-hour room service</li> <li>Executive Lounge: Not available</li> </ul>	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes               <ul style="list-style-type: none"> <li>- 1 lounge</li> </ul> </li> <li>24-hour room service: Not available</li> <li>Executive Lounge: Not available</li> </ul>
IT Facilities	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms, meeting rooms and public areas</li> </ul>	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms, meeting rooms and public areas</li> </ul>	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms, meeting rooms and public areas</li> </ul>	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms and public areas</li> </ul>
Business Facilities	<ul style="list-style-type: none"> <li>Business Centre</li> <li>Executive rooms: Yes</li> <li>Meeting facilities:               <ul style="list-style-type: none"> <li>- 1 meeting room for 10-12 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Business Centre</li> <li>Executive rooms: Yes</li> <li>Meeting facilities:               <ul style="list-style-type: none"> <li>- 3 meeting rooms for 10-40 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Business Centre</li> <li>Executive rooms: Yes</li> <li>Meeting facilities:               <ul style="list-style-type: none"> <li>- 1 meeting room for up to 6 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Business Centre: Not available</li> <li>Executive rooms: Not available</li> <li>Meeting facilities: Not available</li> </ul>

<b>Select-Service Hotels*</b>				
	<b>Courtyard by Marriot Hong Kong</b> Website: <a href="http://www.marriott.com/hotels/travel/hkgcy-courtyard-hong-kong/">http://www.marriott.com/hotels/travel/hkgcy-courtyard-hong-kong/</a>	<b>Metropark Hotel Causeway Bay</b> Website: <a href="http://www.metroparkhotelcausewaybay.com/eng/">http://www.metroparkhotelcausewaybay.com/eng/</a>	<b>Novotel Nathan Road Kowloon</b> Website: <a href="http://www.novotel.com/gb/hotel-6771-novotel-hong-kong-nathan-road-kowloon/index.shtml">http://www.novotel.com/gb/hotel-6771-novotel-hong-kong-nathan-road-kowloon/index.shtml</a>	<b>iclub Wan Chai Hotel</b> Website: <a href="http://www.iclub-hotels.com/iclub-wan-chai-hotel/en/about/about-this-hotel.html#tab_name_3">http://www.iclub-hotels.com/iclub-wan-chai-hotel/en/about/about-this-hotel.html#tab_name_3</a>
Health and Other Facilities	<ul style="list-style-type: none"> <li>• Laundry service</li> <li>• Fitness Centre: Yes</li> <li>• Swimming pool: Not available</li> <li>• Shuttle bus service: Yes</li> </ul>	<ul style="list-style-type: none"> <li>• Laundry service</li> <li>• Fitness Centre: Yes</li> <li>• Swimming pool: Yes</li> <li>• Shuttle bus service: Yes</li> </ul>	<ul style="list-style-type: none"> <li>• Laundry service</li> <li>• Fitness Centre: Yes</li> <li>• Swimming pool: Not available</li> <li>• Shuttle bus service: Not available</li> </ul>	<ul style="list-style-type: none"> <li>• Laundry service</li> <li>• Fitness Centre: Not available</li> <li>• Swimming pool: Not available</li> <li>• Shuttle bus service: Not available</li> </ul>

\*Sources: Hotel.com; Best Hotel Online; Courtyard by Marriot Hong Kong; Metropark Hotel Causeway Bay; Novotel Nathan Road Kowloon; iclub Wan Chai Hotel

**Table 4.9**

<b>Full-Service Hotels*</b>			
	<b>Conrad Hong Kong</b> Website: <a href="https://conraddining.com/zh-hant/">https://conraddining.com/zh-hant/</a>	<b>Four Seasons Hotel Hong Kong</b> Website: <a href="http://www.fourseasons.com/hongkong/">http://www.fourseasons.com/hongkong/</a>	<b>Island Shangri-La Hong Kong</b> Website: <a href="https://www.shangri-la.com/tc/hongkong/islandshangri-la/">https://www.shangri-la.com/tc/hongkong/islandshangri-la/</a>
<b>Price</b>			
Hotel's Homepage	\$3,700	\$7,500	\$5,000
Hotel.com	\$3,400	\$5,100	\$4,600
Best Hotel Online	\$3,375	\$5,100	\$4,000
<b>Facilities</b>			

## Full-Service Hotels\*

	<b>Conrad Hong Kong</b> Website: <a href="https://conraddining.com/zh-hant/">https://conraddining.com/zh-hant/</a>	<b>Four Seasons Hotel Hong Kong</b> Website: <a href="http://www.fourseasons.com/hongkong/">http://www.fourseasons.com/hongkong/</a>	<b>Island Shangri-La Hong Kong</b> Website: <a href="https://www.shangri-la.com/tc/hongkong/islandshangri-la/">https://www.shangri-la.com/tc/hongkong/islandshangri-la/</a>
F & B Facilities	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes                             <ul style="list-style-type: none"> <li>- 6 restaurants</li> </ul> </li> <li>24-hour room service</li> <li>Executive Lounge: Not available</li> <li>Banquet service:                             <ul style="list-style-type: none"> <li>- a grand ballroom for up to 1000 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes                             <ul style="list-style-type: none"> <li>- 3 restaurants and 1 lounge</li> </ul> </li> <li>24-hour room service</li> <li>Executive Lounge: Yes</li> <li>Banquet service:                             <ul style="list-style-type: none"> <li>- a grand ballroom for up to 800 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>F&amp;B outlets: Yes                             <ul style="list-style-type: none"> <li>- 7 restaurants and 1 lounge</li> </ul> </li> <li>24-hour room service</li> <li>Executive Lounge: Yes</li> <li>Banquet service:                             <ul style="list-style-type: none"> <li>- a grand ballroom for up to 1000 persons</li> </ul> </li> </ul>
IT Facilities	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms and meeting rooms</li> </ul>	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms and meeting rooms</li> </ul>	<ul style="list-style-type: none"> <li>Wireless internet access in guest rooms, meeting rooms and public areas</li> </ul>
Business Facilities	<ul style="list-style-type: none"> <li>Business Centre</li> <li>Executive rooms</li> <li>Meeting facilities:                             <ul style="list-style-type: none"> <li>- 12 meeting rooms for 8-1000 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Business Centre</li> <li>Executive rooms</li> <li>Meeting facilities:                             <ul style="list-style-type: none"> <li>- 8 meeting rooms for 10 - 800 persons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Business Centre</li> <li>Executive rooms</li> <li>Meeting facilities:                             <ul style="list-style-type: none"> <li>- 8 meeting rooms for 50-250 persons</li> </ul> </li> </ul>
Health and Other Facilities	<ul style="list-style-type: none"> <li>Laundry service</li> <li>Fitness Centre</li> <li>1 outdoor swimming pool</li> <li>1 whirlpool</li> <li>Sauna and massage service</li> <li>Spa</li> <li>Shuttle bus and limousine services</li> </ul>	<ul style="list-style-type: none"> <li>Laundry service</li> <li>Fitness Centre</li> <li>2 outdoor swimming pools</li> <li>1 whirlpool</li> <li>Sauna and massage service</li> <li>Spa</li> <li>Shuttle bus and limousine services</li> </ul>	<ul style="list-style-type: none"> <li>Laundry service</li> <li>Fitness Centre</li> <li>1 outdoor swimming pool</li> <li>Sauna and massage service</li> <li>Limousine and car rental services</li> </ul>

\*Sources: Hotel.com; Best Hotel Online; Conrad Hotel Hong Kong; Four Seasons Hotel Hong Kong; Island Shangri-La Hong Kong

Table 4.10 indicates LCC global seat capacity volume in the first six months of 2013 by regions. The data show Europe has the most LCC seats in the world, North America comes second and Asia comes third.

The data indicates that a substantial additional volume of hotels most likely limited-service to select-service types will be required to provide accommodation for the increase in popularity of travelers in taking LCC for leisure and business travels. Probably, there is no clear-cut relationship between LCC and budget hotel usage. However, low cost business and leisure travelers may seek hotels with a similar ethos: smart, modern accommodation at low cost with extras amenities

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<b>Table 4.10: Low Cost Carrier Global Seat Capacity 2013</b> <i>(measured by regions)</i>		
<b>Regions</b>	<b>Seat Capacity</b> <i>(million)</i>	<b>Growth Rate</b> <i>(%)</i>
Europe	182	0.8
North America	154	1.5
Asia	129	28.7
South America	52	- 0.6
Australia	23	4
Middle East	13	17.7
Africa	4	13.1

Source: Amadeus, 2014

## 4.3 Food and Beverage Sector

### 4.3.1 The effect of globalization phenomena on the development of food services from fast food to full service restaurants

Globalization implies increases in the transnational flows of money, people, goods, information, and culture. For the catering sector, the prospect of large urban markets has attracted foreign investments from world famous corporations to open branch restaurants in big cities. For example, Hard Rock Cafè, founded in England, is opened in 140 locations including the Mainland, Vietnam, Egypt, India and Belgium. Outback Steakhouse, an American dining restaurant, is found in 1200 locations in 22 countries.

The globalization of these restaurants is made possible by several facilitating factors. Because of trade liberalization (i.e., governments do not restrict trade between nations) and declining costs of transportation and communication, non-local foods or non-traditional foods can be delivered to different places of the world. The freedom of movement of people also means that cooking experts can be recruited from other countries so that Japanese cuisines in the US are prepared by Japanese chefs, and so are French, Italian and American cuisines. In Hong Kong, some famous hotels are proud of their chefs who came from their France or Italy to prepare French or Italian foods.

Perhaps the globalization of food services is more evident in the fast food restaurant chains such as the McDonald's. In two or three decades ago, few people would imagine that hamburgers, french fries, pizza and other fast food products could succeed in the Mainland. When McDonald's opened its first restaurant in Hong Kong in 1975, most people thought it would survive for only a few months. Its success story certainly surprised many people. Similarly, KFC set up its first franchise in downtown Beijing in 1987, and succeeded to draw up to 3,000 customers daily during its first year of operation and subsequently setting numerous company records.



Fast food chains are available in everywhere in Hong Kong .

In a globalizing world, transnational corporations can succeed to extend their businesses to other countries. The term McDonaldization has been created to represent the process by which the principles of the highly successful and revolutionary fast food restaurant are adopted in more and more sectors of American Society and an increasing number of other societies

through the world. The expansion of the McDonald's culture to other nations is considered a kind of cultural imperialism – the domination of one culture (in this case, American culture) over another culture.

Some academics worried that local food cultures will soon be displaced. They even feared that the popularity of American fast food restaurants may threaten the local favourite restaurants which have been welcomed for generations. However, this does not seem to be the case. For example in the Mainland, local restaurants have not been forced out of the market, but admittedly, some of them have been changed as a result of the arrival of the American fast food restaurants. Numerous restaurants throughout the world feel the need to learn from McDonald's and change their ways of operation. In a sense, McDonald's urged the restaurants in other countries to reform and innovate.

First, many local restaurants are inspired by the efficiency of Western management and change their operation for quick production and decrease the time and cost to the customers. For example, Cafe de Coral in Hong Kong moved Hong Kong's street foods indoors to a clean, well-lighted cafeteria that offers instant services at moderate prices. McDonald's arrival also inspired Cafe de Coral's confidence in self-service catering. In the late seventies, the restaurant further adopted McDonald's production model and established its first central food processing plant. In the Mainland, Ronghua Chicken and Xiangfei Roast Chicken emulated Kentucky Fried Chicken and applied the methods to the preparation and sale of local cuisines.



Quick productions of fast food restaurants have benefited local citizens by saving time in their fast pace of life.

Second, the business concept of franchising has helped restaurants in other countries to spread and grow. Today, nearly all fast food restaurants in the Mainland publicize telephone hotlines for franchise information. In 1996, Daniang Dumplings was merely a community restaurant in Changzhou in Jiangsu province with only six employees selling *shuijiao* (boiled water dumplings). Within the next nine years, it expanded into an empire of over 150 franchises throughout the country and as far as Indonesia and Australia. Actually, applying the franchising concept, not only American restaurants but also restaurants in the Mainland can preserve their

national cuisines and spread it to other places in the world. Xiaofeiyang, Malan Hand-Pulled Noodles are other examples.

As a restaurant goes global, its menu and cuisines will inevitably be transformed to some extent. For example, McDonald's in Beijing managed to attract many loyal customers due to the convenience, efficient service, comfortable environment, nice music and happy atmosphere. Office workers enjoyed grabbing a quick bite on their way to work, and friends enjoyed relaxing over a Coke. However, it was noticed that some Chinese were against these non-Chinese foods and some customers complained that it lacked variety. American fast food restaurants were almost empty during the traditional Chinese festive celebrations while Chinese restaurants were full.



The restaurants finally learnt to adapt. In Chinese culture, food and drink that features color, fragrance, flavor and variety are welcome. Fast food simply does not compare. McDonald's introduced Vegetable and Seafood Soup and Corn Soup and worked to modify the restaurants' design. During the 2004 Spring Festival, McDonald's on Beijing's Wangfujing Street attracted many people with a traditional Chinese look, decorating their interiors with paper-cuts of the Chinese character Fu (Happiness), magpies and twin fishes, all auspicious symbols.



A café chain of America has opened a branch in Beijing with its decoration being matched with the Chinese culture.

Similarly, KFC has introduced many Chinese items onto their menus. Preserved Sichuan Pickle and Shredded Pork Soup was one of the first. Consumers welcomed the item as it was familiar to what they normally eat. Noting the success of the soup, restaurant soon added Mushroom Rice, Tomato and Egg Soup, and Traditional Peking Chicken Roll to the menu.

The experience of KFC and McDonald's show that a successful food service needs to adapt their cuisines and style to local culture while it maintains its basic operating principles (efficiency, freedom, democracy, equality and humanity in these two cases).

Similar principles apply when Asian foods are sold in western countries. For example, Thai restaurants in overseas countries are careful in serving their food. Thai cuisine is a combination of indigenous foods under the influences of India and Chinese culinary traditions as well as French and Portuguese dishes. Thai restaurants began to serve immigrants in London, Chicago, New York and Los Angeles in the 1980s. Overseas Thai restaurants are conscious to adapt the recipes, serving processes and service systems to suit the local culture's dining customs. For example, as there are a significant number of vegetarians in North America, Thai restaurants invented new dishes such as Tom Yam Pak or vegetable in Tom Yam soup, which is unheard of for most Thais. They also serve vegetarian spring rolls while the authentic Thailand spring rolls always have ground pork in them.

Similarly, Chinese people cooked only Sweet and Sour Pork (Gu Lo Meat) at the very beginning. After Sweet and Sour Pork was brought into western countries, people thought chicken might be more delicious than pork if chicken is cooked in the same way. They tried it and liked it. It is common for Chinese restaurants in western countries such as Australia, Europe, and North



Under the impacts of international dining cultures, many restaurants are gradually providing cuisines of different countries. The picture above shows a single menu with American, Japanese, and Portuguese dishes for customers' selections.

America to have Sweet and Sour Chicken in their menus. The ingredients include chicken (or pork), sweet and sour sauce, pineapple, bell pepper and onion.

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## 5. Trends in Tourism and Hospitality - Social-cultural Aspect

### 5.1 Social-cultural Aspects of the Tourism and Hospitality Industry

Customers of tourism and hospitality can be distinguished based on a number of characteristics. Among them, generations and lifestyles have received increasing attention as predictors of social-cultural trend in the tourism and hospitality industry.

#### 5.1.1 Aging population

As the baby boomers grow older in the coming decades, great change will occur across North America, Europe and some Asian countries as the older people become a very important part of the population. It is estimated that the population of 65 years and older will increase from 6.9% in 2000 to almost 16% in year 2050. A higher percentage of the older population will be found in the more developed countries, where those aged 65 and above will increase from only 14.3% of the population in 2000 to 26.9% in 2050. The needs of older people are very different from the needs of middle aged and younger people and this can be a challenge to marketing for the tourism and hospitality industry.



Marketing to the older people also demands a special promotion strategy. The older people are experienced consumers, so they do not want to read flowery language. It is therefore important to keep message direct. A lot of information has to be given. They have a lot of time on their hands, and company must be prepared for answering many more detailed questions than for young consumers.

The hotel must be designed in a user-friendly manner for seniors, who will otherwise be driven away. The facilities should recognize the physical limitations of the older customers. Walking up the steps at the entrance may be difficult for some, not to mention carrying the luggage with them. The restaurants must also provide traditional comfort foods (which the older customers are more familiar with), nutrient-rich foods,

vegetables and fruits, which suit the tastes and nutrition requirements of the older customers.

About pricing, some of them do not have stable income and are therefore more careful about spending than the average younger consumers. Tourism and hospitality industry has to consider offering affordable or value-for-money options for these older consumers.

### 5.1.2 Multi- generation travel

Another trend is the increasing number of grandparents travelling with their grandchildren. The different generations may usually live apart from each other and make use of trips as mini family reunion. Intergenerational travel offers grandchildren and grandparents, uncles, aunts and nephews the time to meet and enjoy their time together. A challenge for the tourism and hospitality industry is how to appeal to different groups of customers whose tastes could be very different.



The tourism and hospitality industry can take the opportunity to offer intergenerational plans for the customers. Some tour operators organize packages and provide discount for travel with grandchildren to address the multi-generation market. The packages may offer activities and accommodations sensitive to the ages of the grandchildren. Cruising and exploring wildlife safari or national parks are popular ideas.

Mainstream hoteliers serving multiple generation groups must attend to their different habits, patterns and needs and make sure that their service meets the needs of all guests regardless of the generation. Hotels may need to offer choices that give customer options (e.g., a variety of breakfast choices) rather than standardized packages. This allows each member in the multi-generational group to choose what he or she individually likes. For example, hotels may offer health-related travel packages such as medical spas targeting the aging population, but also include elements of

adventure, spirituality or stress management that look more attractive to the younger markets.

### **5.1.3 Single parent family travel**

With the increasing divorce rate, single-parent families have become larger in number in many countries. On average, single parents have less money than two-parent families but are still eager to enjoy a great vacation with the children so long as they can afford. However, most hotels and resorts are ignorant of their customers' needs. For example, hotels usually charge guests according to the number of people staying per room. The usual head count is per adult. In a usual family, that means the mother and the father. If the children are still quite young (below 12 years old and so), they stay for free. However, some hotels charge guests per head if an adult and his or her children book a room. This means the family has to pay a much higher price than they expect. It is practical if tourism and hospitality industry can take care of their needs.

A few resorts and tour operators in North America have started to offer products and special pricing for single parents families. For example, a tour operator in the US has offered a list of ideas and special offers for single parents families who are keen to enjoy some fun together. Their tours are organized exclusively for the single parents families and are priced at a reasonable amount for one adult and one child. The packaged arrangement helps reduce the extra organisational burden often felt by single parents. Also, these packages are exclusive to single parents families and so the participants can feel easier than being with other traditional or nuclear families.

### **5.1.4 Increase in one-child families**

The role of parents as a gatekeeper in the past has gradually changed to a cooperative partner since more focus would be put on to the single kids in such families. This trend is particularly significant among the mainland's tourists whose family's structure is governed by the government's one-child policy.

The influence of children on parents' travel decisions becomes significant. Instead of thinking about what hotel facilities and entertainments can be provided to attract parents, hotel marketers should also consider what offers can be provided for kids. For example, kid swimming pools and playgrounds, interesting programs with enable parent-children communications, such as cooking classes, camp fire and BBQ gatherings. It should be a regular practice for hotels to give discounts and special offers to families with their kids living together in a room, such as extra breakfast coupons or free meals for kids.

### 5.1.5 More educated customers

As customers become more educated and knowledgeable, their expectations about the quality of travel related products become higher and they tend to search for more information before making purchasing decisions. Information about destinations, attractions, and travel related products such as transportations and accommodations can be easily accessed through the internet including online travel agents, hotel websites, official and unofficial tourism websites. These information enable customers to compare offers of different suppliers of travel related products easily and efficiently.

### 5.1.6 Polarization of tourists' tastes and spending

The tastes and spending power of the visitors are getting more diversified. There are visitors who seek for comfort and luxury accommodations, but there are other visitors who are not so well-off but look for budget travel. Some business travelers now turn to boutique hotels, which offer tailor-made service or personalization, instead of the standardized product offered by the hotel chains.



Boutique hotels consist of rooms with special themes and designs when compared with normal hotels.

There is a growing demand for 'home-stay' accommodations located in areas that feature cultural and soft adventure activities. On the other hand, there are also more and more budget hotels to cater for the increasing demand of the low-budget travelers.

The baby boomers on average live longer and are wealthier than their parents. They consider travel a necessity rather than a luxury. They constitute a rapid growing market in tourism. When they stay in an accommodation, they demand quality experience such as a great view, delicious food, good service, or a spa where they can do absolutely nothing but enjoy the service given by others.



Many hotels in Hong Kong are providing spa services to their guests

### 5.1.7 Emigration and homecoming visits

Emigration has become increasingly popular in the last few decades. After people emigrate for some time, there is a higher tendency for them to travel back to their home country on vacation to visit family and friends (VFR).

## 5.2 Trends relating to Social-cultural Aspects

According to the year of birth, four major generations can be identified, namely Veterans (Traditionalists or, the Silent Generation, Swing and Builders), Baby boomers, Generation X and Generation Y. A generation refers to a cohort of individuals who were born and grew up within a particular set of years; within the same social and historical circumstances; and share similar life experiences which differ from those born in other periods of time. The baby boomers will continue to be the key generation in the tourism and hospitality market but the younger generations (X and Y) are also earning money which enables them to travel by themselves.

Table 5.1 shows the characteristics of the four generations and their possible trend setting effects on the demand for tourism, accommodation and food and beverage products and services. However, it must be noted that these are broad descriptions and they are mainly based on studies in the USA. People in other cultures also show features that are different from the Americans. Individuals within the same generation are likely to differ among one another.

**Table 5.1: The characteristics of the four generations and their possible trend setting effects on the demand for tourism, accommodation and food and beverage products and services**

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
<p><b>1. Veterans</b></p> <ul style="list-style-type: none"> <li>The veterans grew up during the Great Depression (1929) and World War II.</li> <li>Those events made them practical, patient, and conservative in their views. They think hard work, diligence and personal savings are very important.</li> </ul>	<p><u>Tourism</u></p> <ul style="list-style-type: none"> <li>They make up 21% of all leisure travelers and 14% of business travelers in United States.</li> <li>Veterans take an average of 4.1 leisure trips and 6.7 business trips per year.</li> <li>They are financially conservative and want to be taken care of when travelling.</li> </ul>	<p><u>Food preference</u></p> <ul style="list-style-type: none"> <li>The seniors usually prefer food that they are familiar with, which to a great extent depends on their cultural background.</li> <li>Some seniors have become more health-conscious in their food choice because of their health problems such as high blood pressure and diabetes.</li> </ul>

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
<ul style="list-style-type: none"> <li>• They value safety and security</li> <li>• They value loyalty and commitment</li> <li>• Many of them are women.</li> <li>• Offer affordable or value-for-money options for the veterans</li> <li>• The facilities must be designed in a user-friendly manner for seniors.</li> </ul>  	<ul style="list-style-type: none"> <li>• Veterans seldom use internet for travel information search.</li> <li>• Veterans generation prefer to escape winter weather and seek resting and relaxing activities.</li> <li>• They prefer to visit casinos, meet with different people and experience different cultures.</li> <li>• They tend to take longer trips than other generations and prefer travel overseas.</li> </ul> <p><b><u>Accommodation</u></b></p> <ul style="list-style-type: none"> <li>• They choose a hotel based on safety and security rather than location or facilities.</li> <li>• They are more likely to re-visit the same accommodation over a long period of time.</li> <li>• They have high preferences for learning in their travel experiences.</li> <li>• They concern about the environmental (air and water) quality of the accommodation.</li> </ul>	 <p>Vegetarian food for seniors.</p> <p><b><u>Food service preference</u></b></p> <ul style="list-style-type: none"> <li>• Many seniors are not be able to afford luxurious restaurants and tend to visit family-style restaurants that offer good service at reasonable prices.</li> <li>• They appreciate restaurants that offer discounts for seniors and menus with lower prices and smaller portions since their appetites are not as large as those of the younger people.</li> </ul>

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
	<ul style="list-style-type: none"> <li>Hotels may need to adopt a universal design approach that includes lower beds, brighter lighting, larger fonts, and walk-in showers that fit the use of the seniors.</li> <li>The facilities should recognize the physical limitations of the older customers.</li> </ul>	
<p><b>2. Baby boomers</b></p> <ul style="list-style-type: none"> <li>These are the people born after World War II, between 1946 and 1964. They are identified with the spirit of the 1960s.</li> <li>They are occupied with materialistic possessions and money and treat work and personal sacrifice as keys to success. They continue to travel and go out.</li> <li>They do not believe in simple advertising. They demand full information to understand the products rather than just believe in pictures and descriptions shown in</li> </ul>	<p><b><u>Tourism</u></b></p> <ul style="list-style-type: none"> <li>They represent 36% of all leisure travelers and 38% of business travelers in United States.</li> <li>This segment takes an average of 4.2 leisure trips and 7.5 business trips per year.</li> <li>They are the affluent travelers and most of them travel for business.</li> <li>Boomers are less likely to use internet to search travel-related information or make purchases for travel products.</li> <li>Boomers value health and wellness and they favor medical tourism and health tourism (e.g. spa, yoga and meditation).</li> <li>They also seek excitement by</li> </ul>	<p><b><u>Food preference</u></b></p> <ul style="list-style-type: none"> <li>The more educated boomers may like quality food experiences such as wine tasting. They are the major group of wine consumers among the four generations. They consider wine consumption as relaxed and healthy activities.</li> </ul> <p><b><u>Food service preference</u></b></p> <ul style="list-style-type: none"> <li>Some older boomers have become grandparents and may visit restaurants that offer a family-friendly atmosphere and provide an upscale, formal dining experience.</li> </ul>

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
<p>advertisements.</p> <ul style="list-style-type: none"> <li>• They are driven and dedicated.</li> <li>• They want to feel connected to others</li> <li>• They prefer a caring environment.</li> <li>• This is a group that is too big and too rich to ignore.</li> <li>• They begin to reach the retirement age, meaning that they would spend more time for traveling.</li> </ul>	<p>participating adventure travel which involves hunting and fishing, strenuous hiking and tracking wild animals.</p> <ul style="list-style-type: none"> <li>• Apart from adventure travel, Boomers also like to visit museums, sightsee in cities and visit historical sites.</li> </ul> <p><b><u>Accommodation</u></b></p> <ul style="list-style-type: none"> <li>• They take more domestic and international trips than the other cohorts.</li> <li>• They place greater importance on comfort, value and quality of the accommodations. They expect hotels to have comfortable furniture, massaging showerheads, in-room coffeemakers, makeup mirrors, and free Internet service.</li> <li>• The educated baby boomers like accommodations which enable them to explore the culture of the community or interact with local residents.</li> <li>• They tend to stay longer.</li> <li>• They concern about the branding of accommodations.</li> </ul>	

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
	<ul style="list-style-type: none"> <li>They value personal care and services provided by hotel staff without too many disturbances during the stay.</li> </ul>  <p style="border: 1px dashed black; padding: 2px; text-align: center;">Baby boomers would prefer to choose quiet accommodation without being disturbed.</p>	
<p><b>3. Generation X</b></p> <ul style="list-style-type: none"> <li>They were born between 1965-79, in a period with increased divorce, big layoffs and decreased job security, increased consumerism, and extensive advertising.</li> <li>They are preoccupied with material possessions and shopping. They are driven by consistent goals to make money and buy consumer products.</li> <li>They emphasize work-home balance, and think that family</li> </ul>	<p><b><u>Tourism</u></b></p> <ul style="list-style-type: none"> <li>Gen X makes up 31% of all leisure travelers and 36% of all business travelers in United States.</li> <li>They take an average of 3.5 leisure trips and 6.9 business trips per year.</li> <li>Gen X is more likely to travel with children than other generations.</li> <li>They tend to use Internet to search travel information.</li> <li>They want the need of fun and seek unique experience in their travels.</li> <li>The preferred travel activities for Gen X are to visit amusement and</li> </ul>	<p><b><u>Food preference</u></b></p> <ul style="list-style-type: none"> <li>Many people in this group prefer fast food, especially hamburgers.</li> <li>They cite branded foods more than the other generations, including favorite packaged cookies, ice creams, candies and snacks.</li> <li>They concern about the branding and quality of wine and are willing to spend more on wine consumption.</li> <li>They consider wine consumption as kinds of 'sophistication'.</li> </ul>

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
<p>life should not be totally neglected.</p> <ul style="list-style-type: none"> <li>• They do not belong to any group and tend to oppose against the decisions of adulthood.</li> <li>• They adapt well to change.</li> </ul> 	<p>theme parks, attend spectator sports, playing golf and tennis and go to beaches .</p> <ul style="list-style-type: none"> <li>• Gen X are usually sensitive to overpricing and they try to find products that offer the best value for money.</li> </ul> <p><b><u>Accommodation</u></b></p> <ul style="list-style-type: none"> <li>• Some studies found that Generation X people spend more than the other age groups as leisure travelers.</li> <li>• They like to stay in a place that is trendy and stylish, and may not stay in the same chain hotel.</li> <li>• Generation X travelers are more demanding of hotel facilities: name-brand mattresses, stylish showers, and flat-panel, high-definition TVs.</li> <li>• They want quiet rooms, wireless Internet access and a comfortable space to work and rest.</li> <li>• Cool and high-tech enough to appeal to the younger customers.</li> </ul> 	<p><b><u>Food service preference</u></b></p> <ul style="list-style-type: none"> <li>• Generation X people are concerned with value and they favour quick-service restaurants and midscale operations that offer all-you-can-eat salad bars and buffets.</li> </ul> 

Generation X prefer to stay at trendy hotels.

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
<p><b>4. Generation Y</b></p> <ul style="list-style-type: none"> <li>• They were born between 1980 and 1995/2000.</li> <li>• They are optimistic, self-confident, and open to change, but are also impatient and requiring immediate gratification.</li> <li>• They are good at using technology and want to be the first to try new technologies.</li> <li>• They place high value on leisure and consider pay, material possessions and status more important than other intrinsic values in work (e.g., whether the work is interesting, challenging and whether the worker can take responsibility for his or her labor)</li> <li>• They are trendsetters.</li> <li>• They tend to oppose the main stream values by acting and thinking differently</li> </ul>	<p><b><u>Tourism</u></b></p> <ul style="list-style-type: none"> <li>• Gen Y represents 12% of leisure travelers and 13% of business travelers in United States.</li> <li>• They take an average of 3.9 leisure trips and 4.2 business trips per year.</li> <li>• Gen Y are more active travelers than their older counterparts.</li> <li>• It is common for Yers to search travel information through Internet and make online travel purchase.</li> <li>• They seek novel and fashionable travel experiences.</li> <li>• When travelling, Gen Y favor to participate in amusement and theme park activities, go to night clubs and dance, and look for shopping opportunities.</li> <li>• Gen Y prefers high quality products, even though they need to pay an additional amount of money.</li> </ul>	<p><b><u>Food preference</u></b></p> <ul style="list-style-type: none"> <li>• They are more budget-conscious in their food choice.</li> <li>• They also prefer fast food, but in contrast to other cohorts, many also like healthier foods.</li> </ul>  <ul style="list-style-type: none"> <li>• They are less inclined than Generation X to associate specific brands.</li> <li>• They consume less wine but more of the other cheaper alternatives, such as beer and spirits.</li> <li>• They prefer sweet wines rather than dry ones.</li> <li>• They believe wine should be consumed only in special occasions or in fine dining restaurants. The purpose for socialization is strong.</li> </ul>

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
<p>when compared with other generations.</p> <ul style="list-style-type: none"> <li>• They need immediate response.</li> <li>• They prefer multitask.</li> </ul> 	<p><b><u>Accommodation</u></b></p> <ul style="list-style-type: none"> <li>• They are least loyal to hotel brands and are willing to try unconventional brands.</li> <li>• They want accommodations which provide affordable fast food, Internet access, wireless environments, and flat-screen TVs on the walls.</li> <li>• They prefer accommodations which are easily accessible to shopping facilities and souvenir buying.</li> </ul>  <ul style="list-style-type: none"> <li>• They want a hotel which makes them feel more inspired, excited, important and extravagant.</li> <li>• They expect prompt, convenient and multi-services to be provided by hotel staff at points of customer contacts.</li> </ul>	<p><b><u>Food service preference</u></b></p> <ul style="list-style-type: none"> <li>• People in this generation go for fast-food and quick-service items, such as burger franchises and pizza restaurants.</li> </ul>

Generations	Impacts on Tourism and Accommodation	Impacts on Food and Beverage
	<ul style="list-style-type: none"> <li>Internet marketing is particularly effective for this cohort.</li> </ul>	

Tailor-made facilities for Generation Y :

Picture on the left shows the battery charges for different types of electronic devices;

Picture on the right shows a LCD TV with internet function.

### **LOHAS - The Tourism Industry's New Premium Stakeholder?**

The 2010-2011 ITB World Travel Trends Report states that LOHAS could be the tourism industry's new premium customers in the years to come, according to experts at the World Travel Monitor Forum meeting in Pisa. "LOHAS" is an acronym for "Lifestyles of Health and Sustainability," a social phenomenon that has emerged over the last decade or so and that is increasingly recognised as a major consumer movement. (Justmean. Business. Better., 2011)

The term "LOHAS" refers broadly to consumers interested in goods and services "focused on health, the environment, social justice, personal justice and sustainable living". According to a German research company, LOHAS think global, are very mobile and open-minded. They are looking for a type of tourism that is ecologically sustainable and meets their standards of ethics and social justice. (Source: ITB World Travel Trends Report 2010/2011). LOHAS consumers also care about when they travel, such as sustainability, environmental awareness and respect for local cultures (Source: Justmeans, 2011).

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LOHAS Association of Hong Kong available at [http://www.lohashongkong.org/en\\_home.html](http://www.lohashongkong.org/en_home.html)

## 6. Trends in Tourism and Hospitality - Environmental Aspect

### 6.1 Tourism Sector

In the concept of tourist flows, climate is considered as one of the major macro factors influencing patterns of tourist flows. Changing climate and weather patterns at tourist destinations and tourist generating countries can significantly influence the attractiveness of the destination and thus having undesirable effects on travel patterns including travel decisions, tourist spending, and holiday satisfaction. According to UNWTO report, mountain, island, and coastal destinations are considered particularly sensitive to climate induced environmental change, as are nature-based tourism market segments (UNWTO Davos:2009).

#### 6.1.1 Climate Change

Climate scientists now generally agree that the Earth's surface temperatures have risen steadily in recent years because of an increase in the so-called greenhouse gases in the atmosphere, which trap heat from the sun. One of the most significant of these gases is carbon dioxide (CO<sub>2</sub>), which is generated when fossil fuels, such as coal, oil and natural gas are burned (e.g. in industry, electricity generation, and automobiles) and when there are changes in land use, such as deforestation. The accumulation of CO<sub>2</sub> and other greenhouse gases in the atmosphere can cause global climate change.

According to UNWTO Tourism and Climate Change – Overview September 2007, tourism is (i) a vector of climate change; and (ii) a victim of climate change:

(i) Vector:

It is a vector insofar as the tourism value chain has a defined and highly visible carbon footprint that will increase based on growth projections. Transport generally is an important factor and air transport specifically because of the current absence of clean alternative energy. Aviation is pivotal to deliver tourism exports for the world's poorest countries and small island developing states.

- Global tourism is closely linked to climate change. Tourism involves the movement of people from their homes to other destinations and the transport of tourists accounts for about 75% of all CO<sub>2</sub> emissions with air travel making up about 40% of the total; rapidly expanding air traffic contributes about 5% of the global production of CO<sub>2</sub> by 2050. Tourism is thus a significant contributor to the increasing concentrations of greenhouse gases in the atmosphere. (Source: UNWTO, 2007)

- In 2011 the Federal Aviation Administration (“FAA”) reported that the airline industry flew 737.4 million passengers in 2011 with an anticipated increase of 2.8 percent annually over the next twenty years to a projected 1.3 billion annual fliers by 2031.

<https://www.internationalairportreview.com/news/4423/faa-forecast-predicts-air-travel-to-double-in-two-decades/>

Tourism operations other than airlines have a direct impact on the environment. They are resource intensive: large consumers of water and energy, and generate significant volumes of waste, and emissions of ozone depleting substances. In particular, emissions from refrigeration, air conditioning, fire-fighting equipment, foam insulation, solvents and aerosol propellants all contain ozone depleting substances (ODSs) and they are widely used in the hotel and tourism industry.

#### Trend of mitigation of CO<sub>2</sub> emissions

In the tourism industry where air passenger traffic is expected to grow, and the potential for continued climate change due to aircraft emissions is frightening. To mitigate the CO<sub>2</sub> emissions effect, it is expected there will be a growing trend in the airline industry towards “green aircraft”

- Aircrafts with fuel efficient engines, and lighter aircraft’s body frame to achieve fuel efficiency.
- More non-stop direct long-haul flights - Minimize the number of stopovers of long-haul flights between point of origin and point of destination in lowering the total amount of CO<sub>2</sub> emissions.
- Alternatives fuels - Sustainable alternatives fuels for aviation will be developed to minimize the dependences of fossil fuels such as liquefied hydrogen, synthetic biofuels produced from biomass. Biomass resources are timbers, plants, forestry and agricultural waste.

Apart from the development trend of the future “green aircraft”, government’s policy could be considered to lower CO<sub>2</sub> emissions by aircrafts, including:

- Higher passenger tax can be used to lower the number of short-haul traffic, passengers may replace air travel with other means of transportation.
- Public awareness programs to raise the ethical concerns over the environmental cost of flying. It is likely there will be more people choosing environmentally-friendly airlines in their air travels.

(ii) Victim:

According to Davos Declaration, climate is a key resource for tourism and the sector is highly sensitive to the impacts of climate change (Davos Declaration, 2007). Destinations are threatened by climate change impacts, extreme weather, water scarcity, unprecedented rates of biodiversity loss, disease and growing poverty. In view of the impacts, tourism is a victim insofar as changes in temperature, sea levels, snowfields and land use will radically change tourism capabilities and hence trade and development patterns of states and communities. This is relevant for all states but particularly so for developing countries generally.

- Environmental conditions - Tourism not only contributes to climate change, but is affected by it as well. Climate change is likely to increase the severity and frequency of catastrophes like floods, earthquakes, wildfires, volcanoes, avalanches, drought and diseases can have a serious effect on inbound and domestic tourism and thus on local tourism industries. (Source: GDRC)
  
- Environmental resources - Climate is an essential resource for tourism, and especially for the beach, nature and winter sport tourism segments. Climate change will likely affect tourism and recreational activities:
  - Winter activities: A warming climate and changes in precipitation patterns will likely decrease the number of days when recreational snow activities such as skiing and snowmobiling can take place.
  - Nature activities: In countries where forests and country parks are dominant, an increasing number of wildfires could affect hiking and recreation in the wilderness and parks.
  - Summer activities: Beaches could suffer erosion due to sea level rise and storm surge.
  
- Tourism operations –Tourism destinations and tourism operators are affected by climate change in a number of ways (UNWTO: From Davos to Copenhagen, 2009):
  - Communities and tourism businesses that support themselves through the above tourism and recreational activities would feel economic impacts when tourism patterns begin to change.
  - Visitors may be deterred from visiting if the quality of the attractions decreases markedly. According to UNWTO report, mountain, island, and coastal destinations are considered particularly sensitive to climate induced environmental change, as are nature-based tourism market segments. (UNWTO Davos: 2009).

**Table 6.1: Tourism Destinations and Tourism Operators are Affected by Climate Change in a Number of Ways**

<u>Vector of Climate Change</u>	<u>Victim of Climate Change</u>
Rising temperature and less snowfall	<ul style="list-style-type: none"> <li>• At ski resorts, meaning a shorter skiing season in the alpine regions.</li> </ul>
Rising temperature and less rainfall	<ul style="list-style-type: none"> <li>• In already hot areas like Asia and the Mediterranean, tourists will stay away because of immense heat, and out of fear of diseases and water shortages. This has a direct impact to the hotel industry such as low room occupancy rate.</li> <li>• Harm to vulnerable ecosystems such as rainforests and coral reefs: <ul style="list-style-type: none"> <li>- A major risk to coral reefs is bleaching, occurs when coral is stressed by temperature increases, high or low levels of salinity, lower water quality, and an increase in suspended sediments.</li> </ul> </li> </ul>
Rising sea levels, the result of melting glaciers and polar ice	<ul style="list-style-type: none"> <li>• Higher sea levels will threaten coastal and marine areas with widespread floods in low-lying countries and island states, increasing the loss of coastal land.</li> <li>• Beaches and islands that are major tourism attractions may be the first areas to be affected. Part or all of the beaches or islands could be submerged in the water.</li> </ul>
Increased events of extreme weather, such as tornadoes, hurricanes and typhoons	<ul style="list-style-type: none"> <li>• These are already becoming more prevalent in the tourist destinations close to the open sea. Hurricanes have devastating destructive effects on the East Coast of North and Central America. Katrina in 2005 (US East coast) affected the tourism industry in the Caribbean Islands and New Orleans.</li> <li>• Super typhoons in Asia also demonstrated their destructive power to the tourism industry. Philippines and its islands are often experienced the destructive forces of typhoons.</li> <li>• In addition, wind damage, storm waves, heavy rains and flooding caused major damages to the tourism sector.</li> <li>• For more information on tourism affected by climate change, refer to “Top 10 Places Already Affected by Climate Change” available at Scientific American: <a href="http://www.scientificamerican.com/slideshow/top-10-places-already-affected-by-climate-change/">http://www.scientificamerican.com/slideshow/top-10-places-already-affected-by-climate-change/</a></li> </ul>

Source: GDRC

The latest trends in reducing carbon dioxide emissions,. please browse the following website :

ICAO: Action Plan of Norway, 2021:

[https://www.ecac-ceac.org/images/activities/environment/Norway\\_Action\\_Plan\\_on\\_CO2\\_Emission\\_Reduction\\_2021.pdf](https://www.ecac-ceac.org/images/activities/environment/Norway_Action_Plan_on_CO2_Emission_Reduction_2021.pdf)

### 6.1.2 Environmental Conservation

In view of tourism being a vector and a victim of climate change, the tourism industry has a greater vested interest than most in protecting the global environment. Tourism businesses need to reduce their impact on the environments they so depend on because tourism destinations rely on a clean and healthy environment for the long-term quality and viability of the product; without such environmental quality, much tourism would disappear. Unless all tourism operators, large and small, take action to maintain and enhance environmental quality, the future of the industry is in jeopardy.

#### The Trend of Responsible Travel

In recent years, increasing attention has been focused on environmental conservation including protecting and enhancing environmental sustainability among both travel professionals and tourists of the importance of responsible travel—travel that minimizes negative impacts, brings economic benefits to host communities, and preserves the cultural and natural resources of the destinations (Source: CREST,2013). The following different types of responsible travel have one thing in common, and they are all ethical based tourism. Examples of the common types of responsible travel are:

##### *Ecotourism*

- Responsible travel to natural areas that conserves the environment and improves the welfare of local people.

##### *Geotourism*

- Tourism that sustains or enhances the geographical character of a place – its environment, heritage, aesthetics, and culture and the well-being of its residents.

##### *Responsible Tourism*

- Tourism that maximizes the benefits to local communities, minimizes negative social or environmental impacts, and helps local people conserve fragile cultures and habitats or species.

### *Sustainable Tourism*

- *Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments.*

### *Ethical Tourism*

- Tourism in a destination where ethical issues are the key driver, e.g. social injustice, human rights, animal welfare, or the environment.

The demand for responsible travel is being driven by the growth of conscientious travelers, it means their choices are increasingly influenced by sustainability considerations (Source: 2012 UNWTO Tourism in the Green Economy Report). These travelers are usually members of the:

- “Baby Boom” generation (those born between 1946–1964) are entering retirement and are finding themselves with more leisure time. Numbering almost 80 million, Baby Boomers control 70% to 80% of the wealth, live longer, value more active lifestyles including long-haul travel, and are increasingly aware of environmental issues.
- The “Gen-Xers” (the generation born between 1961–1981) are environmentally conscious and have embraced conscientious consumerism or “spending your way to a greener planet.”
- The “Gen-Yers” or “Millennials” (children of Baby Boomers born between early 1980s-2001) are generally well-informed, electronically savvy, like personal attention, and are passionate about environmental and social justice issues.

Each generation influences the others and together they are driving demand for responsible tourism (Source: CREST, 2013). “When these conscientious travelers demand for responsible tourism continue to grow, responsible travel (green travel) is no longer just a trend. It’s a way of life”. (Source: Fran Brasseur, Executive Director, Hotel Sales and Marketing Association International Foundation)

## 6.2 Accommodation Sector

### Demand for green hotels

Tourism is estimated to create about 5% of total GHG emissions (1,302 Mt CO<sub>2</sub>), primarily from tourist transport – 75%, and accommodation – 21%, mainly from air-conditioning and heating systems (Source: Green Economy – Tourism investing in energy and resource efficiency, United Nations Environment Programme, 2011). Apart from the GHG emissions, the accommodation sector also produces enormous amount of waste, consume a lot of resources as well as responsible for significant environmental impact in areas like land-use and impact on biodiversity (Source: World Economic Forum - Towards a Low Carbon Travel & Tourism Sector available at [T http://www.indiaenvironmentportal.org.in/files/LowCarbonTravelTourism.pdf](http://www.indiaenvironmentportal.org.in/files/LowCarbonTravelTourism.pdf)) table 6.2 lists out the main environmental impacts caused by the types of waste produced along with the services and activities found in a hotel.

**Table 6.2: The Environmental Impacts of a Hotel**

Service / Activity	Description	Main Environmental Impacts
<b>Administration</b>	<ul style="list-style-type: none"> <li>• Hotel management</li> <li>• Reception of clients</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and materials (mainly paper)</li> <li>• Generation of waste and hazardous waste (toner cartridges)</li> </ul>
<b>Technical Services</b>	<ul style="list-style-type: none"> <li>• Equipment for producing hot water and heating</li> <li>• Air conditioning</li> <li>• Lighting</li> <li>• Swimming pools</li> <li>• Green areas</li> <li>• Mice and insect extermination</li> <li>• Repairs and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and water consumption</li> <li>• Consumption and generation of a wide range of hazardous products</li> <li>• Air and soil emissions</li> <li>• Generation of waste water</li> <li>• Pesticides use</li> </ul>
<b>Restaurant/bar</b>	<ul style="list-style-type: none"> <li>• Breakfast, lunch, dinner</li> <li>• Beverages and snacks</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and raw materials consumption</li> <li>• Packaging waste</li> </ul>
<b>Kitchen</b>	<ul style="list-style-type: none"> <li>• Food storage</li> <li>• Food preparation</li> <li>• Dish washing</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of energy and water</li> <li>• Packaging waste</li> <li>• Oil waste</li> <li>• Organic waste (i.e., fruit and vegetable peelings, leftover food stuffs during preparation and after cooking)</li> <li>• Generation of odours</li> </ul>

Service / Activity	Description	Main Environmental Impacts
<b>Room Use</b>	<ul style="list-style-type: none"> <li>• Use by guests – air conditioning, lightings, TV, mini-bar services, shower.</li> <li>• Products for guests' use- in room amenities</li> <li>• Housekeeping – mainly cleaning products</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and raw materials consumption</li> <li>• Use of hazardous products</li> <li>• Generation of waste packaging</li> <li>• Generation of waste water</li> </ul>
<b>Laundry</b>	<ul style="list-style-type: none"> <li>• Washing and ironing of guest clothes</li> <li>• Washing and ironing of hotel linens</li> </ul>	<ul style="list-style-type: none"> <li>• Consumption of energy and water</li> <li>• Use of hazardous cleaning products</li> <li>• Generation of waste water</li> </ul>

Source: Graci, 2009



In order to promote conservation, some hotels would only change the bed sheets for guests upon their requests.

With the increased global attention to environmental problems including water shortage, carbon emission and increased waste, more and more travelers think that hotels and resorts should be responsible for protecting the environment. Therefore, it's no surprise that travelers are seeking hotels that consider the environment too. They called these hotels as "green hotels"\*\*\*.

There are many definitions of "green hotel" but there is no unified definition of the term "green hotel". According to the Green Hotels Association, it defines green hotels as environmentally-friendly properties whose managers are eager to institute programs that save water, save energy and reduce solid waste—while saving money—to help PROTECT OUR ONE AND ONLY EARTH! (Source: Green Hotels Association available at <http://www.greenhotels.com/>).

### Synonym

\*\*Green Hotel - Environmentally friendly hotel, Sustainable hotel

As people become more demanding for sustainable development, a more complex definition of the term “green hotel” is introduced by The International Tourism Partnership. It defines the term ‘green’ to embrace all aspects of sustainability and corporate social responsibility (CSR). To be properly ‘green’, a company now needs to incorporate sustainable thinking in its decision-making at all levels throughout the organization. The levels are:

- Policy and Framework
- Staff Training and Awareness
- Environmental Management
- Purchasing
- People and Communities
- Destination Protection

(Source: The International Tourism Partnership (ITP) available at:

<http://www.ihei.org/images/content/downloads/pdf/going%20green%20english%202014.pdf>)

Currently, there is no “standardized greening standards” when it comes to green lodging certification because there are many green hotel certification programs available in the tourism and hospitality industry (see Table 6.3). Although each of these certification programs have different greening standard criteria, there are a number of common criteria which are shared among these certification programs. These common criteria are:

- Achieving carbon reduction
- Achieving energy reduction
- Achieving water reduction
- Achieving waste reduction

**Table 6.3: Green hotel certification programs**

Green Key Global	<a href="http://www.greenkeyglobal.com/">http://www.greenkeyglobal.com/</a>
Green Globe International	<a href="http://www.greenglobecertification.com/">http://www.greenglobecertification.com/</a>
Green Seal	<a href="http://www.greenseal.org/">http://www.greenseal.org/</a>
LEED	<a href="http://www.usgbc.org/">http://www.usgbc.org/</a>
EcoRooms & EcoSuites	<a href="https://www.greenlodgingnews.com/ecorooms-ecosuites-certification-recognized-by-ahla/">https://www.greenlodgingnews.com/ecorooms-ecosuites-certification-recognized-by-ahla/</a>
Breeam	<a href="http://www.breeam.org/">http://www.breeam.org/</a>

These common criteria aim at guiding hotel management in meeting the minimum greening standards for the preservation of our environment by adopting sustainable practices of saving water, saving energy, and reducing waste (Source: Ogbeide, 2012). Hotel management sees three important benefits in putting effort into sustainability:

- It meets the expectation of eco-conscious or environmentally-conscious guests, which in turn makes the hotel a more attractive hotel and eventually improve hotel's market image.
- It preserves our environment for our future generations because accommodation facilities are resource intensive, and generate significant volumes of waste, effluent and ozone-depleting substances (ODS).
- It saves costs (through reduced water and energy) and improves profitability.

**Eco-conscious:**

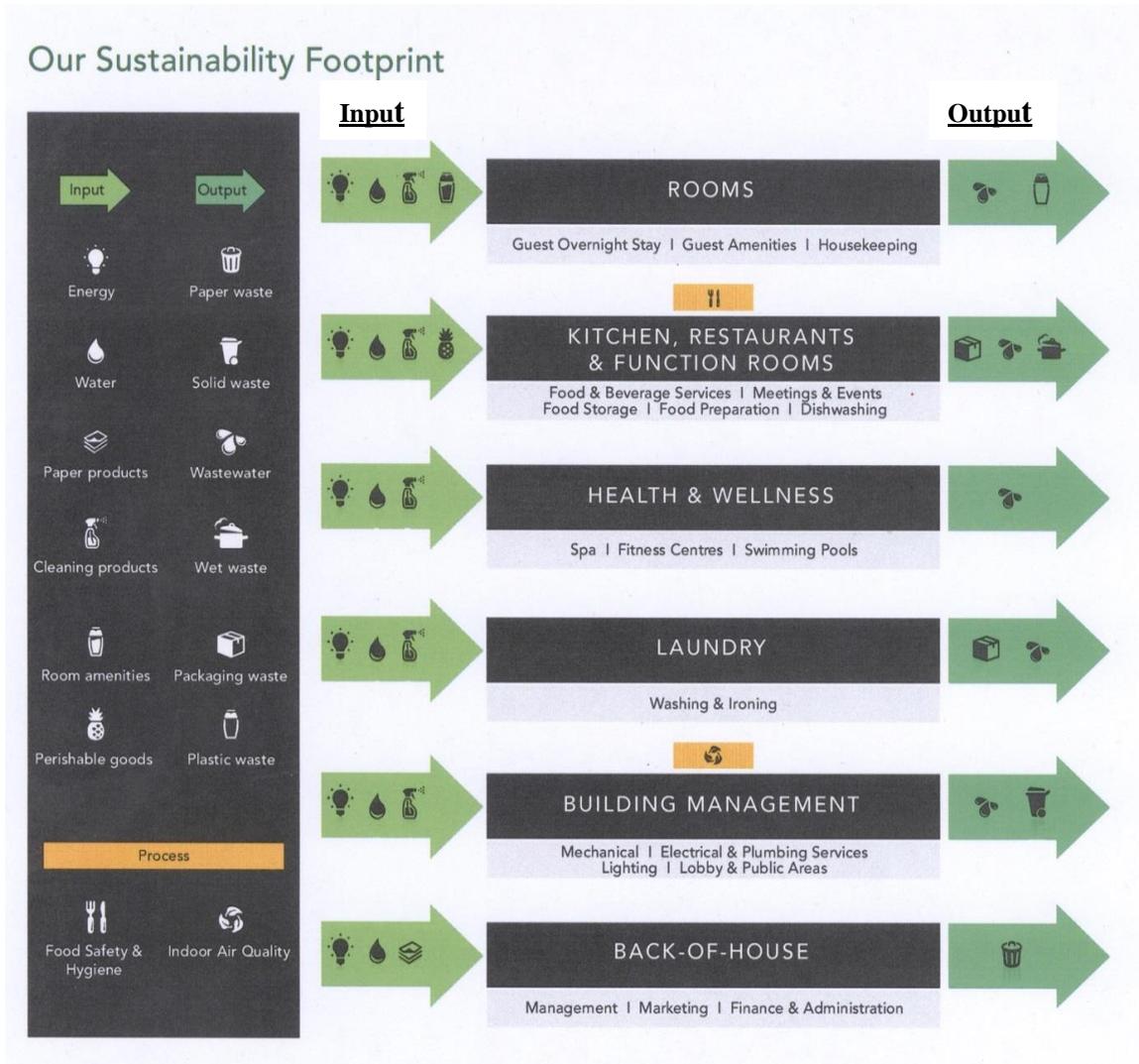
Being an informed purchaser. Knowing or having an understanding of what effect, what you are doing, buying or using has on the environment. This is a general definition of eco-conscious according to Eco Who - Your guide to being Eco Friendly & Sustainable - available at <http://www.ecowho.com/defn/list.php?l=e>

**Eco-conscious or Environmentally-conscious Guests**

In light of the above definition, eco-conscious and environmentally-conscious guests can be referred to those who show concern for the environment.

To better understand the process of sustainable practices, Figure 6.1 is a graphical illustration of reducing environmental footprints by a local green hotel. The hotel management of this local green hotel makes energy, water and waste management a clear priority in their operations. The management has made good progress in reducing the environmental footprint over the past few years.

**Figure 6.1: A Graphical Illustration of Sustainability Footprint of a Green Hotel**



Source: The Hong Kong and Shanghai Hotels Limited, Annual Report 2013

## 6.3 Food and Beverage Sector

### 6.3.1 Consumption of Resources

Agriculture and food consumption are identified as one of the most important drivers of environmental pressures, especially habitat change, climate change, water use and toxic emissions (UNEP 2010). The damage on environment will affect the future viability of different types of businesses, including the food and beverage sector.

Nowadays, most food and beverage operators understand the importance of the link between environmental preservation and business sustainability; furthermore, the growing awareness of ethical responsibility among consumers in their food choices, are the drivers for the growing sustainable resources consumption trend in the food and beverage sector.

#### 6.3.1.1 Resources consumption trend in the food and beverage sector

##### 1 GHG emissions in livestock

Unquestionably, the livestock sector represents a significant source of greenhouse gas (GHG) emissions worldwide, generating carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) throughout the production process. Livestock contribute to climate change by emitting GHG either directly (e.g. from enteric fermentation and manure management) or indirectly (e.g. from feed-production activities and conversion of forest into pasture).

(Source: FAO: Mitigation of greenhouse gas emissions in livestock production, 2013)

The latest trends in GHG emissions in livestock, please browse the following websites :

1. Agri-climate report 2023

<https://www.gov.uk/government/statistics/agri-climate-report-2023/agri-climate-report-2023>

2. New FAO report maps pathways towards lower livestock emissions

<https://www.fao.org/newsroom/detail/new-fao-report-maps-pathways-towards-lower-livestock-emissions/en>

a) **Sources and percentages of GHG emissions from livestock**

*Methane (CH<sub>4</sub>) emissions from enteric fermentation* – ruminant animals including cattle, sheep, and goat produce methane as part of their digestive process. Non-ruminant species, such as pigs, do also produce methane but amounts are much lower by comparison. This source constitutes 39 percent of total emissions.

*Methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) emissions from manure management* – manure storage, application and deposition. This source constitutes 10 percent of total emissions.

*Carbon dioxide (CO<sub>2</sub>) and nitrous oxide (N<sub>2</sub>O) emissions from feed production* – fossil fuel used in manufacturing chemical fertilizer for feed crops and chemical fertilizer application on feed crops. This source constitutes 45 percent of total emissions.

*Carbon dioxide (CO<sub>2</sub>) emissions from energy consumption in land use* – forest and other natural vegetation replaced by pasture and feed crop. This source constitutes 6 percent of total emissions.

b) **Magnitude of GHS emissions**

According to the following figures provided by FAO, the production of white meat (chicken) emits lesser amount of GHG than red meats. Relatively speaking, consumption of white meats will contribute less to climate change.

Meats (from ruminant animals and non-ruminant animals) production process starts from breeding, feeding, slaughtering and transporting. During the production process, the total emissions from global livestock are 7.1 Gigatonnes of CO<sub>2</sub>-equiv per year, representing 14.5 percent of all anthropogenic GHG emissions.

Beef and cattle milk are responsible for the most emissions, respectively, contributing 41 percent and 20 percent of the sector's overall GHG outputs. They are followed by pig meat, (9 percent of emissions), buffalo milk and meat (8 percent), chicken meat and eggs (8 percent), and small ruminant milk and meat (6 percent). About 44 percent of livestock emissions are in the form of methane (CH<sub>4</sub>). The remaining part is almost equally shared between Nitrous

Dioxide (N<sub>2</sub>O, 29 percent) and Carbon Dioxide (CO<sub>2</sub>, 27 percent).

As an illustration of easier understanding, it is estimated that producing one kilogram beef produces emission of greenhouse gases equivalent to 36.4 kilograms of CO<sub>2</sub>, equivalent of the amount of CO<sub>2</sub> emitted by the average European car every 250 kilometers.

(Source: FAO: GHG emissions by livestock, 2013 available at

<http://www.fao.org/news/story/en/item/197623/icode/>)

The latest trends in the magnitude of greenhouse gas emissions., please browse the following website :

New FAO report maps pathways towards lower livestock emissions(2023)

<https://www.fao.org/newsroom/detail/new-fao-report-maps-pathways-towards-lower-livestock-emissions/en>

**c) Environmental benefits of consuming less red meat**

In view of the above numbers, the food and beverage sector may need to start offering more white meat items (e.g. chicken, pork and fish) on the menu in order to make consumption and production more sustainable. Following are the environmental benefits of consuming less red meat by the consumers:

- White meat products requires less energy inputs than red meats in the production process. Consumption of more white meat means less GHG emissions to the atmosphere.
- Forest and natural vegetation are no longer replaced by pastures and feed crops. As a result, the emission of carbon release from soils are reduced.
- The enormous amounts of water usage for pasture irrigation can be reduced.
- Vast area of land allocated for the growing of feed crops can be used for producing crops for human consumption. It will relieve the pressure on scarce land resources.

## 2 **Purchase local food products**

In the food chain process, food products are needed to transport from the farm to the table. During the transport process, energy is wasted and carbon dioxide is emitted into the atmosphere. According to United Nations Environmental Programme (2010), transport is one of the major contributors to global greenhouse gas emissions and it accounts for 13% of the total emissions. Therefore, it is beneficial to the environment if the food and beverage sector buy more local food products for their business.

### a) **Environmental benefits of buying local food products**

Local food can be defined as food grown or processed locally and purchased by restaurants from the local market or primarily through local producers (Sharma et al., 2009). The consumption of local food products has several environmental and health benefits, and consequently more and more restaurants have increased to purchase local food to serve their customers. The followings are benefits for the food and beverage sector in purchasing local food:

- *Local food preserves farmland landscape:*  
The consumption of locally grown food products can encourage farmers to preserve the farmland landscape. Farmers tend not to sell their farm land for development if they can obtain incomes from selling their products.
- *Local food benefits the land and water resources:*  
Local food provides incomes for farmers and in return they manage their farms well by conserving fertile soil and protecting water resources.
- *Local food benefits the wildlife animals:*  
By supporting local farmers, they can manage and protect the farm environment well. This natural environment, which includes sunlight, water, food and space, provides an ideal habitat for birds and other wildlife animals to grow.
- *Local food helps to reduce carbon emission:*  
Buying locally grown food products is a carbon-friendly option. It helps to reduce pollution such as the release of carbon dioxide and other

greenhouse gases during transportation, distribution and storage processes.

### **3 Adopting sustainable purchasing in the food and beverage sector**

#### **a) The concept of sustainable purchasing**

What is sustainable purchasing?

The United Nations World Commission on Environment and Development defines sustainability as “ensuring that we meet our needs without compromising the ability of future generations to meet their own needs” (Buck, 2007). From a purchasing perspective, this means considering not only the cost and quality of products, but also social and environmental factors associated with each purchase.

The unprecedented attention being paid to food quality and food origins in just the last few years by the consumers has influenced food and beverage sector to better understand and address social and environmental concerns. As a result, the concept of sustainable purchasing has become popular in the food and beverage sector. It is often seen as the solution, the tool to make consumption and production more sustainable. According to NSW Business Chamber (2009), there is a trend to integrate sustainability principles into purchasing decisions in the hospitality and food and beverage sectors. Through the sustainable purchasing, food establishments can reduce costs, increase productivity and protect the environment for sustainable development.

#### **b) Environmental benefits of adopting the sustainable purchasing**

- Through the sustainable purchasing, purchasers from the food and beverage sector can help to protect the environment by consuming sustainably-harvested products.
- When a market for sustainable purchasing is established, it provides incentive to food services suppliers in searching for more sustainably-harvested food products to meet the growing population of

environmentally concerned consumers of the food and beverage sector.

**c) Example of sustainable purchasing in the food and beverage sector**

Food suppliers are now making the transition to provide more socially and environmentally responsible foods, and they need food and beverage businesses' support to make this transition successful. In the food and beverage sector, some businesses begin in looking for suppliers for seafood to provide them with sustainably-harvest seafood.

Regarding the ocean environment, over-fishing has depleted many marine resources around the world. According to United Nations Environment Programme (2010), overfishing refers to fish and other marine species that are caught at a rate faster than they are reproduce. Many marine scientists believe that overfishing will eventually make many species of fish around the world extinct in a few decades.



An MSC label on a package of a fish burger indicates that it is certified sustainable seafood. Marine Stewardship Council (MSC) <http://www.msc.org/>

To prevent overexploitation and the declines of fish stocks, World Wild Fund offices have produced many sustainable seafood guides which aim to start a new dining trend that consumers can care more about the environment. The guides are to encourage consumers to purchase sustainably-harvested seafood so as to help rebuild marine species and stocks. For instance, the Guide for Hong Kong covers more than 70 different types of seafood available in Hong Kong. Food purchasers can buy the sustainably-harvested seafood according to the guide.

Adapted from WWF Hong Kong (2014)

For more details about the sustainable seafood guide, please refer to [wwf.org.hk/seafood/en](http://wwf.org.hk/seafood/en)

**4 Establish good practices on energy consumption**

The energy consumption in the food and beverage sector usually comes from the equipment, hot water, lighting, heating and air-conditioning. The high consumption of energy will not only cause damage to the environment (e.g. greenhouse gases emission), but also increase the energy costs and reduce

revenue. To ensure the long-term survival of food and beverage businesses, the sector has started cost-effective energy consumption practices in their businesses.

a) **Good practices on energy consumption in the food and beverage sector**

Energy consumption within the food and beverage sector can vary depending on the types of equipment and company's practices. However, energy savings can be achieved through implementing the following energy saving practices:

- Upgrade to the most energy efficient kitchen equipment such as refrigerators, ovens and freezers. Look for kitchen equipment's "Energy Star rating".
- Purchase appropriately sized equipment because too large or too small are both inefficient and waste energy and money.
- Install water saving equipment.
- Schedule regular maintenance and cleaning of kitchen equipment to minimize energy loss.
- Open refrigerators and freezers only when necessary
- Switch off equipment when it is not required (especially after busy periods).
- Educate staff on energy saving programmes.

Adapted from NSW Business Chamber, 2009 and Sustainable Business Associates - Best Environmental Practices for the Hotel Industry, 2008

### 6.3.2 Producing of Waste

According to Food Wise Hong Kong (2013), each person in Hong Kong dumps about 1.27 kg of municipal solid waste every day. Among all, food waste is a major component of solid waste. It is estimated that about 3,600 tons of food waste were dumped in landfills every day in 2011 and this equals the weight of 300 double-decker buses and accounts for 40% of Hong Kong's municipal solid waste.

#### Types of wastes produced by the food and beverage sector

In the food and beverage sector, the wastage produced by food establishments can be classified as:

- (i) Food wastes; and
- (ii) Wastes associated with the preparation of food and beverage

#### 1. Possible sources of wastage produced by the food and beverage sector

##### a) Food wastes

In general term, food wastes refer to all edible, prepared or cooked leftover food, edible food left on dishes or returned (with skin, bone, shells or other inseparable parts), food that has gone off, as well as food in good condition (both packaged and unpackaged) that can be found in the selective collection circuits for the organic fraction of municipal solid waste and the nonsegregated fraction from households, restaurants and retail distribution

(Source: Adapted from Agència de Residus de Catalunya, 2011)

##### b) Wastes associated with the preparation of food and beverage

Wastes associated with the preparation of food and beverage include paper, cardboard, glass, mixed plastics and film, and ferrous and non-ferrous metals. Some of these examples are shown in Table 6.1.

**Table 6.3**

<b>Paper</b>	<ul style="list-style-type: none"><li>• Paper and paper towels for food use</li><li>• Paper and paper towels used to serve food</li></ul>
<b>Cardboard</b>	<ul style="list-style-type: none"><li>• Cardboard for serving ready-made food (e.g. pizza boxes)</li></ul>

	<ul style="list-style-type: none"> <li>• Cardboard for food packaging</li> </ul>
<b>Glass</b>	<ul style="list-style-type: none"> <li>• Glass container for food</li> <li>• Glass container for beverage</li> </ul>
<b>Mixed Plastics and film</b>	<ul style="list-style-type: none"> <li>• Cups made of plastic for drinks</li> <li>• Plastic food and beverage containers</li> <li>• Plastic bags for rubbish</li> <li>• Food film</li> </ul>
<b>Metals</b>	<ul style="list-style-type: none"> <li>• Cans for food</li> <li>• Cans for drink</li> <li>• Aluminium foil</li> </ul>
<b>Organic Waste</b>	<ul style="list-style-type: none"> <li>• Fruit and vegetable peelings</li> </ul>

(Source: Adapted from Agència de Residus de Catalunya, 2011 and Sustainable Business Associates: Best Environmental Practices for the Hotel Industry, 2008)

The latest trends in Producing of Waste., please browse the following website:  
 . Food Wise Hong Kong Campaign(2024)  
<https://www.wastereduction.gov.hk/en-hk/waste-reduction-programme/food-wise-hong-kong-campaign>

## 2. The impact of wastage from the food and beverage sector upon the environment

### a) Sources of wastage in the food chain process

In fact, the impact of wastage upon the environment starts before food being prepared in a restaurant's kitchen. It all starts from the food chain process. Food wastage can occur at each stage of the food chain process, from the primary production to the dining table. Examples of how they can occur at each stage are shown in Table 6.2:

**Table 6.4**

<b>Stage 1: Production</b>	Food wastage can occur due to poor harvesting equipment, discarded fish and fruit, or unsold food batches.
<b>Stage 2: Handling and Storage</b>	Food wastage is caused by pests which eat the edible food or disease which degrade the edible produce.
<b>Stage 3: Processing and</b>	Wastage of food is due to inefficient factory

<b>Packaging</b>	processes or poor packaging.
<b>Stage 4: Distribution and Marketing (restaurants, catering and institutions)</b>	Wastage of food happens because it is non-compliant with quality standards or is not sold before “best before” dates.
<b>Stage 5: Consumption (On the table)</b>	Food wastage can be due to food purchased or cooked by consumers, restaurants and caterers but not be eaten.

(Source: Adapted from World Resources Institute, 2013)

Stage 5: Consumption (On the Table) is the main source of wastage from the food and beverage sector due to the following reasons:

- Provision of all you can eat menu  
The over production of food served in buffets produced a lot of leftover food.
- Cultural attitudes towards leftover food  
It is quite common in some cultures that leftovers is not well considered or it is necessary to serve more food than guests can eat in order to make a good impression on them.
- Menu planning  
Restaurants often offered non-selective menu such as Table d’hote and Carte du jour to customers for their own operational good. It is because non-selective menu offers restaurant’s management simpler and easier to control their purchasing, production and serving. However, customers may find the portion size of the dishes is either too big or the choices offered are not really meeting their wants. Therefore, it is likely a large amount of uneaten food is left over.

(Source: Adapted from Agència de Residus de Catalunya 2011)

**b) The impact of wastes upon the environment: land, water and air resources**

A study conducted by NSW Business Chamber in 2009 revealed that the average restaurant sends a large proportion of wasted food to the landfill, which accounts for about 56% of total waste generation in restaurants. Other wastes which produced by restaurants include cardboard (9%), paper (7%) and others (28%). These wastes will cause damage to our environment including land, water and air resources.

(i) Land

In terms of land resources, food that is lost or wasted takes up about 1.4 billion hectares of farmland per year and it represents about 28% of the world's agricultural area (FAO, 2013). Moreover, the World Resources Institute (2013) states that approximately 28 million tons of fertilizer used each year to produce food that is lost or wasted.

(ii) Water

According to FAO (2013), the total volume of water used each year to produce food that is lost or wasted is equivalent to the annual flow of Russia's Volga River, or three times the volume of Lake Geneva.

(iii) Air

Food that is lost or wasted represents unnecessary greenhouse gas emissions. According to FAO (2013), the amount of food wastage's carbon footprint is estimated at 3.3 billion tons of carbon dioxide released into the atmosphere per year.

**3. Practicing trends of the food and beverage sector in reducing wastage**

**a) Practices for reducing food wastage**

Good practices for the food and beverage sector to reduce food wastage can be implemented through purchasing, receiving and storage, cooking and consumption.

**Purchasing**

- Order raw materials in appropriate quantity to prevent excessive inventory.
- Purchase products with minimal level.
- Order food from approved suppliers to avoid delivery of poor quality food.

**Receiving and Storage**

- Inspect food deliveries upon arrival for sub-standard food and do not accept these items from the supplier.
- Adjust inventory to minimise waste due to spoilage.
- Control storage procedures such as temperature to prevent spoilage.
- Implement first-in-first-out (FIFO) practice to avoid food waste.

### Cooking

- Develop daily production plans to minimise over-production of food e.g. Peninsula Hotel worked hard in reducing its food waste by curating its food presentation thoughtfully. Unlike many buffets which often serve food in big trays, The Verandah serves a wide selection of gourmet food presented delicately in small quantities (Source: The Hongkong and Shanghai Hotels Limited, Annual Report 2013 on Sustainability Review ).
- Properly prepare food to minimize spoilage.
- Make good use of surplus food to minimize food wastage (e.g. surplus food like sausages prepared for breakfast can be sold as hot dogs).
- Make good use of surplus raw food materials to minimize food wastage e.g. In 2013, Peninsula Hotel began to donate vegetable trimmings from its Chinese and banquet kitchens to local non-profit organization Food Angel, which cooks them to serve the homeless and others in need. Our chefs only use the finest part of a vegetable in creating a dish, so this new partnership enabled the hotel to divert its vegetable trimmings for a good cause (Source: The Hongkong and Shanghai Hotels Limited, Annual Report 2013 on Sustainability Review).

### Consumption

- Remind customers to avoid over-ordering.
- Provide fewer varieties or smaller portion-size in a buffet or banquet.
- Provide smaller-portion size to minimise food waste.
- Provide customers environmental friendly take-away containers for left-over food.

(Source: Adapted from Food Wise Hong Kong, 2013; NSW Business Chamber 2009; Sustainable Business Associates - Best Environmental Practices for the Hotel Industry, 2008)

## **b) Practices for reducing wastes associated with the preparation of food and beverage**

The food and beverage sector can also implement good practices to reduce wastes associated with the preparation of food and beverage. The goal is to minimize waste sent to the landfill as much as possible. Some of these good practices are as below:

- Avoid individually wrapped food items in order to reduce the use of paper and cardboard.
- Utilise reusable glasses and bottles for containing food and beverage products.
- Use reusable plastic containers for food and beverage items.
- Minimise the use of canned food and beverage and try to purchase products with minimal or reusable packaging.
- Provide recycling bins in kitchen and restaurant areas and encourage staff and customers to recycle rather than trash waste.
- Replace disposable items with reusable ones such as refillable soap.
- Purchase in bulk with low packaging and this will reduce packaging.
- Compost organic wastes including food and food leftover.
- Collect biodegradable organic wastes (e.g. fruit and vegetable peelings) separately in order to compost them or reuse them as animal feed.
- Identify and choose suppliers that have already implemented eco-efficiency measures such as will take back packaging and used material.
- Prefer, whenever possible, products that are recycled, reusable, repairable, biodegradable, recyclable, fair trade and / or eco-labeled.

(Source: Adapted from NSW Business Chamber, 2009 and Sustainable Business Associates - Best Environmental Practices for the Hotel Industry, 2008)

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## 7. Trends in Tourism and Hospitality - Technological Aspect

### 7.1 Tourism Sector

#### 7.1.1 The Importance of Employing Information Technology in the Travel and Tourism Industry

The rapid growth of tourism development has resulted to the need of providing prompt tourism services with high degree of customization and as well, easy accessibility of travel information from customers' perspective. All these have driven to the application of information technology (I.T.) which serves the role of facilitating tourism service integration in order to fit the needs of different individuals. Illustration of I.T. applications being used in different sectors are provided as follow:

**Table 7.1 – I.T. Applications in Different Sectors**

Sector	Examples of I.T. Applications
Accommodation	<ul style="list-style-type: none"><li>customers using self-check-in terminals to perform check-in processes without the help of receptionists.</li></ul>
Transportation	<ul style="list-style-type: none"><li>travel agents using Global Distribution System (GDS) to check flight information and reserve flight seats for their customers.</li></ul>
Intermediaries	<ul style="list-style-type: none"><li>customers searching information of package tours through online travel agents.</li></ul>
Travel-related services	<ul style="list-style-type: none"><li>online visa application services.</li><li>social media networking.</li><li>mobile devices based travel apps.</li></ul>

Source:

1. Nath, A. V. & Menon, Deepa (1999). Role of Information Technology in Tourism.
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The tourism industry has proved particularly suitable for the adoption of information technology (I.T.) because of its dependence upon the supply and exchange of information throughout the production and distribution chain. A good example is tourists usually require travel-related information prior to their departure, during their holiday and on their return. In this connection, travel technology applications such as social media platforms and mobile devices (currently, mobile devices are smartphones and tablets) with travel-related information are expected to be the key customer service tools in the tourism sector. The popular social media platforms are:

- Facebook
- YouTube
- Instagram
- Online review site such as TripAdvisor and Yelp
- Deal sharing sites such as Groupon



The latest array development of mobile devices based travel apps offered by airlines, trains, car rentals, and operators of tourism attraction for travelers with information on pre-trip planning and while on trip seems to be a growing trend in the tourism industry. According to a survey conducted by Travel Weekly's 2013 Consumer Trends Survey, there is an increased in the percentage of travelers using mobile devices for purchasing travel online. In 2012, there were only 25% of the survey's respondents using mobile devices to purchase their travel-related products online. However, these percentages were increased to 30% in 2013, representing a 20% increase.

### 7.1.2. The Way Technological Changes Improve the Operational Efficiency of the Tourism Industry

#### - Technological Advances for the Benefits of Companies/ Service Providers

##### 1. Improve on Cost Effectiveness

- staff scheduling, catering production and fuel costs.
- a seamless GDS (Global Distribution System) or web-based system helps to reduce the bureaucracy and paper-work free employee time for better customer services and relations
- consolidate a better integration of departments and functions of organizations towards better services and reduction of operation costs

##### 2. Enhance Forecasting Techniques

- reservation (yield management), routes planning and marketing programs.
- develop a better understanding of consumer needs thus reducing the gap between consumer expectations and perceived experience
- obtain accurate and much richer marketing research data from all transactions and enquire made by consumers through the Internet or GDS.

### 3. Consolidate Fragmented Tourism Products ( Distribution Channel )

- offer one stop shopping for tourists via CRS or GDS
- destination promotions with airlines via CRS
- consolidate a better integration of departments and functions of organisations towards better services and reduction of operation costs



## Technological Advances for the Benefits of Customers

### 1. Ease of Purchase

- transform the traditional multilateral tourism distribution channel to a unilateral channel via the Internet platform. Thus, enabling consumers to deal directly with Internet-based travel intermediaries, and name the price they are willing to pay for their products



### 2. Speed Up Purchasing Decision

- direct dealing with service providers' reservation department, one stop shopping
- ease of access of information on the Internet empower consumers to get information on products and services of interest
- automation of routine passenger check-in procedure by the passengers through the Internet is considered by the passengers as a personalized service.

### 3. Provide More Product Information

- enhance travel experiences through consolidation of tourism products such as destination attractions, accommodation, and transportation

- massive availability of travel websites offer consumers more information and enjoy greater choice
- GDS provides a reliable yield management solution to service providers, therefore, consumers can enjoy great discounts for last-minute, targeted offers and special promotions.
- Mobile-based reservation systems
- express check-in services for airline passengers at airports - Kiosks and touch-screen terminals



### 7.1.3 The Global Distribution System (GDS) in the Tourism Industry

#### - The Functions of GDS

Global Distribution Systems (GDS) have evolved over the years and has played a major role in making online travel services possible. A Computer Reservation System (CRS) is used to store and retrieve information and conduct transactions related to travel. They were originally developed by airlines, but it was later extended to travel agents as a sales channel. A functionality of CRS has been extended and what is known as the Global Distribution Systems came into existence. The major CRS operations that book and sell tickets to multiple airlines are known as GDS. Many airlines have opted to divest most of their holdings to Global Distribution Systems due to which many systems are now accessible to consumers through Internet gateways for hotels, car rental agencies, and other services as well as airline tickets. A traveller or a travel agent can chalk out an itinerary using a GDS which is a global system interconnecting airlines, hotels, travel agents, car rental companies, cruise liners etc. The four major Global Distribution Systems are AMADEUS, GALILEO, SABRE and WORLDSPAN.

GDS serves as a strong network of database which provides up-to-date information of different kinds of travel products to travel agents. Besides accessing information, travel agents can also go further to make reservations and confirmations of various travel products upon customers' request in a timely manner. Examples of travel products that can be accessed and reserved by travel agents are as follow:

- One way and roundtrip airline seats
- Hotel rooms
- Rental cars
- Tours
- Cruises
- Bus and rail tickets
- Insurance
- Limousines
- Event and theatre attractions tickets
- Dining Reservations
- Itinerary Changes
- Complex international routings

## **- The Usefulness of GDS in Speeding Up Passenger Reservations and Confirmation**

The efficiency of using GDS in reservation and confirmation has been enhanced due to the following capabilities of the system:

- Available and accessible at any time;
- Process up to 17,000 messages per second during peak time;
- Enjoys response times of a fraction of a second;
- Is capable of booking a multitude of transactions;
- Can make itinerary changes up to the last minute and complete complex international routings to every country in the world;
- Automates the time consuming and complex process of re-pricing airline tickets when itineraries change;
- Permits customers to send e-mail and faxes without exiting from the system;
- Allows customers to compare fares and availability in order to shop for the most convenient travel at the lowest cost;
- Stores all data related to the tens of millions of travellers securely so that the customers receive the travel preferences they desire.

## **- The Usefulness of GDS in Providing Essential Travel Information**

On a given day, a travel agent can access the following information through the use of GDS:

- Over a billion fare combinations
- More than 95% of the available seats worldwide
- More than 750 airlines
- More than 50,000 hotel properties
- Over 400 tour operators
- Nearly 30,000 car rental locations

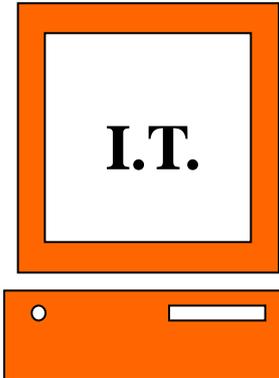
Source: Venugopal C. K. (2009). Information, Technology and Tourism.

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## 7.2 Accommodation Sector

### 7.2.1 Introduction to Information Technology Industry

Information technology (I.T.) refers to the applications of a wide range of electronic tools, including software, hardware or telecommunication systems for processing data which aims to achieve better operations and strategic management. It has been shown by evidences that the increasing reliance on I.T. has already changed the ways of enterprises. in conducting their businesses in the last decade. Examples of I.T. applications, such as teleconferencing, e-banking and online reservations are commonly adopted which have contributed to the provision of more convenient, cost effective and accurate services in various aspects of the commercial sector.



I.T. as a tool of marketing also enables organizations to obtain update and valuable information from their target segments such as their preferences and consumption patterns. Organizations with such an ability to collect these information have competitive advantages in facilitating better tailor made services based on the customers' needs. Not surprising that the impact of I.T. will be increasingly significant which will affect the success of different businesses. And the characteristics of services provided to customers will be changed dramatically as a result of I.T. innovations in the coming future.

In this chapter, the applications of I.T. in the accommodation sector would be introduced and discussed. The classifications of the current I.T. applications in the accommodation sector and food and beverage sector would be explored to give a general picture of how I.T. is applied by practitioners for supporting their management and operations in different areas. It is then followed by a description of the Property Management System (PMS) and other related interfaces which explains how they can be integrated and support each other in a hotel property. Finally, the trend of internet and the introduction of other self-serviced technologies which shaped the active roles of customers in the service delivery process would also be explored.

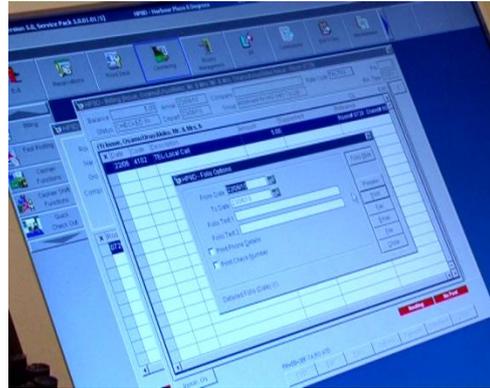
## ACTIVITY 7.1 — Technologies in Our Daily Lives

### Procedures:

1. Ask students to form groups (3-4 students a group)
  2. Assign one of the following examples to each group which describes situations with or without the aids of I.T. :
    - “Sending a mail” vs “Sending an e-mail”
    - “Calculating by hands” vs “Calculating by using a calculator”
    - “Reading a map” vs “Reading an electronic map in a smart phone”
    - “Window shopping” vs “Online shopping”
    - “Going to a concert” vs “Watching Online concert”
    - “Paying a bus fare by cash” vs “Paying a bus fare by Octopus”
  3. Ask students to discuss and express their comments about the situations according to their past experiences and knowledge.
  4. Invite students to compare the two situations and list out any advantages and disadvantages while I.T. is either used or not.
  5. Each group then assigns one student to share the summarized comments to other groups in front of the class.
  6. Allow further discussions and questions from other groups about a particular situation if necessary.
  7. Debrief the students and conclude about the use of technologies in their daily lives.
-

## Development of I.T. in the Accommodation Sector

Due to the booming development of the tourism industry in Hong Kong, many new hotels have been built to cater for the needs of visitor arrivals in recent years. A huge number of customers staying in the hotels reflect the needs of the hotel practitioners to collect and process massive information in an accurate and timely manner while not sacrificing the hospitable services. It, on the other hand, leads to the increasing innovations of different I.T. systems of enterprises to support the accommodation sector in both operational and management levels.



It is worth noticing that the installation of new I.T. applications means a huge investment by the accommodation sector. A recent study has stated that over 50 percent of hospitality organizations have increased their I.T. spending in year 2011. Types of I.T. applications are broad which vary in their functions and are targeted for different users, including customers, staff in operational and management levels, business partners and other stakeholders. Some key I.T. applications which are applied by accommodation sector and food and beverage sector include the **Property Management System (PMS)**, **Point-of-Sale System (POS)** and **Central Reservation System (CRS)**.

## 7.2.2 The Importance of Employing Up-to-date Information Technology

### - I.T. Applications in the Accommodation Sector

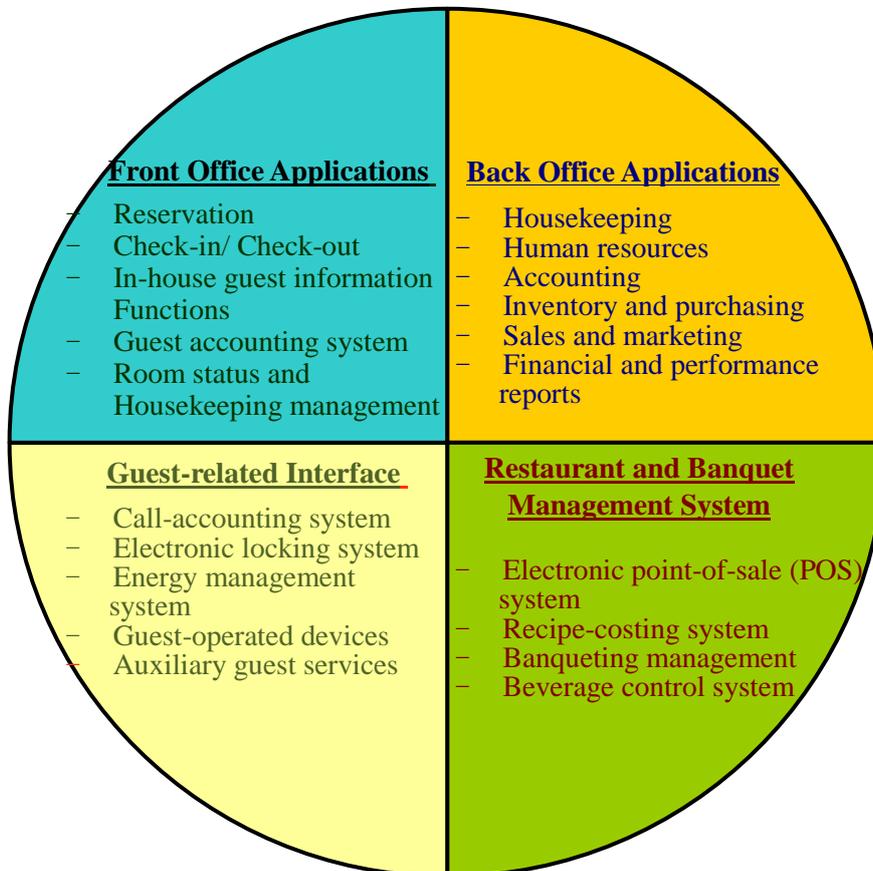
Stimulated by the innovative use of I.T. in airlines and other business enterprises, the accommodation sector has increasingly adopted various kinds of technologies which changed the traditional hand-on operations into a combination of human and high-tech structures. I.T. applications were designed to perform various functions. Some of the key functions are explained in the following section.

#### **Classifications of I.T. Applications**

Figure 7.1 shows the I.T. applications in the accommodation sector which are classified into different categories based on four functional areas in a hotel:

1. Front Office Applications;
2. Back Office Applications;
3. Restaurant and Banquet Management System; and
4. Guest-related Interface Applications.

Figure 7.1 — Classifications of I.T. Applications



### 1. Front Office Applications

Front office applications refer to any systems or software used to support the operations of rooms division. One of the key examples is the Property Management System (PMS) which is widely used by hotels for various tasks.

The front office is always regarded as the "heart" of a hotel. Whether it is a small hotel or a large international one, the PMS systems are needed for day-to-day operations. From reservations to revenue management, they help the hotel to yield its room sales and revenues. The computer systems provide the most up-to-date information to both front office staff and guests.



It integrates numerous front office applications into one single system with some of its core functions as introduced below:

**a) Reservation**

Front-desk receptionists or reservation staff can perform reservations systematically through computerized programs. Reservation details are recorded in computers with tight control of room availability. The system enables numerous staff to perform reservations and share the same inventory of rooms at the same time. The computers are programmed to alert and reject reservation requests while overbooked which reduce the risks of double-booking (i.e. one single room is reserved by two different customers) and other human errors in the reservation processes. In addition, the staff can put the caller on the waiting list if a room is not available on certain dates.



**b) Check-in or Check-out**

I.T. applications have simplified the check-in and check-out procedures. In addition, the front office can generate useful reports, such as arrival and departure lists, to relevant departments. Those reports can help departments plan and organise resources in advance.

Reservation records and guests' information such as special requests and preferences can be easily referred by computers upon guests' arrivals. Credit checks can be performed through the help of credit card validators and imprinters which speed up the check-in time spent. Once the guest has checked out, the room status can be updated at once and the reservations clerk can take new bookings. Also, express check-out and computerized bill settlement functions available in the system have also enhanced the ease and efficiency of checking-out while reducing unnecessary human calculation errors.



**c) In-house Guest Information Functions**

Through using the front office system, staff can easily check and update information of guests staying inside the hotel. For example, guest history records, room rates applied to the guests, lengths of stay, and credit balances.

**d) Guest Accounting System**

This system not only allows the front desk receptionists to manage and update guests' transactions during their stays but also other front-line staff in different points of sales, such as restaurants and bars, business centers, gift shops and health clubs who are responsible to provide charged services to the hotel guests. The system will also process and update other expenses automatically, including room charges, telephone bills and in-room movies. Warnings will be shown to the front-line staff while updating guest accounts with credit problems. Some integrated applications can even double-lock the guest rooms with credit problems until the guests have settled their payments at the front desk.

**e) Room Status and Housekeeping Management**

Front office and housekeeping departments rely heavily on each other in providing the most updated and accurate room status to ensure smooth and accurate services to hotel guests. Both departments can access and update the same database at any time, so every single action on changing the room status can be easily informed to all parties in a mutual way. For example, while a front desk receptionist checks out a guest, the room status will be automatically updated from OD to VD. The housekeeping supervisor can easily notice the change through his/her terminal and inform the room attendant to clean the room accordingly. The housekeeping coordinator in the housekeeping office can update the room status of guest rooms so that the front office can offer the room to new guests, provided it has been inspected by the floor supervisor. The PMS system can speed up the process and cut down on communication breakdowns between departments.

**2. Back Office Applications**

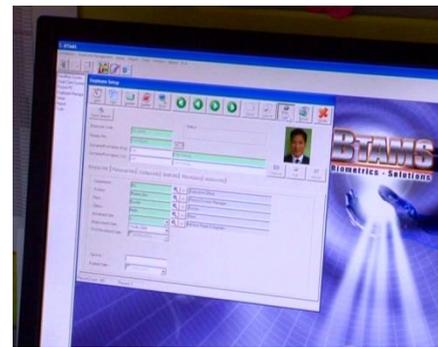
Back office applications are utilized by "back of the house" staff, who take supportive roles with no direct interactions with customers staying at a hotel. Examples of back office applications are introduced as follow:

a) **Housekeeping**

The PMS can provide the housekeeping department with the most up-to-date information in order to help the department arranging the cleaning of guest rooms, which reduces housekeeping supervisors' workload in morning preparations and avoids human errors. The executive housekeeper can input the cleaning schedules of guest rooms in order to maintain the high standard of a hotel. Besides, the housekeeping department can make use of the system to block any room for general cleaning and maintenance. For example, the consumption of cleaning chemicals can be stored in the computer. It thus provides valuable information for the executive housekeeper to prepare the budget. In addition, the room inspection list can be retrieved from the computer whenever needed, especially in reviewing the performance of staff.

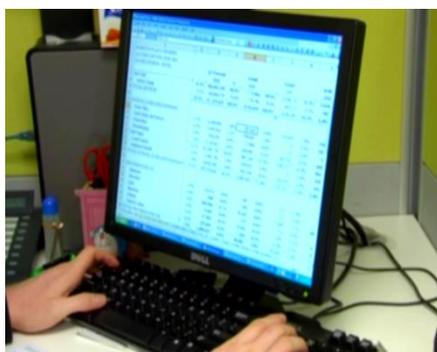
b) **Human Resources**

All information about internal staff can be recorded and updated in the human resources system. Human resources managers can easily access staff information, such as salaries, years of service, leave and injury records at any time if needed. Other functions that can be performed by the system include payroll and labor scheduling which can be parts of the duties of the human resources staff in a hotel's operations.



c) **Accounting**

Since huge quantities of transactions are involved in daily operations of a hotel, the accounting department always has to deal with complicated calculations which undoubtedly requires the aids of I.T. applications to ensure efficiency and accuracy. Costs and revenues of different departments can be analyzed and kept control by using the functions available in the accounting system. Balances of business partners, involving both creditors and debtors can be monitored easily by those reports and statistics printed by the accounting system. Automated alert reports of debtors' credit limits and payment schedules for creditors also help to reduce the chances of business loss due to the unnecessary delays of proper actions taken by the accounting staff.



**d) Inventory and Purchasing**

Stock Control Systems (book p. 243) is a common example for controlling the flow of inventories within a hotel property. Different items, including their values, quantities and locations are recorded by the system so hotel staff can easily check their availabilities. Placing orders are convenient under the help of computer systems which enable direct requests sent to suppliers through simple inputs. In addition, some systems can be pre-programmed which sent order requests automatically if insufficient inventories are detected, and showed the information about suppliers and new products on the market. These stock-control systems are relatively easy to use for bar stock but become more complex when dealing with food items. This is because quantities and weights are not always standard.

**e) Sales and Marketing**

Key I.T. applications that can be utilized by the sales and marketing department include guest history record systems and contact management systems. Guest history record systems provide information of hotel guests which enable the hotel to focus their marketing efforts on the target segments and cater for their specific needs. Contact management systems also provide records of previous conferences, banquets and group bookings which support salespersons to explore the feasibilities of future cooperation with potential clients. Some hotels or enterprises would also integrate these data with other sources of information to set up their own customer databases for marketing purposes.

**f) Financial and Performance Reports**

Through the use of I.T. applications, various reports can be generated instantly which give top management up-to-date information about the hotel's performance. For example, sales analysis reports, occupancy reports and profit and loss statements can give general ideas to managers of how well the hotel is doing.

**3. Restaurant and Banquet Management System**

Detail descriptions about the functions of restaurant and banquet management system will be given in section 7.3.

## ACTIVITY 7.2

Can you think of any other departments within a hotel that may use technology to improve efficiency, reduce waiting time of guests and maintain a competitive advantage?

### 4. Guest-related Interface Applications

#### a) Call-accounting System

The call-accounting system enables the hotel to keep records of all incoming and outgoing calls, including their calling times, durations of conversation and phone numbers. These information are stored in the computer system which can be printed out as reports at anytime. Charges are automatically post onto the guest accounts if calls are made in the guest rooms. Such an application reduces the chances of disputes between guests and front office staff relating to the phone bills. On the other hand, calls made by internal staff or departments are also controlled by the same system. It also disallows calls to be made in vacant rooms which avoid any frauds of staff in using the phones in the guest rooms.

#### b) Electronic Locking System

Many hotels are now using electronic key cards to replace metal keys which provide mutual benefits to both hotels and customers. For convenience, customers losing their keys can simply go to the front desk to re-issue new ones and, at the moment, the old ones will be malfunctioned. Served as a tracking system, every single key has its own



unique code which distinguishes itself from others in their levels of accessibility and identity. Access to rooms by different customers or staff are recorded which reduce the happenings of theft. Besides, a notification would be sent to the security department when a wrong key is being detected to access a wrong room which facilitates quicker actions to be taken by the security staff.

**c) Energy Management System**

In an attempt to conserve energy and reduce the operational cost, most hotels have applied different energy management systems in certain extents. For example, densities of the hotels' lightings are electronically controlled which fully utilize the sunlight at daytime. Air conditionings are also controlled by the central ventilation systems which prevent the excessive use of energy by keeping the hotel properties at stable temperatures in different



weathers. Escalators would only function when the sensors detect the presence of users. In addition, in-room electricity control which automatically switches off all in-room devices has successfully reduced the abuses of energy by hotel guests.

**d) Guest-operated Devices**

Guest-operated devices or what is called 'self-serviced technologies' (SST) are widely used by hotels in various aspects. One common example is the TV-based services system which provides all-in-one functions to guests during their stays. It enables guests to perform various functions such as access to TV channels, movies and video games, surfing the web, checking the balance of account, performing self-check-out and even placing food orders by referring to the on-screen room service menu. The emerging development of different SST in the hospitality industry, aims at differentiating from other competitors and enhancing customer experience. A further description of SST will be provided at the end of this chapter.



**e) Auxiliary Guest Services**

Devices for performing auxiliary guest services differ from the guest-operated devices with hotel staff as the end users rather than hotel guests. Typical examples of auxiliary guest services include voice message and wakeup call services. Messages to guests can simply be put into the phone systems or computers which on the other hand, generate alerts to guests through the flashing lights installed in in-room phones or televisions. Hotel staff can also easily input the information of wake-up call requests, including times and room numbers through the

telephone systems which will automatically ring the room as predetermined to reduce human efforts in making the wake-up calls and increase accuracy of timely services.

### **ACTIVITY 7.3— Keyless Entries to Hotel Rooms**

In recent years, a technology called “RFID” – Radio Frequency Identification has been developed which enables customers to gain access to their hotel rooms without using any keys. The concept of “RFID” is not new but has been applied and is available in many different forms, such as “Octopus” cards, ID cards, credit cards and mobile phones.

**Group into 4 and discuss the following questions with your classmates:**

1. Although the above technology would bring certain levels of advantages to hotel guests, there could be some uncertainties or potential problems in applying them to hotel operations. Can you state some of them?
2. Can “RFID” be applied in other areas inside a hotel or in the tourism and hospitality industry? Please brainstorm and suggest some possible examples.

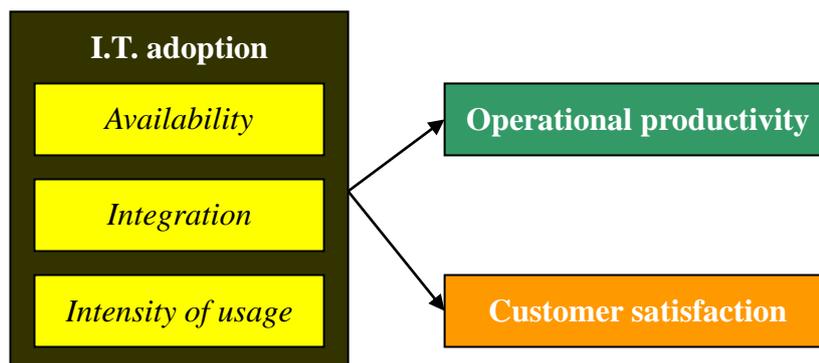
### 7.2.3 The Impacts of Technological Changes on the Accommodation Sector

#### - Advantages of Applying I.T. in the Accommodation Sector



The advantages of I.T. applications in accommodation sector have been addressed by many studies. Their influences are mainly dependent on the availability of I.T. applications; their level of integration and; their intensity of usage as shown in Figure 7.2 as below.

Figure 7.2— Impacts of I.T. Applications on the Accommodation Sector



It is generally agreed that the application of I.T. in accommodation sector can contribute to higher operational productivity and customer satisfaction. The following paragraphs further describe the I.T. benefits to two key stakeholders :

1. The Enterprises ; and
2. The Customers.

## 1. Advantages to Enterprises

### a) Reduce Operational Cost

I.T. can replace the role of human in performing some routine tasks. E.g. computers in the front desks can perform night auditing functions. Hotels may not need to employ night auditors with rich accounting knowledge or they may consider recruiting less staff for overnight shifts since all calculations are automated. Therefore, the labor cost can be reduced in the long run.

### b) Reduce the Workloads of Staff

Some I.T. applications are also designed to reduce the staff's workloads by assisting them in performing their job duties. E.g. by installing CCTVs (closed-circuit televisions) in different locations of the hotel will allow the security staff to monitor the key areas in the control room without patrolling in person.



### c) Increase Efficiency

As customers always expect quick services to be provided by the service staff, some applications have been specifically designed to simplify some time consuming procedures. E.g. it only takes less than 10 seconds by using a credit card validator to verify a guest's credit card. It replaces the needs of calling credit card enterprises for credit approvals which may take more than a few minutes for processing.



### d) Increase Revenue

I.T. applications also facilitate new services to customers. E.g. the in-room entertainment system allows customers to enjoy movies and video games while they are staying in the guest rooms. It helps the hotel to generate extra sources of income if such a system is installed.

**e) Access and Share Information**

Computers and some hotel interfaces enable sharing of information among departments. E.g. while a room attendant has finished cleaning a vacant room, he/she can change the room status by a telephone input. This action will simultaneously update the room status in the front desk's computers (changed from VD to VC). Front desk receptionists would then be able to tell if the room is ready for sale afterwards.

**f) Achieve Better Planning and Management**

Customer information, including their preferences and consumption records are kept in the customer database. Hotel or restaurant management can fully utilize these valuable information to examine the characteristics of their target segments and plan for some new services and facilities which cater for their needs. Marketing activities can also be implemented accordingly by using information, such as postal addresses or email addresses of customers and enterprises.



**2. Advantages to Customers**

**a) Convenience of Using Services**

Customers may consider some I.T. applications as convenient which enhance their ease of using services provided by the enterprises. E.g. customers can reserve hotel rooms through internet directly without concerning the limitations of operational hours of reservation offices or geographical locations of travel agents. The hotel can attract more businesses if customers find reservation procedures simple and convenient.

Check In		Check Out	
Thursday, February 23, 2012		Friday, February 24, 2012	
Rooms	Adult	Child	
1	2	0	
Group Code	Corporate/Promotion/Access Code	Travel Industry ID	

Availability													
February 2012							March 2012						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
		1	2	3	4	5				1	2		
6	7	8	9	10	11	12	5	6	7	8	9		
13	14	15	16	17	18	19	12	13	14	15	16		
20	21	22	23	24	25	26	19	20	21	22	23		

**b) Consistency in Service Experience**

I.T. applications can minimize problems associated with human. E.g. reservation staff are different in their language and communication skills. Also, their mood vary in different days which may lead to inconsistency in service quality during the reservation process. By using the online reservation system, the effects of human factors can be avoided and customers can always expect the same experience every time they use the system.

**c) Enhance the Service Experience**

By introducing new technologies to customers may sometimes enhance their service experiences in the service delivery process. E.g. some hotels would provide their customers with cell phones as basic amenities during their stays. Different from other cell phones, these devices enable customers to receive phone calls at any locations of the property even inside the elevators. Business travelers would be particularly impressed by such a technology as they will never miss any business calls no matter where they are in the hotel property.

**d) Provide More Service Options**

I.T applications can give more choices to customers for a single service. E.g. upon departure, a customer could choose the traditional way by going to the front desk to check-out. Or he/she could use the self-check-out function in the in-room TV system for checking out. Both options are available for customers to select according to their own preferences.

All the above examples are just parts of the advantages brought out by using I.T. in the accommodation sector. It should not be neglected that the advantages of implementing new technologies are not only limited to two parties: enterprises and customers but other stakeholders, such as suppliers, travel agents and other related business partners. Types of I.T. applications and their examples used by the industry would be further introduced and discussed in detail in the later section.

## ACTIVITY 7.4 - Electronic Menu (E-menu)

With the popularization of information technology, restaurants of all sizes have adopted electronic menus or QR codes for food selection, and customers can use their smartphones to log in to the restaurant's menu, and the information will be directly linked to the kitchen and cashier after selection.

Students can be divided into groups of four, and each group should discuss one of the following topics:

- From the role of operator, what are the benefits of using electronic menus for the management of restaurants?
- From the customer's point of view, what difficulties or worries may customers face when using e-menus?

After the discussion, each group should select one representative to share the findings with the other groups in the class

- 
- 

### **Problems and Uncertainties of I.T. Applications in the Accommodation Sector**

Although more and more new technologies are now being applied by the accommodation sector to support enterprises' operations and management, it should be noticed that the implementation of I.T. in the accommodation sector still lags behind other industries in certain aspects. Besides, the current applications of I.T. in the sector also tend to be limited to operational levels instead of being fully utilized in strategic management levels. Problems and uncertainties related to the development of I.T. applications are described as below:

#### **1. Concerns From Enterprises' Perspective**

##### **a) Insufficient Knowledge of Top Management**

Without much I.T. training in their work experiences, top management normally has limited knowledge of the most updated I.T. being applied in the accommodation sector. They tend to be more conservative and would like to keep the old ways of doing business instead of implementing changes. Their reluctance to accept new technologies has therefore, slowed down the pace of I.T. development to a certain extent.

**b) Huge Investment Cost**

Although the applications of I.T. may improve the service efficiency and lower down the operational cost in the long run, some applications may involve huge investment in installation and long-term maintenance. Continuous innovation also means that a new technology will soon become out-dated with new replacement. E.g. the innovation of TV models from a classic cube to flat 'liquid crystal display' (LCD) which is then followed by a 'touch-screen' feature and the latest of 3D versions. It can be estimated how much a leading hotel would spent for TV installation for all rooms once a new model comes up. Obviously, it may not be affordable to those hotels with limited financial resources and scales.

**c) Pressure Given to Staff**

There are two potential problems to be faced by the existing staff worked in the accommodation sector. On one side, staff who are doing fine in their own ways of practice would be reluctant to change and learn new technologies that they are not familiar with. On the other side, there would be pressure given to staff once they think I.T. can easily replace their roles in performing services to the customers. All these can lead to low motivation and high turnover rate of staff in the industry.

**2. Concerns From Customers' Perspective**

**a) Technology Anxiety**

'Technology anxiety' means the discomfort of using technology that customers are unfamiliar with. Such a situation is especially common for the elder generations who are less adaptive to new technologies. E.g. a senior who seldom experiences emailing and online purchase would consider online hotel reservation as difficult. In most cases, they would prefer calling the hotels or going to travel agents directly for room reservation which they are more familiar with.

**b) Social Anxiety**

The use of self-serviced technologies (SST) also brings to the problem of 'social anxiety', which refers to the discomfort of customers from being watched by others in using any SST. E.g. it could be very embarrassed for a hotel guest who does not know how to use a self-check-in machine while some others are waiting behind him/her in a long line. Such a new technology which is designed for facilitating a smooth check-in process could result to a negative experience if no education or support is provided to hotel guest in these circumstances.

**c) Privacy and Security**

In many circumstances, customers are required to provide their personal information when using the services of the accommodation sector. Information, such as names, home addresses and credit card numbers are usually stored in computers which can be easily accessed by staff or released to other parties. Other technologies like hidden security cameras or full-body scanners have also been criticized for their offensiveness to one's privacy even though their main objective is to ensure customers' safety.

**d) Technology versus Personal Service**

No matter how advanced the technology could be, there are always criticisms that technology will never replace the personal attention of service staff in the service delivery processes. Customers generally prefer being served and having face-to-face communications with the service providers.

“Think about a hot drink presented to you by a waiter/waitress versus a coke that you bought from a vending machine. Which situation is more preferable from the customer’s point of view?” In most cases, “warm” services provided by service staff can always lead to higher levels of customer satisfaction which will never be replaced by “cold” services through technologies.

### **ACTIVITY 7.5— Customer Database**

“Have you ever provided your personal information to organizations or enterprises when you purchased any services or products? Have you received any promotional messages through your cell-phones, mails or emails after provision of your personal information?”

More and more businesses are now putting huge efforts in collecting customers’ data and utilizing I.T. in analyzing the characteristics of customers for marketing purposes.

**Group into 4 and discuss the following questions with your classmates:**

1. In which situation will you provide your personal information to enterprises? Are there any facilitating factors that encourage you to do so?
2. How would you respond to the promotional messages delivered by enterprises? Do you feel irritated or interested when you receive promotional messages?
3. What suggestions would you provide to enterprises in order to improve the effectiveness of database marketing?

#### 7.2.4 The Property Management System (PMS) in Hotels

PMS is an integrated computer system that includes the computerisation of the front desk processes and, at most, the control of virtually all operations in the hotel, including telephones, in-room movies, the use of electricity and other mechanical devices. It can also control food and beverage operations and information, remote point-of-sale equipment, management information systems, and systems that link the hotel to worldwide information networks.

##### - Structure and Its Interfaces

Among those I.T. applications as described in the previous section, one point that should be emphasized is that the Property Management System (PMS) acts as the focal point of a hotel's operation. Systems and software are not stand-alone but interfacing with the PMS or the others as an integrated network which support various functions in a hotel property. New functions or interfaces are continuously updated based on industry practitioners' and customers' needs. Two major types of PMS that are currently used by hotels in Hong Kong include the "**Micros Opera**" and "**Hotel Information System (HIS)**".

**Figure 7.3 — Property Management System (PMS) and its linkages with other applications in a hotel**

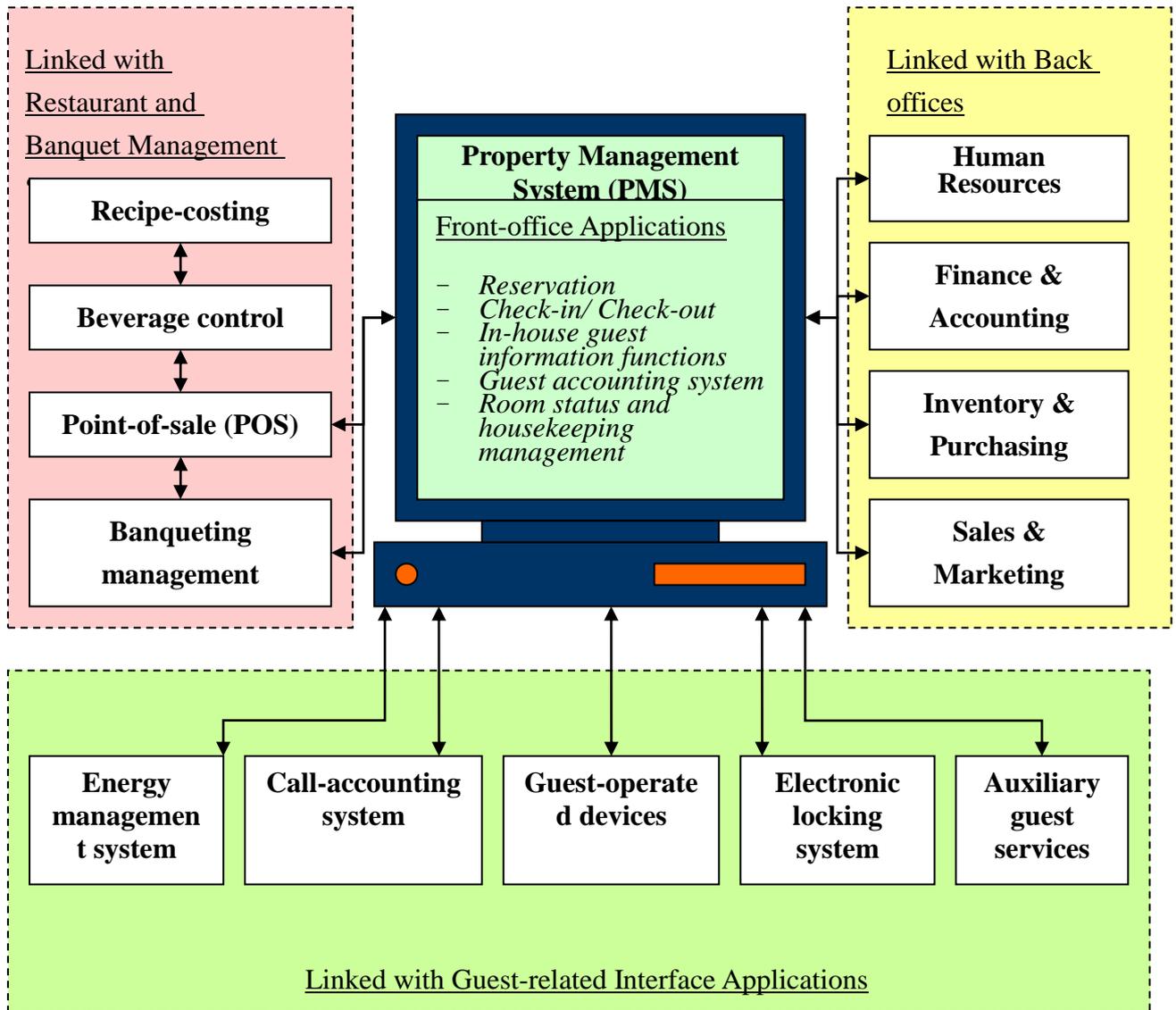
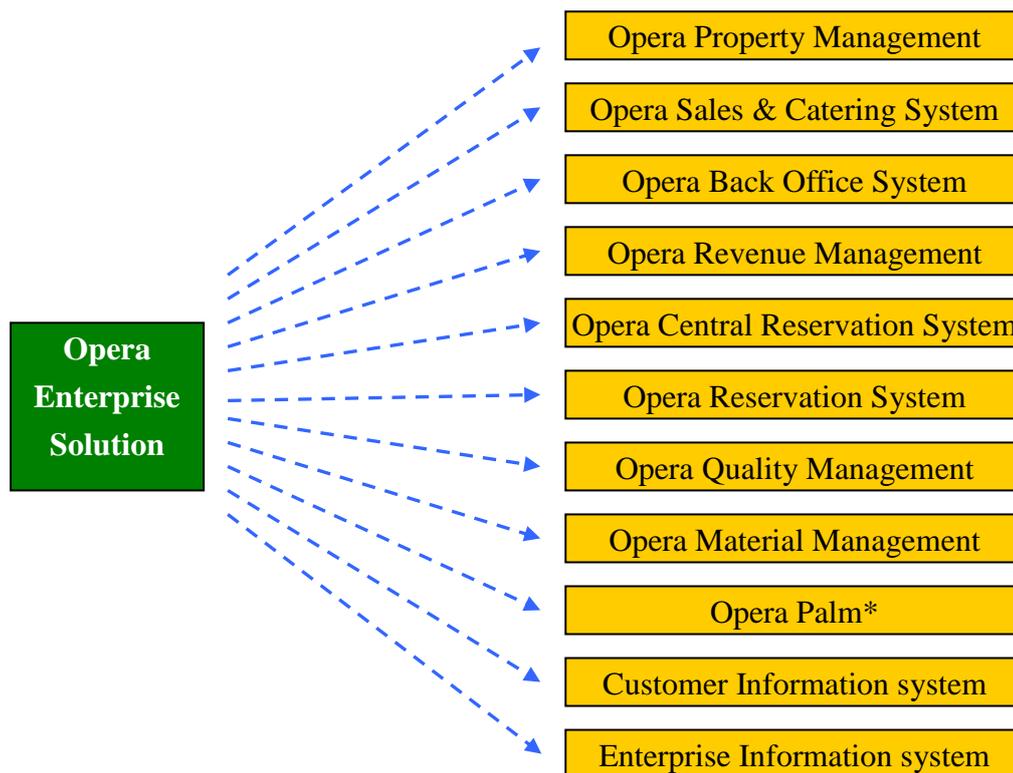


Figure 7.3 shows how the PMS serves as an information hub which allow information to be shared and transmitted to different departments or terminals. For example, a customer staying in a hotel may want to post a restaurant charge into his/her room account. The waiter can easily close the transaction by using the POS terminal available in the restaurant. Data will then be transmitted to the PMS in the front desk and the guest account will be automatically updated. Another example of sharing of information could be the data of room occupancies and sales records of restaurants transmitted to back office departments, such as accounting, purchasing or sales and marketing departments. These information serve as references to back offices for their decisions in different functions, such as inventory control, placing purchase orders or implementation of new marketing activities.

In addition, with the needs to integrate all hotel functions into one easy-to-use system, software enterprises have tried to develop some fully integrated suites of products with different but highly compatible hotel systems or interfaces provided in bundles. For example, the Micros has designed the “Opera Enterprise Solution” which consists of a wide range of compatible systems as shown below in Figure 7.4

**Figure 7.4— Systems available in the “all-inclusive” Opera Enterprise Solution**  
**Source— OPERA Enterprise Solutions (2011)**



\*The most recent hand-held devices have replaced the use of palm

Overall speaking, an “all-inclusive” hotel management system can efficiently facilitate the transmission and sharing of information among departments which on the other hand, can strengthen departmental communications and enhance the ease of data processing in both the operational and management levels.

## **ACTIVIT 7.6— Feasible Applications of PMS and Interfaces in School Setting**

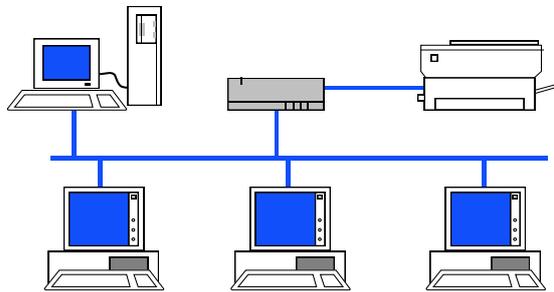
### **Instructions:**

1. Work as a group of 4.
2. By referring to Figure 5.3 and what you have learnt in this section, try to think about and discuss the following questions with your classmates:
  - Can PMS and interfaces be applied in school setting?
  - What kinds of functions can they provide to users, e.g. students, teachers or parents if any?
3. Share your group ideas in the class.

### **- Benefits of PMS**

- The operation of a hotel can be improved by reducing repetitive tasks;
- The information needed by the management to make decisions is current and easily accessible;
- The service provided to customers can be improved with regard to the timing and accuracy of pertinent information; and
- The internal operations of a hotel can be standardised in a way that is easy to control and will be almost impossible to duplicate in a manual system.

**Figure 7.5— Hotel property management system**

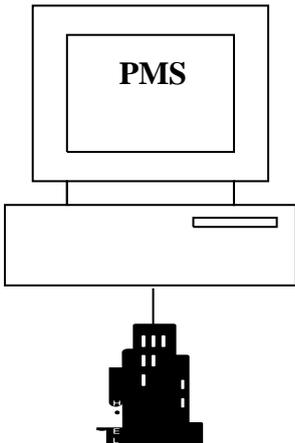
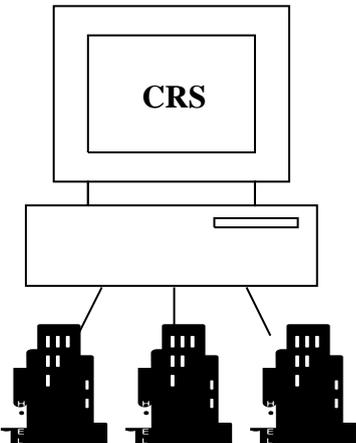
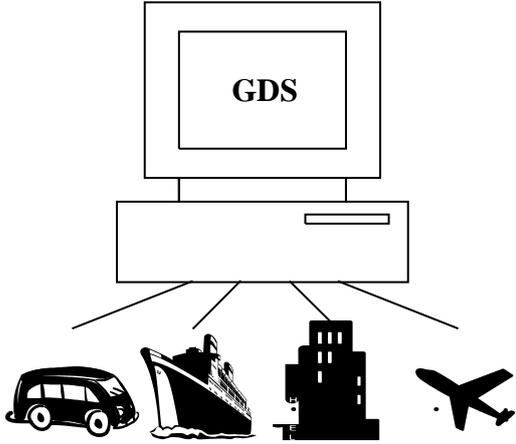


### **ACTIVITY 7.7**

Do you think PMS can totally replace staff in hotel operations?

#### **- Evolution of PMS**

As more and more hotels are now operating under chains or forming strategic partnership with other companies, the functions of PMS have been extended from in-house level to external networks, which lead to the development of the Computerized Reservation System (CRS) and Global Distribution System (GDS). Table 7.1 summarizes the roles performed by these three different systems in the hotel businesses.

Examples of Applications	Functions
 <p data-bbox="384 741 647 779"><b>An Individual Hotel</b></p>	<p data-bbox="807 383 1337 483">Perform inventory control and reservation functions of an individual hotel.</p>
 <p data-bbox="424 1301 612 1339"><b>A Hotel Chain</b></p>	<p data-bbox="807 943 1337 1010">Centralize reservation functions of all hotels under the same enterprise.</p>
 <p data-bbox="245 1823 778 1854">Car Rentals   Cruises   Hotels   Airlines</p> <p data-bbox="284 1861 762 1921"><b>Strategic Partnership or Distribution through Travel Agent</b></p>	<p data-bbox="807 1491 1337 1637">Allow strategic partners to put their inventories together which enables the distributions of multi-types of travel products through one central system.</p>

**Table 7.2— Major roles of the Property Management System (PMS), Computerized Reservation System (CRS) and Global Distribution System (GDS) in hotel businesses**

## 1. **Property Management System (PMS)**

Some functions included in hotel PMSs are listed as follow:

### a) **Reservations**

- Individual reservations;
- Group reservations;
- Room blocking;
- Mails and messages;
- VIP guests;
- Deposits and refunds;
- Availability;
- Travel agents;
- Groups and plans;
- Reservation module reports;
- Arrivals and departures;
- Group reports;
- Departure list;
- Master list.

### b) **Front Desk and Cashier Systems**

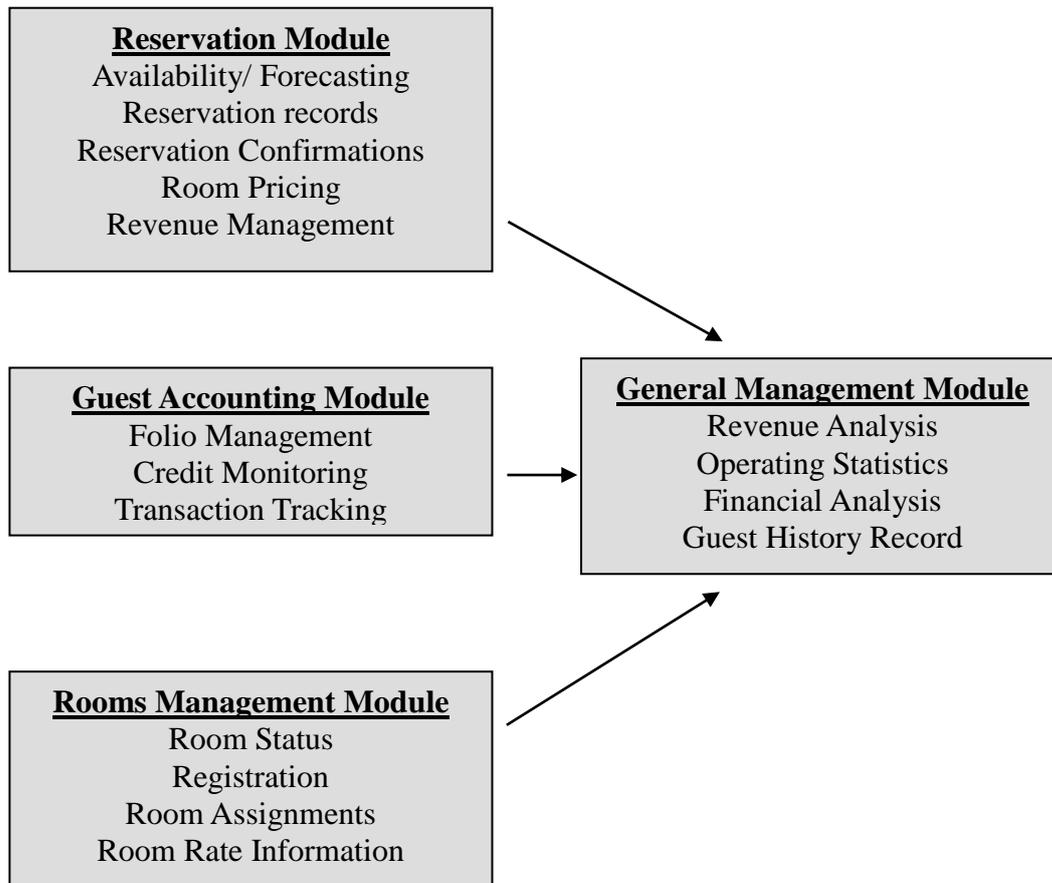
- Registrations and changes;
- Selecting a room;
- Transferring a guest;
- Messages and mails;
- 6pm hold reservations;
- Billing of groups;
- Locating a guest;

- Posting charges;
- Printing in the cashier area;
- Night audit;
- Room rate variance;
- Credit limit report;
- Daily report;
- Room revenue report;
- City ledger activities;
- Interfacing;
- Checklists;
- Housekeeping functions;
- Room status changes;
- Discrepancies;
- Telephone department.

c) **Housekeeping Systems**

- Assigns room for cleaning at the beginning of the day;
- Daily housekeeping report;
- Daily reports on check-ins, check-outs, occupancies, vacancies and maintenance;
- Change status from "dirty" to "clean";
- Change to "block" if room is undergoing maintenance;
- Inventory;
- General cleaning management.

**Figure 7.6— Rooms Division computer applications**



## **2. Computerized Reservation System (CRS)**

Inspired by the broad applications of CRS in the airline industry, many hotels have tried to bring this system into use, especially for those which operate more than one hotel under the same brand. The term “computerized reservation system” is also expressed as “central reservation system” which enables reservation staff to check the room availability of all hotel properties and perform reservations by any terminals under the same network in real time. Nowadays, many PMS systems applied by hotels also include CRS functions which enable hotel staff to switch between the dual systems whenever necessary.

Obviously, the development of CRS brings more benefits to hotel chains. For example, the “Peninsula Hotels” group operates a total of 9 hotels worldwide. It only has one Central Reservation Office (CRO) in Hong Kong, which operates 24-hours and serves all the 9 worldwide properties in room reservations through the use of CRS. Such a practice can reduce the operational cost of setting up individual reservation offices in different locations, standardize

the quality of reservation services and eliminate the needs of communication among different reservation offices if room bookings are across different properties. Moreover, for hotel chains with more than one hotel in a city or region, the CRS enables reservation staff to recommend and direct customers to less occupied properties when their preferred ones are already full.

### 3. Global Distribution System (GDS)

Global distribution system (GDS) has features similar to CRS which can access inventories of multi-parties in one single system. It is an extended version of CRS which enables not just only the hotels of different brands but other enterprises selling travel products, such as cruises, airlines and car rental companies to share their inventories in one single distribution channel. Advantages of applying GDS are numerous. For example, travel agents can easily and efficiently access the availability of travel products, conduct reservation or even selling through the use of GDS. The increase in informational transparency also enables customers and travel agents to compare travel products previous to their booking decisions. Overall speaking, both the CRS and GDS have contributed to the international circulations of travel products, which helped smooth seasonality and increase occupancy.

#### 7.2.5 Internet and Customers

The rapid growth of internet in the late 1990s has gradually changed the way of hotels and other tourism enterprises in distributing their products. Besides depending on own hotel staff or travel agents to perform booking activities, some hotels or travel intermediaries begin to utilize the advantages of internet as an alternative for product distribution. Hotel websites with reservation functions and online travel agents have contributed to positive effects on the sales of hotel rooms.



Customers' habits of surfing the web have facilitated their active roles in searching for travel information before their trips. Although figures show that the penetration rate of hotel online booking is still very low in the mainland (8%) in the year of 2010, the growth potential is considerably high as more and more people become knowledgeable and receptive to the trend of online purchases, such as online auctions or group buying websites in Hong Kong. The question of whether such a consumption pattern can be extended to the hotel industry will generally depend on the usability and simplicity of websites, reasonable prices and special offers provided, and depth and breadth of information provided to customers when compared with those traditional and online travel agents.

## ACTIVITY 7.8— Online Reservation

### Instructions:

1. Work as a group of 4 to 5.
2. Use the internet search engine and find one online hotel reservation agent (e.g. [www.agoda.com.hk](http://www.agoda.com.hk) or [www.hotel-hong-kong.com](http://www.hotel-hong-kong.com)).
3. Choose any one local hotel provided in the website and check the following:
  - Room types available;
  - Room rates on a specific date (check the rates of all room types available);
  - Products and services included in the room rates
4. At the same time, try to search the enterprise website of the hotel selected and check the same thing as stated in **Instruction** (3). Compare their differences.
5. Besides, try to compare the two websites based on the following dimensions:
  - Are the layout and design attractive?
  - Is it user-friendly?
  - Is it informative?
6. Conclude which one is your preferred source of online reservation. Why?

## 7.2.6 The Trends of Technology Applications in the Accommodation Sector— Development of Self-Serviced Technologies (SST)

Self-serviced technologies (SST) refer to technological interfaces or applications which enable customers to take a productive role when using services without the presence or support of the service staff. Such technologies have become increasingly important and as well, have altered the forms of services provided to customers in many different sectors, such as automatic teller machines (ATM) being used by the general public.

The accommodation sector is not the pioneer to apply SST in their operations but has been inspired by many I.T. applications used in other sectors. Common examples of SST applied in the accommodation sector are usually in forms of kiosks, internet-based interfaces and mobile-based devices.

### 1. Kiosks

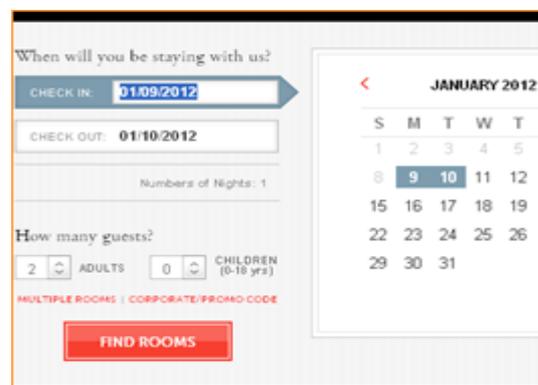
Kiosks are now available in many hotels which enable customers to perform various self-service functions. Besides self-check-in machines, some hotels also provide travel information kiosks for their guests and visitors in their lobbies. They provide a variety of concierge functions which allows multi-users to look for maps and directions to different attractions without the support of concierge staff.



Travel information can be accessed by using the self-service kiosk.

### 2. Internet-based interfaces

As many people are familiar with the use of the Internet, the applications of internet-based SST in the accommodation sector should be explored. Besides encouraging customers to reserve rooms through hotel online reservation systems, many other kinds of SST functions are also available in using the Internet and websites of hospitality businesses. For example, customers can get comprehensive and tangible information about the hotels by simply experiencing a virtual tour from

A screenshot of a hotel website's online reservation system. The interface includes a search bar with the text "When will you be staying with us?". Below this, there are input fields for "CHECK IN:" (01/09/2012) and "CHECK OUT:" (01/10/2012). A "Numbers of Nights: 1" indicator is also present. The "How many guests?" section shows "2 ADULTS" and "0 CHILDREN (0-18 yrs)". A calendar for "JANUARY 2012" is displayed on the right, with the 9th and 10th highlighted. A red "FIND ROOMS" button is at the bottom. The text "MULTIPLE ROOMS | CORPORATE/PROMO CODE" is visible above the button.

Online reservation system available in a hotel's website.

the Internet without physically visiting the hotel property. Room prices, special events and promotional messages are updated automatically in real time by interfacing hotel websites with the reservation systems. Customers can easily make purchasing decisions with these updated information. Guest comments and inquiries can also be easily transmitted to the corresponding units and departments in the hotel websites.

### 3. Mobile-based devices

The increase use of smart phones and other mobile devices by the general public has particularly driven to the designs of various self-service applications to be used in the hospitality industry. For example, Hilton Worldwide has introduced a mobile application which enables guests to use their mobile devices, such as their smart phones or portable notebooks to perform various functions, including pre-check-in their rooms before physically arrives to the hotel, reserve a table in a hotel's restaurant or even order food by using the electronic menu provided in the application software.

**START MY ONLINE CHECK-IN!**

Please enter the information below in order to begin. Confirmation numbers are case-sensitive.

Confirmation Number

Last Name of Primary Guest

Resort Name

Resort Check-In Date

Continue

Customers can perform online check-in by using their own mobile devices.

### 4. Customers' Views of SST Applications

Without sacrificing the personal services provided by front line staff, customers prefer hotels and other hospitality sectors to provide SST as extra service options and add value to their service experiences. Through the use of SST, customers do not need to wait in line for services and they are provided with more control about when, where and what they want to do without the help of other service staff.

Customers generally prefer being served and having face-to-face communications with the service providers. Such kind of personal attention is considered as the core element in the accommodation sector, which can be supported but never be replaced by new technologies.

It is suggested that management should never overlook the effects of applying SST in their operations, especially for those customers who are not keen on using new technologies (e.g. seniors). It is reasonable that some customers may not want to have any changes in their purchasing process, therefore, they may not feel happy or satisfied if they are forced to do so.

### **7.2.7 Suggestions on Facilitating I.T. Applications in the Accommodation Sector**

Although I.T. applications can enhance the productivity and in some circumstances, can increase the customer satisfaction, management of the accommodation sector should put more effort on eliminating the obstacles of such applications to be used by either the customers or the staff. Below are some suggestions on facilitating I.T. applications in the accommodation sector.

#### **1. User Friendly**

The design of I.T. applications should be user friendly to both customers and staff. E.g. the information shown in the self-check-in kiosks should be clear and easy to read. The operational procedures should be simple and supported by clear instructions. Kiosks, for customers' convenience, should be located in prominent locations and supplemented by prompt technical support if necessary.

#### **2. Direct Benefits to Users**

I.T. applications should give direct benefits to users. E.g. the concierge functions available in some PMSs can install all important and useful information for travelers, such as information of hotels, restaurants, attractions, hospitals and shopping malls. Concierge staff can simply input the keywords into the system and print the information out, e.g. the address and location map of a cinema nearby instead of searching from the internet. Hotels can also encourage customers to use the self-serviced kiosks with incentives, such as allowing the printing out of discount coupons through using the kiosks. In this case, both customers and staff can gain benefits from the new systems.

### **3. Give Choices to Customers**

Management should never expect an immediate willingness for customers or staff to use new I.T. applications. Instead, they should consider the provision of multi channels for end-users according to their preferences. E.g. customers in many hotels can choose to order their room services by using the in-room TV-based services systems or they can still use the old way by calling the telephone operators for room services.

### **4. Training and Technical Support**

In order to ensure smooth transitions of using new I.T. applications, enough training should be provided to staff to get them well-prepared for the changes. E.g. restaurant staff should be well-trained for using the electronic menus before they can be introduced to the customers. Testing of using the new devices should be conducted and technical support should be available in case of a system failure.

## 7.3 Food and Beverage Sector

### 7.3.1 Restaurant and Banquet Management System

Although the food and beverage sector still relies heavily on human for their technical skills in production and services, more and more I.T. applications have been introduced in this sector to enhance their efficiency and accuracy in both operation and management levels. Some of their examples are as follow:

#### 1. Electronic Point-of-sale (POS) System

**Electronic Point-of-Sale Systems (POS)** take the place of traditional cash registers. They take the form of a single cash register with a processor, memory and printer, all incorporated into one unit. They have a greater capacity than traditional cash registers, which include cashiering, generations of sales and management reports, etc.



Typical functions include the ability to store multiple totals which enables overall sales for a shift to be analysed as required. A touch screen with programmed prices of menu items makes the process faster and more efficient. Once the information has been input, a copy will be sent to the responsible outlet, e.g. kitchen, bar, room service. Therefore, service staff can place orders easily through systems at the side stations and orders will be directly sent to the kitchen or different production units through interfaces. All orders will show the time it is processed which in turn eliminates the errors of hand-written chits.



Management reports are very comprehensive, giving details such as the sales of each item on the menu. Information of this type can further assist the management to ensure that the business is operating at its maximum efficiency and profitability. With the recent development of electronic menus, orders can be sent with hand-held devices connected through wireless communications from table sides to the kitchen. This has brought much conveniences to staff and customers.



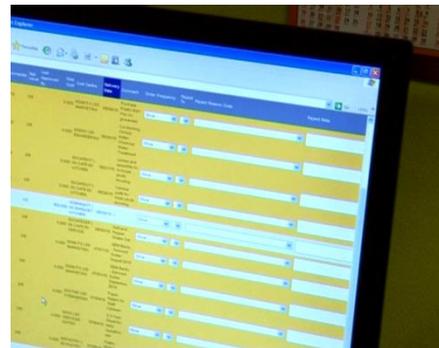
## 2. Recipe-costing System

It is always the duties of restaurant managers to keep track on the changes of food and beverage costs and ensure certain profit margins of menu items. Recipe-costing system performs such a function which automatically updates the costs of menu items when prices of ingredients change continuously due to factors, such as inflation.

Costs are calculated according to the standard recipes and portion sizes of menu items pre-programmed in the system. It gives useful information to restaurant managers so more accurate control in production costs and profit margins can be achieved.

## 3. Banqueting Management

I.T. applications have also benefited the banqueting management of hotels, e.g. convention hotels, which are specifically targeted for frequent events or meetings. Examples of banqueting management systems include banqueting reservation system and bookings diary which perform similar functions as the hotel reservation system. Information about the bookings of banqueting rooms and facilities, food and beverage packages, event set-ups and payment methods are consolidated and managed by using computers which enhance the ease of planning, coordination and fully utilizations of the hotel's banqueting resources.



## 4. Beverage Control System

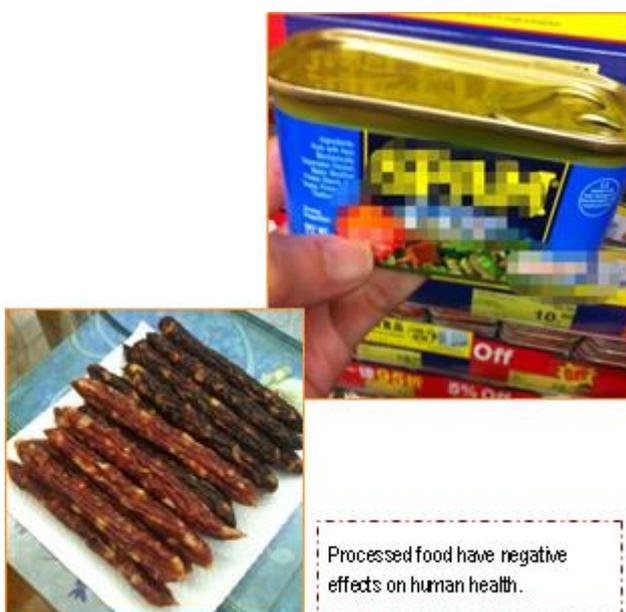
Some hotels may impose strict controls on the wastages of beverage consumptions in their outlets. Portions, such as draught beer are pre-set and measured by electronic flow meters while being served by restaurant staff. The total beverage consumption would then be matched with the sales records of the POS which can help in detecting any discrepancies due to excessive beverage wastages and any possible cheats or misconducts of the service staff.

### 7.3.2 The changes in technology that affect consumption patterns in the food and beverage sector

The introduction of advanced food technology has led to changes in food consumption pattern. On one hand, people are now able to enjoy foods from anywhere in the world, but they also bring about various issues of concern.

#### 1. Food production and delivery

The advances in food technology have brought about much progress in food development, storage, handling, preservation and preparation. In addition, development in transport has made possible for food to be delivered from the place of origin to the place of consumption within a short time. All these have great impact on people's food consumption patterns. To some extent, food consumption has become globalized. For those who can afford it, almost any foodstuff (e.g., oysters, lobsters) can be sent "fresh" from one part of the world to another within 24 hours. At another level, preserved food, soft drinks, candies, snacks, ice cream, nuts, tea etc. can be delivered to everywhere in the world.



It is undeniably true that many people are eating more processed foods rather than fresh home-made foods. Some experts have commented on the detrimental effects of the additives and coloring matters on the health of the consumers, especially school children. Preservatives (such as nitrates, BHT and BHA) are also suspected to be associated with brain or lung cancers. There is also a concern that the nutritional values of the processed foods are low.

Environmentalists also criticized that people are eating more imported and less local foods. Because imported foods have to be transported from other countries to the place where they are consumed, this involves use of energy and emission of carbon dioxide. In other words, this increases the carbon footprint of the world and aggravates global warming.

## **2. Information technology and food ordering**

The advancement of information technology has enabled customers to order food by telephone, fax or over the Internet, to be collected or delivered. Food that is delivered by a restaurant to a customer is also sometimes called take-out. The restaurant can be related to a globalized chain or franchise, but often they are small businesses serving traditional food. Examples include lunch boxes by tea houses in Hong Kong; neighbourhood fish and chip shops in England and Australia; sandwiches sold by delis in the U.S.; kebabs sold in many countries; and the wide range of sausage-based snacks sold from stalls in German cities. For many people, eating take-out at home is a convenient and money-saving dining option.

There may be concerns about eating take-outs. Some people are worried that store-prepared foods are usually high in sodium, fat, sugar and calories and low in healthy nutrients compared to home-made foods. Another concern is about eating take-outs at home, which often means that the person is also watching TV or working with the computer, and this is by no means a healthy eating style. Finally, people may worry that this eating pattern reinforces the social behavior of the Otaku (nerdy man), who just stays at home and does not go out.



Many food sold by restaurants have low health values. The popularity of take-out food has also led to unhealthy dining habits.

## **3. Media and web technology and promotion**

The media has substantial influence in determining food product selection. The influence of celebrity chefs is often referred to as “the Delia effect” due to the TV programme *How to Cook* by media chef Delia Smith, which resulted in high increased of eggs being sold in Britain each day of the series. Recently, the programme by Jamie Oliver triggered increased sale of 21-day mature beef endorsed by the chef in Britain’s supermarket. In Hong Kong, different TV programmes have aroused audience’s interest in unique Chinese cuisines (e.g., lard rice) and ingredients (e.g., premium soya sauce).

In addition, with the advance of Internet technology, information search process is facilitated by search engines. The development of Web 2.0 technology (such as blogs, wikis and Facebook) makes a further step by allowing consumers to publish their opinions (reviews, ratings, photos

and videos) through social networking sites. Such sites facilitate two-way communication and consumers can read other consumers' opinions of restaurants from a large number of similar people at a low cost. The most famous international review site is TripAdvisor.com, and in Hong Kong, the Openrice.com is very popular. Because these are not advertisements, many readers think that these opinions expressed by reviewers are unbiased and trustworthy.

However, because opinions can be posted anonymously, unless appropriate precautions have been taken, participants can post dishonest reviews to enhance their own reputation or hurt of their competitors.

 **There are so many better Italian places in Soho** 26  
FEB 13

There are so many other good italian options in Soho if one wanted to go and have a hearty meal. My husband and I came to this restaurant and decided to give it a try. The decor was very similar to the old restaurant - Phukets. The waiters were very friendly and were eager to have us seated. While the waiters seemed very eager to serve their guests, they unfortunately knew nothing about the menu nor could they offer any good recommendations. The chef came to our table ( we delicately...

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Taste	Decor	Service	Hygiene	Value for money
We waited for...			0 min(s) (Dine-in)	
Date			2013-01-05	
We spent...			Approx. HK\$500	

Online forums with restaurant comments have provided many dining information to customers.

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