

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

**TOURISM:**

**GLOBALISATION AND UNEVEN DEVELOPMENT**

A Thesis Presented to

Massey University

in Fulfilment of the Requirements

for the Degree of Doctor of Philosophy

by

Robert William Garnham

July 1998

## ABSTRACT

Globalisation and uneven development of tourism results from unequal power relationships within and between producers and consumers. The relative strengths of exogenous and endogenous influences have shaped a phenomenon marked by extensive spatial and intensive economic integration. Of the exogenous influences the major influences are technology, education, world trade and finance. Internal drivers include changes in demand, sustainable development, technology, globalisation of operators and industrial concentration. Whilst tourism is both cause and consequence of globalisation reflecting and incorporating changes in economy and society and has emerged to become a fundamental characteristic of consumer society in the late 20th century it is also the 'Cinderella' of economic geography.

In the long boom following the cessation of war in 1945 entrepreneurial investment in transport and accommodation and their coordination by tour operators led to mass tourism as a natural response to the demand for holidays. Increased competition during the 1980s stimulated a move to deregulation and restructuring in a move to create more efficient systems of organisation and management. The disintegration of vertical integration and its replacement by contracting out aspects of production and service delivery to other producers and suppliers depends on an efficient system of information and data transfer. However, from the early 1980s the onset of a more market driven economy provided the incentive for horizontal alliance formation as strategic planners sought to 'buy out' opponents and capitalise on their combined strengths. Thus a variety of strategic alliances leading to concentration of control and convergence of supply marks the current phase of tourism production. Information systems and technology which have enabled these changes to take place may be seen as the lubricant that allows the production of the tourist experience.

The uneven distribution of tourist attractions is a reflection of the nature of, and the ways in which, attractions are recognised and signposted. Mass tourism attracted to sun, sand and sea is focussed on those locations where the resources are accessible. Consequently uneven development follows as investors capitalise on

the ready demand for accommodation and a wide variety of services. This form of tourism is clearly driven by political economy with the power of the producer focussed on a relatively small number of places catering for large numbers of tourists. The divergent demands of independent tourism can be argued to be market, or consumption led and comprises many widely dispersed destinations and attractions each catering for relatively low numbers of tourists.

Global patterns of tourism development are reflected in the New Zealand situation. The country is integrated into global systems of transport and accommodation, finance and insurance. Mass tourism is an important aspect of some markets whilst independent tourism characterises other markets, consequently the uneven spatial development which characterises tourism elsewhere in the world is mirrored in New Zealand. The concentration of mass tourism on a few destinations contrasts markedly with the widespread distribution of independent international and domestic tourists.

**Key words:**

Tourism development; power relationships; alliances; integration; globalisation; uneven development;

## CONTENTS

	List of figures	vi
	List of tables	viii
	Acknowledgments	x
Chapter 1	Introduction	1
Chapter 2	Conceptualising tourism as an historical and geographical process	40
Chapter 3	Tourism developments	64
Chapter 4	Tourism development: structural and organisational change, alliances and uneven development	117
Chapter 5	A New Zealand perspective: incorporation into the tourism complex	179
Chapter 6	Conclusion	251
Appendix A	Methodology	261
Appendix B	World tourist arrivals and receipts 1950 - 1994	277
Appendix C	New Zealand: tourist arrivals, resident population and tourist intensity 1902/3 to 1995	278
References	Journals and texts	280
	Annual reports and press releases	311
	Personal communications	312

## FIGURES

1.1	A classification of travellers	2
1.2	The tourist space	25
2.1	Time - space convergence, the shrinking world	43
2.2	Utell International linkages	52
2.3	Hotel location in the Disney World area	54
3.1	The Grand Tour 1814-1820	68
3.2	The evolution of tourism	79
3.3	Roman routes and motorways	84
3.4a	Civil aircraft cruising speeds and introduction dates, 1920-1960	97
3.4b	Reduction of travel time Europe to Asia-Pacific 1930-1960	97
3.5	Information technology: the convergence of the technologies of communication and computers	99
4.1	Group Accor activities	129
4.2	Distribution systems	134
4.3	Information switches	135
4.4	American Express alliances and liaisons in New Zealand	138
4.5	Matrix of Airline Codeshares	141
4.6	British Airways global alliances	142
4.7	The global reach of the proposed American Airlines - British Airways - Qantas alliance	143
4.8	The global scope of British Airways - Qantas - American Airlines alliance	145
4.9	General direction of tourist flow	153
4.10	Distribution of hotels in central Rome	160
4.11	Distribution of major hotels in central Paris	160
4.12	Direct and indirect shareholders of large German tour operators	167
4.13	Air Pacific route structure 1997	168
4.14	Distribution of Club Méditerranée sites and cruises	170
5.1	Geographic distribution of market segments identified by the New Zealand Tourism Board	196
5.2	Air New Zealand alliances, liaisons and marketing arrangements	204

5.3	Distribution of CDL and South Pacific Hotel Company properties in New Zealand	208
5.4	Distribution of referral chain motel properties	210
5.5	Travel patterns of free independent travellers	211
5.6	Air New Zealand Hotpac liaisons and linkages	218
5.7a	Kiwi Experience bus routes	220
5.7b	Backpacker travel patterns	220
5.8	Regional distribution of motels	224
5.9	Rental car offices, NZ Rent a Car and Southern Cross	228
5.10	Location of motels and hotels in vicinity of Auckland International Airport	229
5.11	Distribution and growth of commercial accommodation in New Plymouth 1852-1990	231
5.12	International tourist travel by coach	234
5.13	Distribution of motels in (a) Rotorua and (b) Queenstown	237

## TABLES

1.1	Key characteristics of tourism development phases	10
1.2	Distribution of tourist arrivals, receipts and expenditures by region 1995	24
2.1	International tourist arrivals by air 1989-1995	41
2.2	Advantages of the Utell - Anasazi merger to both partners and to travel agents	60
3.1	Railway expansion by country and continent, 1825 - 1977	70
3.2.	Industrial activity and tourism	74
3.3	Time-space compression on North Atlantic shipping routes 1888 - 1952	77
3.4	Advertisements for adventure and independent tourism in the <i>Geographical Magazine</i> 1960 - 1996	90
3.5	Tourist arrivals and world population 1950 - 1990	91
3.6	Population and car ownership, United Kingdom and United States 1950-1990	95
3.7	Change in tourist arrivals, tourism receipts and expenditures by regions and selected sub regions, 1980-1995	101
4.1	Global expansion of selected accommodation suppliers	120
4.2	British Airways Alliance Partners, 1994 - 1998	147
4.3	Loyalty programmes and alliances for selected hotel companies	148
4.4	Hotel stock in selected Italian destination areas	165
4.5	Hotel chains in Italy, 1991	166
4.6	Groupe Accor investments	172
4.7	Geographical distribution of Groupe Accor hotel activities, and shareholders	172
4.8	Japanese and German tourist arrivals in New Zealand and United States 1983-1990	176
5.1	Tourist arrivals by origin years ending December 1984 - 1995	183
5.2	Selected accommodation sector loyalty programmes	188
5.3	World tourist activity trends 1990-1994	191
5.4	Tourist arrivals by origin, years ending December 1984-1995	192

5.5	Market segments identified by New Zealand Tourism Board	195
5.6	Tourist arrivals by purpose of visit	199
5.7	Student Travel Association discounts and linkages	201
5.8	Changing profile of Air New Zealand Air Points Programme	202
5.9	New Zealand first class hotel supply by location 1993-4 to 1995-6	207
5.10	Selected international accommodation referral chains	212
5.11	Tourist Holdings Limited activities	215
5.12	Distribution of hotel/motel chain properties in New Zealand	217
5.13	Regional distribution of motel accommodation in New Zealand	221
5.14	Regional distribution of motel units 1996	223

## ACKNOWLEDGMENTS

This thesis has benefited from the patience, forbearance and help of my supervisors, Professor Richard Le Heron, Department of Geography in Auckland University and Associate Professor Michael Roche, Department of Geography in Massey University. I acknowledge the support of colleagues and staff in the Department of Geography at Massey University without whose help the opportunity to return to full time academic study would not have been possible.

For help in the preparation of maps and diagrams I am indebted to Robin Mita in the Department of Geography at Victoria University of Wellington and Karen Puklowski in the Department of Geography at Massey University. The research process has been aided by the help and guidance provided by a wide range of practitioners in particular to Elaine Gill of Tourism Taranaki whose support over the years has been most appreciated.

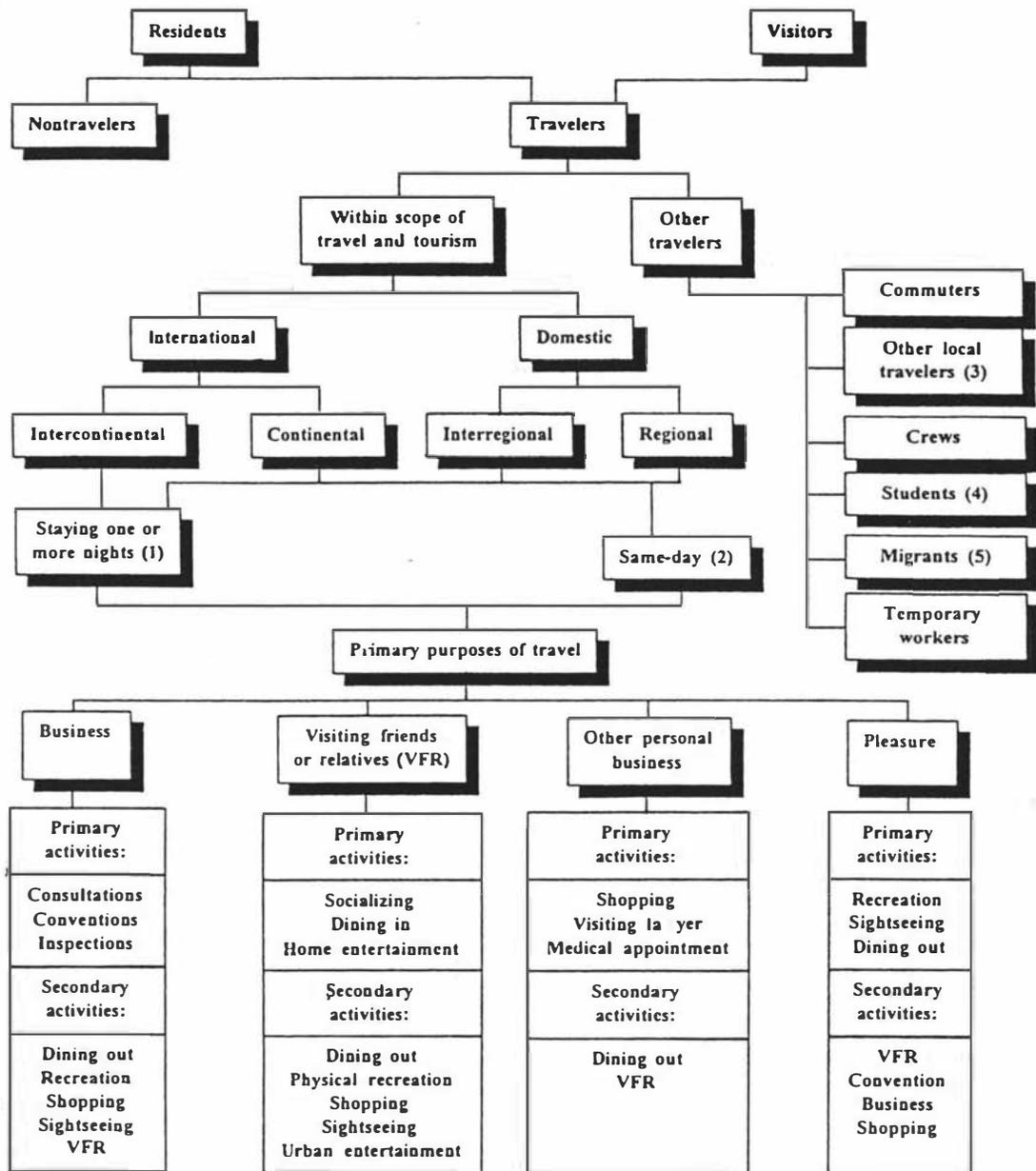
Finally, this thesis would not have been commenced, nor completed, without the help and support of my wife Maggie.

## CHAPTER ONE

### INTRODUCTION

#### The setting

Tourism has been described as comprising journeys where the distance travelled and length of stay are prescribed and that the purpose of travel is leisure. The World Tourist Organisation's classification identifies tourists as a sub set of travellers. Thus, "*Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for, business and other purposes,*" (WTO 1993). This definition focuses attention on the consumer but omits explicit reference to production which is the basis of tourism as a business as tourists spend money earned in their home location in the destination (Ogilvie 1933). It is the dichotomy of tourism that prompts Cohen (1974) to refer to the tourist as both producer and consumer. Adopting this conceptualisation in the thesis, the term "tourism" is taken in its widest sense to be: "*the sum of the phenomena and relationships arising from the travel and stay of non-residents...*" (Burkhardt and Medlik 1974: 40). Within such a definition it is accepted that non-residents may include visitors as travellers from a different domestic region. The concept of length of stay being 24 hours separates the same day visitor from the tourist *per se*, however, tourism businesses, facilities and services as profit driven enterprises do not differentiate between day visitors and those who stay overnight. The classification of travellers (Figure 1.1) includes residents and visitors and identifies aspects of the production and consumption of the 'tourist experience.'



- (1) *Tourists* in international technical definitions.
- (2) *Excursionists* in international technical definitions.
- (3) Travelers whose trips are shorter than those that qualify for travel and tourism; e.g., under 50 miles (80 km) from home.
- (4) Students traveling between home and school only—other travel of students is within scope of travel and tourism.
- (5) All persons moving to a new place of residence including all one-way travelers, such as emigrant, immigrants, refugees, domestic migrants, and nomads.

Figure 1.1 A classification of travellers  
Source: McIntosh, Goeldner and Ritchie 1995:14

## **Tourism and leisure**

A definition of leisure that includes the concept of freedom of choice coincides with the voluntary nature of the tourist's journey (Cohen 1974). Tourism is normally undertaken in time that is not obligated for work or household duties, as an activity it is regarded as one form of leisure (Leiper 1995: 66). Definitions of tourism identify travel away from the normal place of residence and stay in a destination of not less than 24 hours but not more than a year. Hence tourism tends to consume large portions of time during which the tourist travels to, stays in a destination, and returns to his/her normal place of residence. This contrasts with other forms of leisure activity that range from a few hours to a weekend. Workplace changes that include paid holidays, shorter working weeks and an increasing number of people working on contract impact of the amount of 'free' time available. These changes have widened the socio-economic spectrum of people engaging in tourism and also the places visited and activities undertaken.

## **The Purpose and Aims of this Thesis**

Tourism development is characterised by its uneven geographic distribution the nature of which has, and is, undergoing steady change. This aspect of tourism development has been ignored by tourism research, neither is it included in the literature of development in spite of its importance as a generator of investment and employment. The production drivers of transport and accommodation, of tour operators and travel agents within the exogenous political, technological, economic and socio-demographic environment have gradually increased the divergence of tourist flows to encompass an increasing range of destinations. Transport and communication developments have closed distances bringing new

destinations into contact with tourists and in consequence increasing the geographic span of both European and Asiatic cultures. As Kirsch (1995: 535) argues, "...whereas technology is...a *social* construction, society is a *technological* construction ... (original emphasis). Hence, in terms of changing relationships, technology has resulted in time-space compression and time-space distancing whereby the influence of 'dominant' societies is spread over spatially separated and unevenly distributed space.

The growth and development of tourism to its present form is explained by changes in both production and consumption spheres. As a socially constructed phenomenon tourism requires explanation in social, cultural and economic terms. In order to come to an understanding of the ways in which tourism has developed, and continues to develop, it is pertinent to ask how and why political, economic, technological, demographic and socio-historical elements interact. The intention is to examine and analyse such interactions in order to develop a thesis that provides a fresh view of the ways in which global tourism operates and has developed.

This thesis therefore addresses the question of how the geography of tourism has developed through time, and more especially, the conditions shaping the changes that have occurred since the 1950s. It argues that the development of a tourism complex under capitalist pressures for integration provides an improved understanding of the historical geography of tourism and the contemporary development that characterises the scene.

## **The research question**

This thesis seeks to:

- explore the nature of the historical development of tourism as an economic activity
- demonstrate the development of integration of the complex of disparate activities that comprise the broad business of tourism, and
- trace the development of tourism as a global phenomenon
- show how a study of the uneven development of tourism may provide a fresh approach to the understanding of uneven economic development
- show by way of example of New Zealand how countries are integrated into the global tourism business.

## **Methodology**

The initial research programme consisted of an extensive reading of the tourism, geography, history and business literature related to tourism development. From this emerged a number of themes that produced the research questions. The literature on the expansion of tourism and tourism related businesses through vertical and horizontal integration prompted the need for primary research to substantiate the theories advanced in the literature with respect to New Zealand.

Semi-structured face-to-face and telephone interviews together with written communications via mail and e-mail were phrased around the key questions that emerged from secondary sources. To verify the reliability of information gathered from the interviews cross-checking was carried out by comparing intra-industry data, thus the material obtained from one company was cross-checked by

reference another. In the hotel industry, for example, information from the South Pacific Hotel Corporation (Farrell 1994) was cross-checked against Club Méditerranée (1995). Following the methodology described by Healey and Rawlinson (1993) annual reports and press releases were used to verify the data obtained from interviews. A full discussion of the methodology is presented in Appendix A.

### **The evolution of tourism**

This thesis traces the evolution of tourism through the use of a phased model. Tourism development in the modern world dates from the 1840s with the advent of co-ordination of travel to, and accommodation in a destination by Thomas Cook and Son. The company developed from marketing single *ad hoc* tours to an integrated business catering for a range of products from mass tourism to independent travel arrangements, in terms of a product the company is in the business of selling an '*experience*' (Swinglehurst 1982).

Tourism passed from being almost exclusive to the aristocracy to a widening bourgeoisie, the emergence of mass tourism involving a growing proletarian component was facilitated by the development of mass transport (Figure 3.2). Mass tourism, which emerged in the mid 20th century was initially characterised by relatively cheap charter travel to destinations on Mediterranean coasts. In the sense that the mass tourism product comprises a reproducible holiday package through the use of dedicated charter travel to pre-booked accommodation in the destination it is, to all intents and purposes, the tourism equivalent of mass production of manufactured goods (Pearce 1987).

Improvements in communications, changes in the regulatory environment, and increasing competition encouraged the development of alliances amongst actors in the phenomenon. Convergence in the provision of tourism supply contrasts with divergence in demand as mass tourist markets mature into independent tourism. A fundamental factor underpinning the development of tourism in its present global condition has been the growth of, and advances in, communications technology (Buhalis 1997).

The evolution of tourism from an international activity to a global one is explained by progressive deregulation and the establishment of bi-lateral agreements that enabled the establishment of multi-national corporations in transport and accommodation. Additionally the integrative tendencies of information systems have played an important role in the emergence of tourism as a global phenomenon. The trend towards globalisation dates from the 1960s and 70s when, during a period of relative economic stability, growth and affluence, an increasing number of people undertook overseas travel for leisure purposes. In contrast to early mass tourism that linked origin and destination through transport and accommodation, generally within continental boundaries, global tourism is marked by the emergence of multi-national transport and accommodation companies. Alliances and liaisons between transport, accommodation, credit card and rental car companies provide global markets for partner companies into which the frequent business traveller, and increasingly the leisure traveller, is inter-locked (Garnham 1994; 1996a; 1997a).

Concentration of production brought about through the formation of strategic alliances demonstrates the power of production that emerged in the form of mass tourism. In contrast the desire of tourists to visit an ever-growing number of destinations and attractions demonstrates the influence of the consumer where shifting demands have led to the rise of a widely segmented and segmenting market.

The exogenous factors that both influence and were influenced by the evolution of tourism through time are conveniently examined by means of a phased model that identifies five broad periods or phases of development (Table 1.1).

### **A phased model of tourism development**

A long view of integration encompasses the inter-connections of economy and technology, organisations and institutions, and production and consumption. This approach rests on the identification of phases from analysis of quantitative and qualitative developments in the evolving tourism sphere. A phased model identifies periods of time during which there is a low rate of change, in tourism this applies to modes of transport and communication, regulation and organisation.

Notwithstanding the inherent weaknesses of Butler's model, tourism development can be usefully discussed in terms of five historical phases, each identified by reference to changes in economy and technology, organisation and institution, production and consumption, and integration (Table 1.1). The advantage of a phased model is that it presents a useful means of tracing the development of the phenomenon through periods of consolidation during which time there was little

change. Each phase demonstrates a similar, yet different, form of uneven development. The dates which bound each phase are not 'set in concrete' but serve, in a western perspective, to identify major changes that have influenced the evolution of tourism. Whilst it is recognised that aspects of change are not synchronous, there is overlap between phases, it is the differential rate of change, both temporal and spatial, that explains the unevenness of tourism development which characterises the phenomenon. Social and regulatory change beginning in the UK and USA from the late 19th century onwards led to the integration of transport and accommodation. Tourism in the second half of the 20th century came to be dominated by multinational companies in air transport, accommodation and finance purveying mass tourism in an increasingly competitive environment with the growing integration of finance and information technology into the tourism complex. In the initial phases developments in transport and accommodation occurred with a degree of independence from centralised control of information and finance. The organisation of rail transport for leisure purposes and the co-ordination and integration of transport and accommodation by Thomas Cook ushered in the second phase. The third phase was marked by the successful application of steam power to shipping that ended the dependence on wind and tide.

The post World War II period is separated into two phases. Phase four is based on the further development of air travel that led to further time-space compression on North Atlantic routes. Trans-oceanic air travel replaced sea travel ushering in a new era of tourism characterised by faster, cheaper modes of transport (Van Harsseel 1988). Phase five, the current phase of tourism development, emerges

DIMENSION	PHASE 1 -> 1841	PHASE 2 -> 1869	PHASE 3 -> 1939	PHASE 4 -> c.1984	PHASE 5 c.1984 ->
Economy	Transition from: feudalism -> capitalism.	Entrepreneurial capitalism.	Entrepreneurial capitalism. Organised capitalism. Steam railways and ships. Motor vehicle. Aircraft in infancy.	Transition from: Entrepreneurialism to managerialism. Organised to disorganised capitalism.	Managerialism. Disorganised capitalism. Crisis of capitalism leading to restructuring. Growth of IT. Increasing importance of foreign exchange rates on tourism flows.
Technology	Animal and wind power.	Steam.	Electricity.	Electricals.	Electronics
Organisation	<i>Ad hoc</i> individual arrangements.	<i>Ad hoc</i> organisation for elite individuals.	Incipient Fordism. Relative decline of independent travel. Growth of travel agencies.	High Fordism. Mass tourism via inclusive tours. Ascendancy of tour operators.	Post Fordism. Relative decline of inclusive tours. Growth of independent travel - Niche marketing.
Institution	Family and friends.	Thos. Cook excursions and inclusive packages.			
Production	Social pressures -> consumption led individual independent travel of Grand Tourists and others	Transition from consumption to production commencing	Production > consumption. Exception are the elite tourists.	Production > consumption. Mass production under Fordist organisation.	Flexible systems. Transition as consumption led tourism increases with growth of independent travel.
Consumption					
Integration	Little if any between producers except for individual instances where arranged.	Organisational integration of transport and accommodation by Thomas Cook and others.	Vertical integration to gain economy of scope.	Vertical and horizontal integrations with expansion of MNCs and tour operators. Chain hotel companies.	Disintegration to diagonal integration through alliances mediated by IT. Fluid alliances, continual change in transport and accommodation industries.
Time-space	Little compression and convergence. Minimal distanciation through travel of nobility and aristocracy.	Inception of compression and convergence with introduction of steam power to transport systems.	Increasing time-space compression and convergence. Time-space distanciation increasing.	Continuance of compression and convergence. Pace of distanciation increasing.	Continuance of compression and convergence. Greatly increased distanciation through impact of increased travel facilities and media.
Geography	Focus on narrow range of routes and destinations. Regional foci of travel. Change in Grand Tour destinations attractions and motivations. Move from 'ear to eye'.	Uneven time decay through adoption of railway time. Increasing number of places brought under the tourist gaze. Increase in uneven development and distribution of tourism.	Industrial expansion, International trade basis for growth of business travel. UK and US economic and trade growth strengthens trans Atlantic tourist traffic.	Growth of sunlust tourism to Mediterranean coasts. Segregation of class factions stimulates new destinations. Inclusion of more distant destinations with aircraft.	Emergence of new generators and destinations. Few places not within the realm of tourism development. Emergence of Asia.

Table 1.1 Key characteristics of tourism development phases

through the 1980s and is characterised by two features, firstly a new round of growth and importance of communications and information technology and, secondly, an increasing rejection of the inclusive package and demand for individual packages.

Butler's (1980) discussion of the resort cycle identifies five stages; exploration, involvement, development, consolidation and stagnation plus a sixth stage where he envisages a resort undergoing rejuvenation with fresh investment and new promotion and marketing strategies, or decline in those circumstances where fresh investment is not forthcoming. The model takes a developmental approach in describing, *a la* Rostow, the stages through which a resort may evolve. A weakness in the concept is that it does not allow for exogenous factors such as changes in economic policies that may encourage external investment in hotel or attraction superstructure. Neither is there an indication of turning points between stages; it is these weaknesses that make a phased model more useful in unravelling the evolution of tourism development.

The historical approach of the phased model draws on historical accounts of tourism at different scales. Gilbert (1949) Turner and Ash (1975), Nash (1979), Swinglehurst (1982), Towner (1985), Feifer (1986), and Cloke and Perkins (1998) are essentially descriptive in their chronicling of tourism development through time providing an indicative guide to change. This literature provides an explanation of the concepts of prestige and status as influences that determines the clientele of particular destinations and consequently their place in a social system based on a hierarchy of status which in turn underpins the concept of

tourist attractions on the location of hotels and the shopping malls which he recognises as sites of consumption. Page (1999) and Hall and Page (1999) discuss the role of transport in tourism and the geography of tourism and recreation respectively. In doing so they refer to aspects of integration within the boundaries of their discourses but in focussing on the phenomenon itself do not relate tourism to the wider domains of social and economic geography.

The development of mass tourism was accompanied by convergence in control of production. Vertical and horizontal integration through mergers, take-overs and alliances mark the organisation of production through to the late 20th century. In contrast, in the latter part of the century, the pattern of consumption has changed to one marked by segmentation of demand and a return to independent travel, albeit via the producers of transport and accommodation. Consumer demand contrasts with the goal of the producer who seeks to control development.

Production meets the demand for new and different tourist experiences through the development of new packages designed to capture and organise the consumer in such a way that is most profitable to the producers of the tourist experience.

Changes in time-space relations are reflected in and follow from the structures of organisation emerging in and amongst different geographic locations. By using tourism, a profit driven activity, as the vehicle for examining changes in time-space relations it is possible to gain a fresh perspective on the processes of integration, uneven development, time-space compression and time-space distancing. However, in applying the concepts of globalisation and uneven

development to New Zealand a different perspective from the traditional 'Atlantic' viewpoint is offered.

An understanding of the causal factors of the uneven nature of tourism development may shed some light on the general problem of uneven economic development by way of its capitalisation on resource exploitation. Tourism is based on resources that have defined locations and characteristics and which are generally not transportable. Therefore the tourist experience is generally consumed at the location of the resource and, unlike the consumption of tangible goods is not tied to any particular geographic location.

### **Historico-geographical pathways to integration**

The evolution of tourism through time has been characterised by the formation of loose alliances between actors that have led to more formal forms of integration through investment. Tourism has evolved from an *ad hoc* organisational complex from one that sells tours to individual people to assembling and selling group tours, the forerunner to the mass production of reproducible tours. Eventually the mechanisms that enabled the formation of mass tourism provided the vehicle for independent tourism. The development of this organisational aspect of the phenomenon is traced through the model that identifies five major phases.

Prior to Thomas Cook and Son there was little if any formal integration between producers of travel and accommodation services for tourists, individual arrangements were the rule for those who travelled. The development and expansion of business and shipping during the 19th century led to the extensive

spatial integration of tourism between developed western Europe and North America and less developed countries in Africa, Asia, Australasia and Latin America. Vertical integration was concomitant with the territorial expansion of tourism as companies sought to control the processes of production and horizontal integration whereby opposing companies were bought, or cartels developed to control the market. In this respect the expansion of the British Empire, later the Commonwealth, saw strong economic bonds developed between Britain and its overseas territories. In the post World War Two period there was an intensification of economic integration, both vertical and horizontal, as competition increased. In tourism this is marked by the emergence of mass tourism via the growth and expansion of charter air travel from Northern to Southern Europe and the growing importance of tour operators who assembled and sold the tour packages through travel agents. From the 1970s the concept of mass tourism underwent gradual change as increasing knowledge and improved systems of communication together with changing social aspirations and a more entrepreneurial environment led to the demand for individual, or tailor-made, holiday packages.

Given that tourism comprises a person or tourist, an attraction, a means of transport to, and accommodation in, a destination any explanation of tourism must integrate issues of production and consumption. Both are supported and enabled by a set of facilitators consisting of operators, agents, financial and information technology systems.

## **Production**

Production of the tourist experience relies on the back stage and front of house services that directly supply travel, accommodation and entertainment.

Production of an attraction that drives the tourism system, and thus the tourist experience, is defined by MacCannell (1976: 41) as a system comprising three elements, a tourist, a sight and a marker, in some cases the marker itself may become the attraction. The formal services of information, transport, accommodation and entertainment generally operate a system of quality control designed to ensure that the goods and services provided are of a consistently reliable and high quality. The method by which the tourism product is assembled has changed through time. During the long boom following the end of World War Two changes in society and technology led to an increased demand for travel that prompted the adoption of mass production techniques. In turn these were gradually replaced by processes that responded to the demand for individually tailored packages. In addition to the production of services that can be quality-controlled experiences determined by informal contacts between residents and other tourists cannot be controlled. Indeed it is often the result of these informal contacts that 'makes or breaks' the tourist experience. Hence the total tourist experience is the product of both organised services and planned and unplanned encounters. The tourist product then, comprises tangibles in the form of souvenirs and mementos and the intangible product of experiences, services and encounters and the memories invoked by them. Given this tourism is clearly placed at the nexus between production and consumption.

## **Fordism – post-Fordism**

Poon (1989: 92) notes the emergence of mass standardised, and rigidly packaged tourism through the utilisation and co-ordination of a number of developments that took place through the long post-war boom. These include the introduction of jet aircraft, promotional fares, cheap oil prices, economic growth, paid holidays, sunlust tourists, multi-national companies, vertical and horizontal integration and the growth and expansion of the hotel industry through franchising. The development of mass tourism based on the above factors meets the criteria of Fordism processes that typified the North American automobile. It is this process that provides the means by which large numbers of tourists are able to engage in travel and tourism. Mass tourism, in terms of the numbers of tourist arrivals, has not been a feature of New Zealand's tourism industry. However, in terms of the organisational structure of inclusive package tourism mass tourism has been a feature of international and, to a lesser extent domestic tourism.

The growing demand for individually tailored holiday packages as an alternative to the mass produced product sold by travel agents was made possible by the flexibility of new information systems. Poon (1988, 1993) and Buhalis (1997) recognise the importance of communications and information technology (IT) in shaping the evolving form of tourism. It is with reference to changes in the automobile industry (Poon 1993) that the post-Fordist concept of flexible production can be applied to tourism. This is characterised by the construction of a wide variety of alternative packages designed to meet the demands of a segmenting market. Additionally the concept of flexibility includes construction of

holidays by the consumer who has access to the Internet. This raises a problematic with the concept of post-Fordism. The producers of the 'bespoke' alternative tourism product capitalise on niche markets by utilising existing suppliers of transport and co-ordinating accommodation in the destination. There is effectively little difference between this and the 'Thomas Cook and Son' concept of mass production, and therefore is probably best understood as a transitional form of organisation between Fordism and post-Fordism.

### **Consumption**

In terms of the purchase of a tourist experience it is the imagined pleasure to be derived from the trip that comprises the initial consumption of the tourist experience. Hence the contention by Clawson and Knetsch (1966: 33-35) that the experience begins with planning, hence the purchase of the travel package represents the first stage in the consumption of the tourism product. The five stages of the tourist experience include travel to and stay in the destination plus the memories evoked by souvenirs acquired during the period of time away from the usual place of residence and work. As noted above the experience does not comprise just those services that contribute directly to the travel and stay in a destination but include those that result from the inter-face between the tourist and resident population and between the tourist and other tourists.

In the latter part of the 20th century the pattern of consumption has changed to one marked by segmentation of demand and a return to independent travel, albeit via the producers of transport and accommodation. The influence of the consumer stands in contrast to that of the producer who seeks to control

development through meeting the demand for new and different tourist experiences through the development of new packages. These are designed to capture and organise the consumer in such a way that is most profitable to the producers of the tourist experience. Necessarily the mode of consumption includes the passive gazing on sites and sights (Urry 1990b).

Campbell (1995: 117) considers consumption as involving an attempt by the consumer to adopt a lifestyle, or create an identity. If tourism is regarded as a fashion industry Campbell's statement provides a window on some aspects of the increasing segmentation of tourist demand. This is illustrated by the emergence of fashionable enclaves within destination areas through time, examples of this are discussed by Gilbert (1949), Nash (1970) and Soane (1993) with respect to Brighton, Nice, Bournemouth and Los Angeles.

### **Tourism as gaze**

The concept of consumption of tourism is discussed by Urry (1990a, 1990b) in terms of the tourist's gaze. In this he identifies the positional value of tourist destinations and the fact that the tourist's consumption of a destination is at the expense of others. He regards the tourist as a passive observer of the landscape, of sites and sights through windows framed by past experience. From a European perspective his analysis of tourism is essentially based on the practise of the tourist who has travelled to places marked or signed as significant and worthy of attention. In an historical perspective the Grand Tourist was a person whose tour to the great cities of central and southern Europe, notably Italy, 'took in' the sites and sights of ancient civilisations (Towner 1985). The

tours organised by Thomas Cook set in train the practise of British tourists gazing on the landscape, similarly with the advent of the weekend excursion to the seaside the behavioural norm was for passive rather than active or experiential activities. Mass tourism of the post World War Two years is also characterised by gazing, the tourist wanting to be entertained rather than entertaining him or herself. In contrast to the European case the shorter developmental history of tourism in Australia and New Zealand and absence of investment in constructed attractions and entertainment led to the necessity for people to create their own forms of recreation. The tourist traditionally engaged in active recreation such as skiing, climbing, tramping, hunting, fishing or jet boating. This different pattern of development is the basis on which Perkins and Thorns (1998) contest Urry's conception of the tourist gaze.

### **Integration**

The natural synergy between transport and accommodation is illustrated by the spacing of accommodation along roads leading away from major urban centres. Tourism is the process that facilitates and involves the travel of people from their normal place of residence and work to a stay in a destination. Given that it comprises a person, or tourist, an attraction, a means of transport and accommodation in a destination any explanation of tourism must integrate issues of production and consumption. Both are supported and enabled by a set of facilitators consisting of operators, agents, financial and information technology systems. The nature of this process is integrative of a variety of different and discrete industries. The relationship between tourism producers is not based on a buyer-seller relationship but rather on the synergies to be gained from allying

with, or integrating, operations for their mutual benefit. Consequently the earliest purpose built hotels were located with respect to railways that provided mass transport facilities for tourists (Simmons 1991). Similarly hotels were built close to passenger ports to service the needs of new arrivals in destination countries (Eagle 1989); in more recent times hotel accommodation has been built on or closely adjacent to airports. In this respect airline companies engaged in hotel ownership on the basis that the provision of accommodation would guarantee the sale of airline seats (Bote Gomez and Sinclair 1991). These trends illustrate both the extensive expansion of tourism and also the intensification of economic activity as transport and accommodation companies expanded offshore. Horizontal integration in tourism is illustrated by mergers between hotels and motels, and by the formation of airline alliances. Information technology that enables record keeping and the rapid manipulation of data makes possible the multiplicity of airline frequent flyer programmes that include airline code share partners, hotels and rental cars in a form of diagonally integrated marketing strategy.

Deregulation and restructuring from the mid-1970s onwards stimulated companies to become more efficient and competitive by contracting out those parts of their operations that could more efficiently be provided by an outside contractor. The use of information technology (IT) enables ease of access to outside suppliers and the establishment of a system of diagonal integration (Poon 1988) replacing horizontal and economic integration. Although the importance of IT is stressed equity linkages between the elements of a business which is currently in the throws of '*externalising ancillary services*' as a means of

increasing the efficiency of distribution, promotion and flexibility of product supply is of paramount importance (Ioanides & Debbage 1997:237; Wilkins 1997). The importance of IT emerges through the development of airline frequent flyer programmes that reward travellers who patronise the company's services with points leading towards 'free' air travel at a future date. Technological developments in transport and communications leading to time-distance compression, convergence and concentration of control and time-space distanciation are both cause and consequence of economic and spatial integration.

### **Compression**

Improvements in transport have brought places closer together in terms of time and cost. This process is demonstrated by reference to trans-Atlantic shipping and the introduction of larger and faster aircraft (Table 3.4); in addition improvements in communication are such that there is 24 hour trading on financial markets that has destroyed the time advantages of the past (Warf 1989: 264). Whilst distant places are brought closer together in time-space through the introduction of long range jet aircraft and improved systems of navigation the introduction of hub and spoke airline route patterns bypass transit or stop-over places necessitating an extra travel leg with a consequential increase in time. Similarly the construction of bypass roads results in smaller centres being removed from the maps of long distance motor-coach routes.

### **Convergence**

Internationally, time-space convergence brought about by air transport

developments enabled places at a greater distance from tourist generator regions to develop as destinations. Economic convergence occurred as a result of time-space compression and distanciation. Increasing contacts between tourists from wealthy generating regions to relatively less wealthy destination regions leads to an equalising of economies both within and between nation states. This process is facilitated by tourists whose spending patterns and demands for goods and services leads to a rise in a host region's standard of living. The closing of the economic gap between generator and destination may have the effect of reducing the attractiveness of the destination in terms of the relative costs of competing destinations. Thus time-space convergence has implications for rates of development.

### **Distanciation**

The stretching of social systems across time and space through the reproduction of structures of domination (Gregory 1994) that is time-space distanciation (Giddens (1984) plays an important role in economic convergence. Globalisation of tourism plays an important role in the diffusion of ideas thus its spatial extension brings an increasing number of hosts into contact with the social structures and mores of generating states. The gradual erosion of indigenous cultural and social customs has implications for cultural diversity as a tourist attraction and its maintenance is inevitably through the construction of staged authenticity (MacCannell 1973; Cohen 1992: 52).

### **Tourism's uneven development**

The nature of changing relationships between producers, between consumers

and between producers and consumers is reflected in the geographic pattern of tourism development through time and space. The uneven development of tourism relates to changes in time-space relationships that close distances between places. Economic and social consequences of convergence and distancing impact on the relative attractiveness of destinations and ultimately influences relative rates of growth. The numbers of tourist arrival by region (Table 1.2) illustrates the uneven nature of tourism development. The dominance of three regions underlines the uneven spatial distribution of the phenomenon at the global scale and in particular the hegemony of Europe as both generator and destination of tourists. Further, in 1995 five countries, France, USA, Spain, Italy and the UK received 35% of tourist arrivals; these same countries received 40% of tourist receipts and four of them were listed in the top five countries in terms of tourist expenditures (WTO 1997).

Region	Tourist arrivals from abroad % world total 1995	Tourist receipts % world total 1995	Tourist expenditures % world total 1995
World	100.00	100.00	100.00
Africa	3.41	1.75	1.38
Americas	19.58	25.11	20.47
East Asia/Pacific	14.13	18.44	20.69
Europe	59.68	51.96	55.51
Middle East	2.43	1.83	1.38
South Asia	0.76	0.91	0.57

Table 1.2 Distribution of tourist arrivals, receipts and expenditures by region 1995  
Source: WTO 1997, *Yearbook of tourism statistics Vol. I*, WTO, Madrid.

The nature of tourism's uneven development is elaborated on in chapter 5 of this thesis, suffice it say that the characteristic concentration of resources and development can be identified at a range of social, spatial and organisational scales.

## Geography and Tourism

Tourism involves the movement of people from a source or generating region to a destination and return. This concept is implied in Leiper's (1979) model of a tourism system (Figure 1.2), whereby tourist-generating region is separated from, or connected to, a tourist destination region. The model implies that the impacts of tourism are contained within a boundary. Involvement in tourism is not inclusive of the whole population of either generator or destination region. A further weakness of the model is that it implies uniformity in the spatial distribution

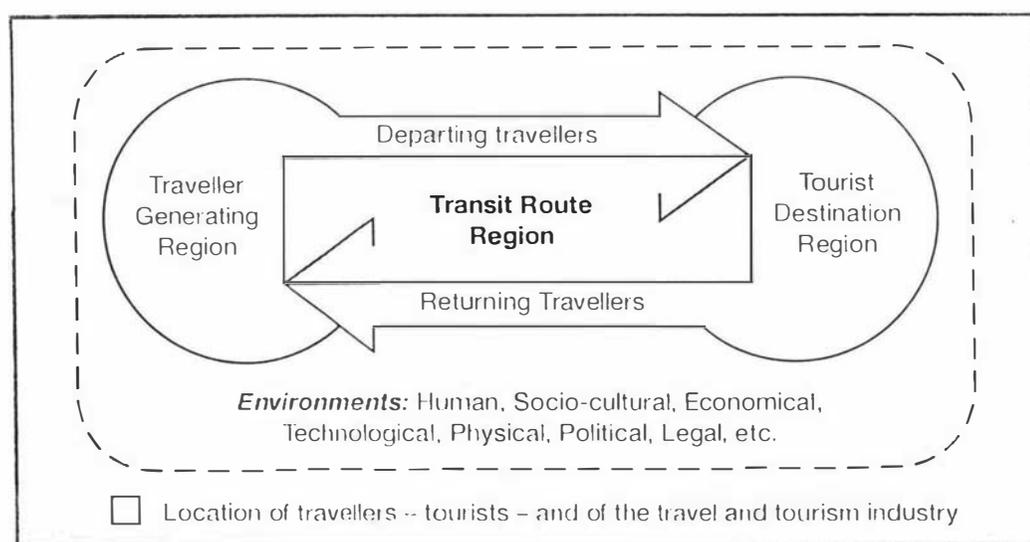


Figure 1.2 The Tourist space  
Source: After Leiper 1979

of tourist facilities. It must be noted that the existence of a tourism industry in either a generator or a destination region does not necessarily equate with an even distribution of the facilities. Linking generator and destination regions are

the activities of promotion and marketing agents of the destination through information flow and exchange of data by tour, transport, accommodation and attraction operators. Concentration of tourism development in particular places can be seen as a function of these agents.

As the subject of geographic inquiry tourism intersects with more traditional areas of economic, human and cultural geography. As an interdisciplinary subject access to a wide range of literature is required. In addition to the geography texts it is necessary to refer to sociological, business, management and organisation texts.

In spite of the fact that tourism intersects with many aspects of geographic study and is a major direct and indirect employer at local, regional, national and global scales it has largely been ignored by researchers in geography, a noticeable exception being the early work of Robinson (1976). Although tourism is not a direct consumer of tangible resources, other than oil and water, the growth of tourist/visitor numbers has a potentially deleterious effect on both natural and cultural resources. There is therefore, a concern for appropriate management and sustainability of resources (Dogan 1989; Cheng 1990; McKercher 1993). Features of the organisation of the phenomenon, such as integration, are comparable to those of agriculture and manufacturing yet as a subject of study tourism is largely absent from the mainstream of economic geography which is primarily concerned with primary and secondary sector activities. Ioanides (1995) identifies the lack of integration of tourism research in the mainstream of geography likening tourism to the 'Cinderella of the service industries' which,

more recently have attracted the attention of researchers such as Dicken (1986, 1992, 1998) and Daniels (1996).

Tourism is influenced by the same or similar political and economic factors that influence the location of manufacturing industry. Although the importance of tourism in the economy of some countries and regions is greater than that of agriculture and manufacturing it is largely overlooked in the regional and economic geography literature. What comment that does exist is essentially in the nature of a description of destinations based on the pull factors of attractions.

The eclectic nature of tourism necessitates access to a much broader literature than the geographical and tourism journals *per se*. Texts by geographers dealing with tourism include its geography (Ogilvie 1933; Robinson 1976; Pearce 1987; Boniface and Cooper 1987), economic, environmental and social impacts (Mathieson and Wall 1982) and development and organisation (Pearce 1989, 1992; Hall 1994a, 1994b). In the geographic journals tourism is characterised by a wide range of discrete articles on a diverse set of topics, for example: flows (Mansfeld 1990), destinations, impacts and development (Gilbert 1949; Butler 1980; Bevilacqua and Casti 1989; Binns 1991). Human geographers interested in tourism, its spatiality, impacts on destination societies and cultures, (Vincent 1980; Kariel and Kariel 1982), economy (Morris 1992), and the use of, and impacts on, the physical environment (Mathieson and Wall 1982; Craik 1987; Cater. 1995). Traditional approaches tended to be descriptive with little theoretical explanation other than push - pull analysis. As a sociologist Dann (1977) ascribes the 'push' to the need to escape from the dull, daily routine to places where the tourist can

relax away from the pressures of daily living. Robinson (1976) notes the pull factors of warm temperatures, sandy beaches and blue seas of the Mediterranean coasts as significant attractions, likewise the cultural attractions of ancient civilisations as attractive to North Americans.

Discussion in the tourism literature incorporates perspectives that include planning, finance and economics, human resources, transport and strategic alliances. Although there is a literature of integration within aspects of the general business of tourism, for example transport and accommodation (Dunning and McQueen, 1982), communications and finance (Mowlana and Smith 1990), there has been little attempt at an holistic explanation of integration of the complex of discrete activities which comprise the global tourism. The most notable exceptions to this are Poon's (1988, 1993) examination of technology and its role as an integrator in tourism and Ioanides and Debbage's (1997) treatment of tourism as a 'polyglot industry'.

Given that much of the research and literature on the development of tourism has traditionally had a western, North Atlantic, flavour it is recognised that this thesis takes a 'western developed world' view of the development of tourism. However, in applying the concepts of globalisation and uneven development to New Zealand it is possible to diverge from the traditional 'Atlantic' viewpoint.

### **An overview of existing approaches to tourism**

Approaches to the geography of tourism charted in Hall and Page (1999: 8, 12-13) identify an evolution from attention to spatial patterns of supply and demand

and the impacts of tourism in the 1970s to planning and development in the 1990s. Segmentation of demand that characterises the phenomenon at the end of the century is reflected in a wide range of research themes in tourism. Analyses of tourism reflect prevailing methodologies, although the onset of a quantitative methodology in geography dates from the 1950s the application of this approach to tourism did not occur until the late 1960s and early 1970s (Williams and Zelinsky 1970). Thus the early geographic literature on tourism was overwhelmingly descriptive. Attention to the number of people travelling for leisure and business as a necessary aspect of tourism planning introduces the need for statistical analysis (Smith 1989). Mathieson and Wall (1982) reference the application of analysis to economic impacts including multiplier effects which commands an important place in the study of tourism. Although quantitative methodologies are in relative decline among geographers they continue to play an important role in attempting to forecast tourist arrivals and estimation of their impact on local, regional and national economies. Geographic modelling, either conceptual or analytical of demand and supply relationships plays a part in the discussion of tourism development and its physical, economic and social impacts but likewise does not provide answers to questions of how and why tourism has evolved as it has. An example of this is provided by Kariel and Kariel (1982) who describe and analyse the socio-cultural impacts of tourism in the Austrian Alps developing a spiral model of the impacts of growth through time. Their work records an insight into residents' perceptions, the impact it has on family and social life and identifies the need for strategic planning of tourism development to maintain sustainability of tourism flows.

Regional analysis of tourism has its origins in the work of Christaller (1964) who instigated the concept of centrality of destinations and geographic unevenness of origin - destination relationships, a migration from core to periphery illustrated with reference to France. Vincent (1980) applies the concept of political economy to Alpine development in discussing dependency between agriculture and tourism. Azaruddin (1994), on the other hand adopts a systematic approach in his study of island tourism development in Malaysia linking development through three phases, discovery from the 1950s; development with the building of an hotel in 1970 and expansion through aggressive promotion from 1990. He relates the growth of tourism to entrepreneurial investment and its promotion as the major revenue source for Tioman Island. The third phase of Azaruddin's study illustrates the importance of government policies for attracting investment in accommodation as a key ingredient of tourism development. The place of policy making in tourism development by national tourism organisations (NTOs) in the European Community (EC) is expanded on by Akehurst *et al* (1993) who identify the varying roles of NTOs in providing promotion, advice, funding, management and a monitoring function for policy performance. Further work by Hall (1994) and Hall *et al* (1997) elaborate on the place of government and policy in tourism development.

The direction of tourist flows and the development of tourist destinations are explored by Pearce (1987), this work influences Oppermann (1993) who extends it in a discussion of the nature of tourism space and regional patterns of tourism in New Zealand. The New Zealand Tourism Board and a consortium of researchers from Auckland and Lincoln Universities (Simmons and Forer 1996) further Oppermann's (1993) work on the movement of German tourists in New

Zealand. This has extended the work through the use of computer analysis to provide diagrammatic illustration of tourist flows within New Zealand as a destination. Regional analysis of tourism flows and impacts plays an important role in attempts to forecast directions and impacts of tourism on economic, social, cultural and political environments. A supply side explanation of regional development in tourism is proffered by the Marxist introduction of a political dimension into geography that recognises the importance of companies, people, the political process and allows for an analysis of the labour process of tourism in different localities. Examined in this way the constructed and reconstructed landscapes of tourism are the result of capitalist processes that determine what will be located where. In this light a political economy approach can be utilised to explain the development and domination of multinational enterprises in tourism as Britton (1991) has argued.

Analysis by Pearce (1987, 1989) focuses on integrative and catalytic development of tourist resorts at the local level rather than a wider national or international scale. The place of transnational corporations is examined by Dunning and McQueen (1982) who advance an eclectic theory to explain the emergence of such alliances, Ascher (1985), Ohmae (1989) and Dev and Klein (1993) focus on the formation of alliances. Mowlana (1986), Poon (1988), Warf (1989), Mowlana and Smith (1990) and Buhalis (1997) examine the importance of technology, communications and finance. Page (1999) writing on transport and geography comments on the development and rationale of alliances in the airline industry but does not develop the wider implication of alliances and integration of actors in tourism. The political organisation and structure of tourism is discussed

by Pearce (1992, 1996) in the context of local, regional and national bodies with examples drawn from Europe and the USA. Hall (1994), in contrast, investigates the role of politics in tourism and tourism in politics highlighting the role of policy making and tourism development and the politics of tourism development. Poon (1988, 1993) and Buhalis (1997) recognise the importance of communications and information technology in shaping the evolving form of tourism but omit the importance of equity linkages in the integration of tourism development and construction of the tourism product. Reference to this wider literature is essential in attempting to unravel the economic ties between operators and thus enable an understanding of the integration of supply.

The sociological literature of tourism discusses the tourism phenomenon in a number of ways. Cohen (1974) defines the tourist in conceptual terms identifying six dimensions of tourist role while Urry (1990a, 1990b) discusses the consumption of tourism through the object of the tourist's gaze. In this he identifies the positional value of tourist destinations and the fact that the tourist's consumption of one destination is at the expense of others. Pearce (1992) examines the nature and form of administrative structure of tourism organisations noting the role of national, regional and local bodies. McIntosh *et al* (1995) take a sectoral approach in analysing the place and role of transport, accommodations, facilities and organisations in the operation of the tourism business. Boniface and Cooper (1987) and Pearce (1988) take a regional approach to the geographical distribution of tourist attractions. Gunn (1988) and Inskeep (1991) discuss planning and development of tourist destination and attractions. The social, economic and environmental impacts of tourism are the subject of a seminal work

by Mathieson and Wall (1982). Archdale (1993) and Bennett (1995) make reference to the importance of technology, especially information technology. Rimmer (1993, 1994) analyses the place of capital, and in particular flows of capital related to tourism development in the Asia Pacific arena. Mowlana and Smith (1990) refer to the importance of communications technology in the processing of data flows in tourism in terms of integrating the movement of tourists between originating and destination regions. Communications technology facilitates the consumption of the tourist experience that in turn results in a variety of social, political, economic and environmental impacts. Taking an holistic view of the disjointed literature on tourism an understanding can be reached of the promotion of tourism as a generator of employment and foreign exchange earner by regional and national tourism organisations is founded on deregulation which enables international capital flows.

A study of the historical development of tourism enables a number of broad phases to be identified. The impacts of technology and its application to transport, accommodation and communication are fundamental to the changing nature of the phenomenon. Change in society was brought about as a result of the application of technology to the work place and by legislative change such as the Bank Holidays Act 1871 (Vaughan 1974: 23) and the Holiday Pay Act 1938 in England (Aldcroft 1970: 366). Changes in the workplace impacted on the organisation of wider social relations that have implications for the demand for tourism. Regulatory change, coming partly as a result of pressure from entrepreneurs, not only led to greater competition but also to the formation of alliances between actors seeking to optimise their market share. These arrangements which provide a conduit to globalisation of tourism are important

factors in the evolution of the phenomenon.

Changes in approach to the study of tourism echo changes in the focus of geographic methodology from descriptive regional treatises and quantitative methodologies to new regional geographies that seek to explain regions in terms of the relations amongst actors and places in the context of a restructuring global economy (Taylor 1993; Abler 1993).

### **The Contribution of this Thesis to the Study of Geography**

The traditional emphasis in tourism studies given to questions of production may explain and be used to provide an understanding of tourism development. But as a social construct it is also necessary to address the dimensions of consumption. Tourism is characterised by uneven development in both temporal and spatial dimensions. In coming to an understanding of this complexity it is necessary to explore the inter-connections of production and consumption. By adopting a realist stance which recognises that there is no one simple or singular explanation for the development of tourism (Gregory 1986: 387) this thesis seeks to engage a discussion between production and consumption in order to arrive at an understanding of how tourism as a complex has emerged. This thesis then seeks to contribute to geography a study of tourism explained in terms of the relationships that are embedded in production and consumption that constitute the complex.

Tourism contributes to uneven development through its presence or absence. As a socially constructed phenomenon it is effectively a created world where some sites and sights are valued and others not. As a fashion industry its rate of

growth in any one place is at the whim of the consumer, changing fashions influencing relative rates of growth. Existing integrative studies, such as those of Mathieson and Wall (1982) and Pearce (1980, 1989), are based on national scales, in contrast this thesis builds on existing work but at a global scale. It is at the larger scale that the importance of tourism as a globalising influence can best be studied. Airline, hotel, rental car, credit card and insurance companies are the cornerstone on which globalised tourism is based. Information technology is the mechanism through which integration of these activities is achieved at the global level.

### **Structure of the Thesis**

This introduction has placed the thesis in the context of tourism development. It has set out the purpose and aims of the study within a geographical context and outlined its contribution to geography and the way in which an understanding of tourism development may throw fresh light onto the geography of uneven development.

Chapter two discusses the rise of a tourism complex, the methodology adopted by the thesis and examines time-space relationships in terms of the integration of tourism actors and geographical space enlarging on time-space convergence, compression and time-space distancing. Chapter three examines the phases of tourism development in the light of political, economic, social and technological dimensions which operate both within the broad business of tourism and as exogenous influences operating in the wider environment in which tourism is situated. Two broad patterns are identified, prior to 1939 integration of tourism

businesses was concerned with extending territorial reach as developments in transport and communications led to time-space convergence. The two phases from 1945 are characterised by an intensification of integration through the development of a range of alliances and other agreements in a changing economic and political environment.

Chapter four considers the concept of globalisation and uneven development of tourism as the phenomenon evolved from producer led mass tourism to an increasingly consumption led independent tourism. This is situated in the light of changes in structure and organisation that have taken place in the second half of the 20th century focusing on technological, organisational and social changes as tourism evolved from a producer to a consumer driven phenomenon.

Technological developments derived from World War Two play an important role in air transport, the increased carrying capacity and range of aircraft resulting from wartime exigencies paved the way for long range air travel. The availability of surplus of aircraft plus a skilled labour force of mechanics, pilots and navigators at the end of the war led to the emergence and growth of the charter air travel business in Britain. Air safety was enhanced by the development and improvement of ground to air communications including radar and navigational systems. As the number of air travellers increased, both for business and leisure, airport development smaller airports, such as Croydon in south London and Heston in west London, were superseded by Gatwick and Heathrow. The growth of both airports in the post war period has been accompanied by a focus of hotel and rental car activity and their more recent connection to London's motorway box, the M25 (fieldwork 1990). Whilst charter air travel provided the boost for

mass tourism the competition it created for major companies was a factor in the move to deregulate air transport. Changes in society and improvements in education and communications, including electronic media, made the potential tourist aware of a wide range of destinations and activities. Tourism as a fashion industry (Lane 1996) and the emergence of its 'positional value' (Franklin 1994) contribute to the development of a highly segmented business based on niche marketing.

Chapter five applies the concepts and empirical evidence examined at an international level to New Zealand as an illustration of change and uneven development at the nation state scale. New Zealand is essentially a long haul destination for tourist arrivals and whilst it is a small player by international standards tourism is a major element in the country's economy. The importance of tourism as an economic factor was recognised in the late 19th century and formalised by the creation of the Tourist and Health Resorts Department in 1901 (NZTP 1976). Promotion and marketing of thermal areas was the focus of the infant department in the early part of its history, agencies to promote these and other scenic attractions were established in the gateway cities of Auckland, Wellington and Christchurch plus Rotorua and Invercargill. From the early days tourism development in New Zealand has been characterised by spatial unevenness. Railways, and later the major road network focussed on the established gateway cities, thermal attractions, and national parks. Air transport developments, notably time-space compression has made New Zealand more accessible to tourists from Western Europe and North America, in addition the relative strength of Asian currencies compared to the New Zealand dollar has

made the country attractive to visitors from Japan, Taiwan, Hong Kong and Korea. However, fluctuations in world trade place New Zealand at the mercy of international exchange rates. In addition to influencing the flow of visitors to New Zealand they also affect rates of investment in the tourist superstructure of hotels, most of which are owned and/or managed by overseas companies (CDL 1996). Hotel accommodation catering for international visitors to New Zealand is essentially located in the major gateway cities of Auckland, Wellington and Christchurch plus the major destinations of Rotorua and Queenstown which, with the addition of Dunedin, account for two thirds of the first class hotels in the country (Ernst and Young 1993). Such a pattern provides an indication of the uneven pattern of tourism development, the pattern of hotel ownership and management illustrates the increasing control of City Developments Ltd (CDL) and the South Pacific Hotel Corporation (SPHC) whose 37 properties comprise over half of all the first class hotels in the country (CDL 1996; SPHC 1996). Whilst the initial focus of attraction for international visitors was limited to a few destinations, based on inclusive package (mass) tourism, a more widespread pattern has emerged in response to new market segments. Free independent travellers/tourists (FITs) stay longer than ten days and travel to a greater number of places spending relatively little on accommodation but more on activities. Other travellers including retired people, those visiting for sporting, conference or educational purposes tend to visit a wider range of places than those on the 'Blue Ribband' route. Based on the number of visitors which in turn is a reflection of perceived attraction, promotion and accessibility, New Zealand tourist attractions/destinations fall into a tiered hierarchy. The places patronised by international tourists are also visited by domestic tourists; second tier regions,

such as Taranaki on the North Island's west coast and East Cape on the east coast, are essentially the province of domestic visitors as they do not appear on the international tourist circuit.

Chapter six concludes by drawing together the threads of globalisation and uneven development through examining current trends in production and consumption. Changes in production and consumption have implications for tourism development in destinations, not least of which are those raised by the increasing importance of information and communication technology and the implication this has for segmentation of demand.

## CHAPTER 2

### CONCEPTUALISING TOURISM AS AN HISTORICAL AND GEOGRAPHICAL PROCESS

#### Introduction

At one level the tourist *'experience'* comprises five stages or parts; the initial planning period, travel to a destination, stay in a destination/s, return home, and recollections or memories of the trip (Clawson and Knetsch 1966: 33-35). From the tourist standpoint the integration of transport and accommodation is an essential part of a successful experience. Tour operators and/or travel agents for over a century have been watchful of this central input to the tourist experience and have always sought to provide an integration of those facilities and services necessary for a successful tourist experience. The formative development of integration rested on technological foundations. While these were, by today's standards, limited technologies they (a) represented a social choice in terms of how tourism would later develop (b) offered significant advances on technology previously in use in the sector, (c) were deeply implicated in forging different connections amongst places and (d) began to increasingly define the nature of the tourist experience, at every stage.

By its nature tourism consists of travel to and stay in a destination for a period of at least 24 hours. Although the important role in contemporary integration played by IT is that it enables the operator or agent to arrange, book and pay for travel and accommodation in different countries with different currencies, its antecedents were equally, perhaps even more important. Travel to a destination involves a

mode of transport which, through time, has undergone considerable technological development in speed, safety and comfort, similarly methods of communication have provided increasingly faster, cheaper, efficient and effective means of data and information flow. Technological developments in transport and communication have effectively reduced the perception of distance between places and reduced the relative costs of travel. Not only did the speed of sea travel increase (Table 3.3), but so also did the passenger capacity of ocean going ships. Typical of the 1860s was the Cunard Line's '*Aleppo*' launched in 1865 with a passenger capability of 639 and a service speed of 11 knots. The company's ship '*Carmania*' launched in 1905 carried 2650 passengers at a service speed of 18 knots and by the 1920s a common service speed was in the region of 25 - 30 knots and passenger capacity generally about 2 000 (Cunard Line archives). More recently the steady world wide growth of tourism in the early 1990s is mirrored by increases in international tourist arrivals by air (Table 2.1).

Region	Int'l tourist arrivals (000s)	Int'l tourist arrivals by air 1989 (000)	Int'l tourist arrivals by air 1989 (%)	Int'l tourist arrivals 1995 (000s)	Int'l tourist arrivals by air 1995 (000)	Int'l tourist arrivals by air 1995 (%)	Change in tourist arrivals 1989-95 (%)	Change in arrivals by air 1989-95 (%)
Africa	13 822	6 414	46.4	19 206	8 130	42.3	38.9	26.7
Americas	87 242	40 643	46.6	110 386	56 446	51.1	26.5	38.9
E A P. <sup>1</sup>	46 326	29 367	63.4	79 659	44 676	56.1	71.9	52.1
Europe	271 040	76 803	28.3	336 378	93 785	27.9	24.1	22.1
Mid East	7 667	3 437	44.8	13 711	4 002	29.2	78.8	16.4
S Asia	3 054	2 465	80.7	4 301	3 329	77.4	40.8	35.0
Total	429 151	159 129	37.1	563 641	212 719	37.7	31.3	33.7

<sup>1</sup> E A P East Asia Pacific

Table 2. 1 International tourist arrivals by air 1989-1995

Source: WTO, 1997, Yearbook of Tourism Statistics Volume 1, World Tourism Organisation, Madrid

## **Time-space concepts**

Time-space concepts to be considered are; convergence, compression and distanciation. The relationship between distance and time is dynamic, advances in transport technology have brought places closer together thereby decreasing the significance of distance, hence time-space convergence (Janelle 1968).

Pawson (1992) traces time-space convergence for New Zealand through the development of different modes of transport, his study highlights the impact of different transport systems on rendering initial staging posts, such as New Plymouth, redundant and peripheral to the flow of passenger traffic between Wellington and Auckland. Gregory (1994) ascribes the concept of time-space compression to Harvey (1989) who discusses the 'annihilation of space by time' as an effect of capitalism which has speeded up the pace of life. New forms of communication and transport have compressed, or closed, distances such that the perceived distance between countries has made more distant tourist destinations more accessible in terms of time and cost. Thrift (1996), citing Bradley, illustrates the affect of transport improvements on the family domain through four generations, as an example of time-space distanciation. It can also be used as an example of motivation for tourism through a 'return to one's roots' whereby grandchildren seek out their family origins.

## **Time-space convergence**

Technological advances in forms of transport and communications have reduced the perceived distances between places bringing them closer together by reducing time taken for communication and travel (Figure 2.1). The net result of these

changes, together with competition that has lowered fares, is to increase the field of available destinations to potential tourists. The convergence of time-space and

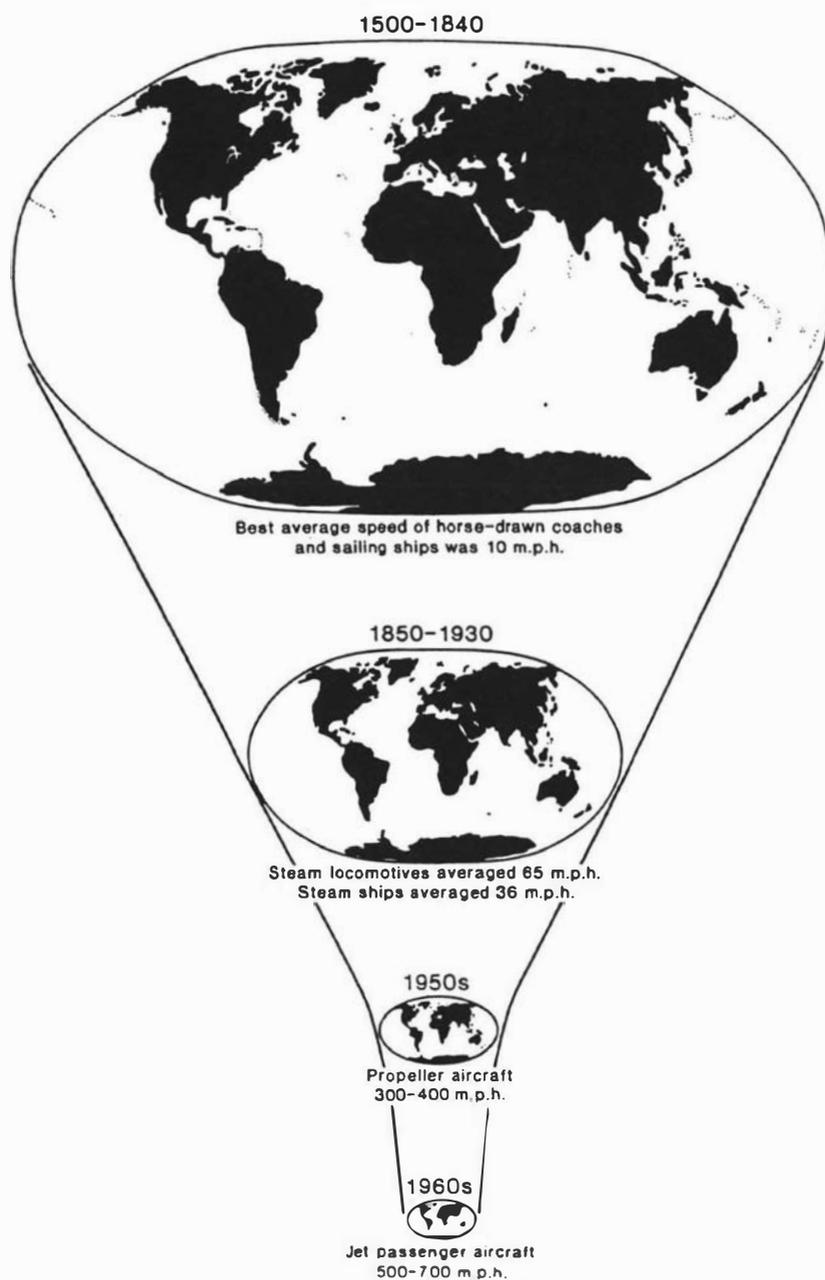


Figure 2.1 Time - space convergence, the shrinking world  
Source: Dicken 1992

cost which has enabled tourism to embrace an increasing number of destinations through bringing places closer together by reducing the actual travel time between places thus removing the perception of high time-distance costs by creating time and cost savings. Further, in addition to changes in transportation, developments in communications technology have also brought places closer together in terms of the speed of communication through telephone, fax and computer facilities. In the words of Capello (1994) technology had enabled the '*tyranny of space*' to be overcome. The key implication for tourism of technological developments in the computing and telecommunications areas has been the rise of a new flexible tourism system. IT developments allow batch production for niche markets and at the same time allow for the mass production and consumption of both inclusive travel packages. This flexibility enables principals and agents to operate in both mass and independent travel markets. By such means the demands of different class fractions and new social divisions, could be catered for by a changing tourism industry and help to provide an understanding of the complexity that is a feature of tourism.

Time-space convergence and compression play a vital role in the evolution of globalisation that may be defined in several ways. Firstly, as the process by which companies extend their operations to encompass the continents with offices and production distributed on a global scale. Secondly, increasing segmentation of demand allows tourism to extend the frontiers of exploration beyond the settled core countries to incorporate peripheral forest, desert and polar regions of the world. As stated elsewhere in this thesis there are few parts of the globe, and few

societies, untouched by the phenomenon. Thirdly, globalisation implies integration of the elements of production and consumption into a systematised whole where, in a tourism context attraction, transport, accommodation and activity are promoted and marketed to the consumer in a situation not divided by political, time and distance barriers.

Accessibility depends on transport, hence the demand for increased accessibility is, "...*the quest to decrease the transport (speed and cost)*..." (Janelle 1969: 351). The flip side to time-space convergence is time-space divergence which may be brought about by time losses through increased traffic density on highways designed to decrease travel time (Janelle 1969), or through the re-routing of road and air traffic to by-pass places previously serviced by those forms of passenger transport. The implications of this for international tourism and tourism development rest on the change from point to point routing to a hub and spoke network and code sharing arrangements by airlines which provides an increase in services. However, increased services lead to increased airport congestion and the necessity for new facilities as for example the expansion of London's Heathrow and Gatwick airports and the search for a third major airport to serve the city. In France, the extension of Charles de Gaulle airport and the development of new airports in Hong Kong and Tokyo all indicate an increase in air passenger traffic and responses to the problems of congestion. The development of long range passenger jets removed the necessity of service stops between Europe and South East and East Asia and also on trans Pacific routes. In the case of the latter, stopovers in Hawaii or Fiji are no longer necessary as aircraft are able to fly from the East Asia Pacific region direct to Vancouver, San Francisco or Los

Angeles. Similarly the polar route from Europe to north east Asia by-passes previous stop over points in North America. In terms of business travel, as a driver of tourism facilities, increased speed of travel reinforces globalisation as in the case of European buyers visiting New Zealand and Australia to conduct business (fieldwork 1995). Conversely, representatives of New Zealand companies are able to conduct business in overseas markets on a regular basis without significant time loss, although the risk of jet lag may impact on the performance of individuals. This has a direct impact of trade based on transit traffic, which in the case of Fiji has been partly responsible for the expansion of Air Pacific's route network to destinations in New Zealand and Australia (Figure 4.12).

Uneven development relates to the spatial distribution of different levels of economic development (Smith 1989), it is a necessary element of capitalist society which is based on owners of capital seeking to extract a profit from investment. Places that are less developed and which at present have relatively lower costs of development provide opportunities for profit making. In tourism investment in accommodation which provides a 'cheap' holiday is attractive to both the producer of the service and the consumer. Multinational companies in tourism are able to control the development of destinations where they receive a profitable return on investment due to favourable currency exchange rates. Time-space convergence has implications for uneven development in that investment in new and developing tourism destinations enhances spatial and social differences within destination countries. Secondly, by enabling a wider distribution of tourism flows the social distance between places is decreased as indigenous cultures come into increasing contact with tourists. Developers of tourist attractions build

on the different perceptions of physical and cultural characteristics of destinations; suppliers seek to interpret demands of tourists, satisfy them and lead in a direction which will profit investors in facilities and services.

The power of the individual to choose a destination based on personal knowledge and perceived needs, or wants, and enabled by changes in regulation and society is matched by the travel agent's desire to meet the consumer's demand. In so doing the designed package may lead the agent to develop an expertise whereby a niche market is identified, thus the general travel agent may be transformed into one supplying the demand for special interest tourism. In this way consumption led tourism is converted into one led by production. In terms of concentration of development the power of the producer is paramount to the development of a destination. In addition the initial investment triggers off successive rounds causing the agglomeration of activity as each player attempts to gain advantages of location or to consolidate the existing position. Such catalytic tourism development extends the process of uneven development in spatial economic, political and social terms.

### **Time-space distancing**

The growth of international trade results in the importation of the cultural baggage of the 'other' into those economies and cultures which had previously been largely independent of major trading nations. The onset of mass production has often led to an evolving cultural homogeneity in particular societies, marked by mass tourism and the emergence of an economy built on culture and cultural sameness, witness the global presence of McDonalds, Reebok, Levi jeans and Coca Cola. Time-space

compression which facilitates international travel therefore provides the vehicle by which social systems are extended across both time and space (Giddens 1984). As implied in the previous chapter the expansion of tourism was accompanied by the cultural mores of the tourist, including the social attitudes and values of the generator class and country. In general terms the tourist who comes from a more developed country may be regarded with envy by the resident population, thus the tourist's language, dress and manners may be perceived as superior, hence their acquisition imparts prestige. On the other hand the resident population may well look upon the tourist as an object of ridicule (Feifer 1985; Leiper 1995). In contrast the tourist may well elevate the residents' everyday agricultural, industrial and domestic tasks as worthy objects of his/her gaze. Included here is the purchase of everyday objects as souvenirs which not only remind the tourist of the holiday experience but which insert aspects of that host culture into a wider social sphere. Whilst aspects of the host culture that the tourist takes home may have value through reviving memories of the experience they may also be perceived as imparting prestige or status value in the eyes of the tourist's peers.

### **Integration in tourism**

Time-space relationships and power relationships in tourism can be seen as different aspects of integration. As time-space collapses, places are brought closer together in time (Janelle 1968, 1969). In tourism this encourages alliances between transport and accommodation providers that brings a wider range of generator and destination regions together reinforcing the concept of distanciation. These arrangements demand a flow of information which Poon (1988) recognised as the 'cement' which bonds' the operation of tourism together. Whilst this is

undoubtedly the case as far as the tourist is concerned it is necessary to extend the concept to include the exchange of commission between the various actors involved in the flow of information and movement of tourists. It is this which cements the integration of the system by which tourists are able to travel from a generator region and be accommodated in a destination. Although information is of vital importance to the smooth running of the tourism business, equity linkages between actors are of greater importance in that a vested interest in profit making is necessary for successful business partnerships (Mockler *et al* 1997; Mockler 1997).

The operation of tourism, that is the travel of a person, or persons, from a generator region or place, stay in a destination and return to the place of origin demands a degree of integration between actors. The successful operation of the process depends upon the flow of information (Poon 1988). The degree to which actors are integrated has changed through time. In the early phases of tourism development information was passed by word of mouth and by letter in an *ad hoc* way, the invention of the telegraph and telephone not only speeded up the process but provided a more reliable means by which information could flow. Improved information flows thus led to greater integration as actors able to communicate with each other came to be inter-dependent. Late 20th century improvements in communications systems, as discussed below, deepened integration as actors came to depend upon communications systems. In addition, time-space convergence widened the geographic domain of integration through locking in an increasing distribution of actors in transport and accommodation.

Integration of information, data and financial transactions across geographic space enabled tour operators to form tourism packages comprising transport and accommodation. Information flow through computer and telecommunication networks allow the tour operator and travel agency to access airline computer reservation systems (CRS) to book transport and accommodation where airlines, rental cars and hotel companies subscribe to a common system. Facilitating financial accounting between different actors is a task fulfilled by such organisations as Utell International which provides reservation, booking and accounting services to subscriber hotel companies. At a different level of integration reservation agencies such as Best Western and Flag Inns provide an international reservation service for member properties. Indeed, as Morrison (1994) states, it is a necessity for small hotels and motels to form or join marketing consortia in order to gain a wider distribution than can be achieved by working independently. By the same reasoning small operators subscribe to regional tourism organisations to gain economies of scale and scope in marketing their product. Information technology therefore can be seen to further time-space convergence through integrating producers at national and international levels.

Secondly, vertical and horizontal economic integration develops between firms as they seek economies of scale and scope. In the manufacturing sector the production chain comprises a sequence of value added functions which are transactionally related (Dicken and Thrift 1992). Tourism however, differs from this in that whilst there is a sequence of functions they are not transactionally related in a tangible value added form. They are however, related in terms of a production chain but are of intangible value in that they relate to an experience, consumed by a

third person, rather than a product. Control of the production chain is essential and as multinational companies (MNC) play an increasingly important role in the organisation of tourism there is a tendency for control to be centralised prior to devolution, hence the Paris headquarters of Club Méditerranée has the right of veto on regional investment (Club Med. pers. comm. 1995). Centralisation of control is also illustrated by the role of Utell International, the world's largest hotel reservation company, that provides a hub for the collection and dissemination of information and data flow between agents and actors (Utell, pers. comm. 1995). Hotels gain distribution through airline CRS via travel operators and agents, through its links with Galileo and other airline systems and its own dedicated system Utell is able to be accessed by operators, agents and hotels. Utell's marketing system includes an in-house advertising agency, an international exhibition programme and world-wide client mailing opportunities. The electronic mailing system Utell Vision allows agents to display photographs of hotels and rooms, reservations may be made via airline CRS or through Unison. Hotels may access Utell's data base directly via their PC/Modem to check on reservations and payments made through Paytell and Paycom (Figure 2.2).

Synergies to be gained by the integration of transport and accommodation are well illustrated by the establishment of railway hotels built either adjacent to, or integral with, railway stations. Railway hotels were the first purpose-built hotels, the earliest being opened at Euston station in 1839 (Simmons 1991). Similarly Coe (1985) and Eagle (1989) relate the building of hotels in western Canada to the expansion of the Canadian Pacific Railway across Alberta and British Columbia. Other examples are provided by the involvement of airlines in hotels and the

building of hotels at airports for example the establishment of Intercontinental Hotels as a Pan American Airlines subsidiary in 1946 (Van Doren 1993).

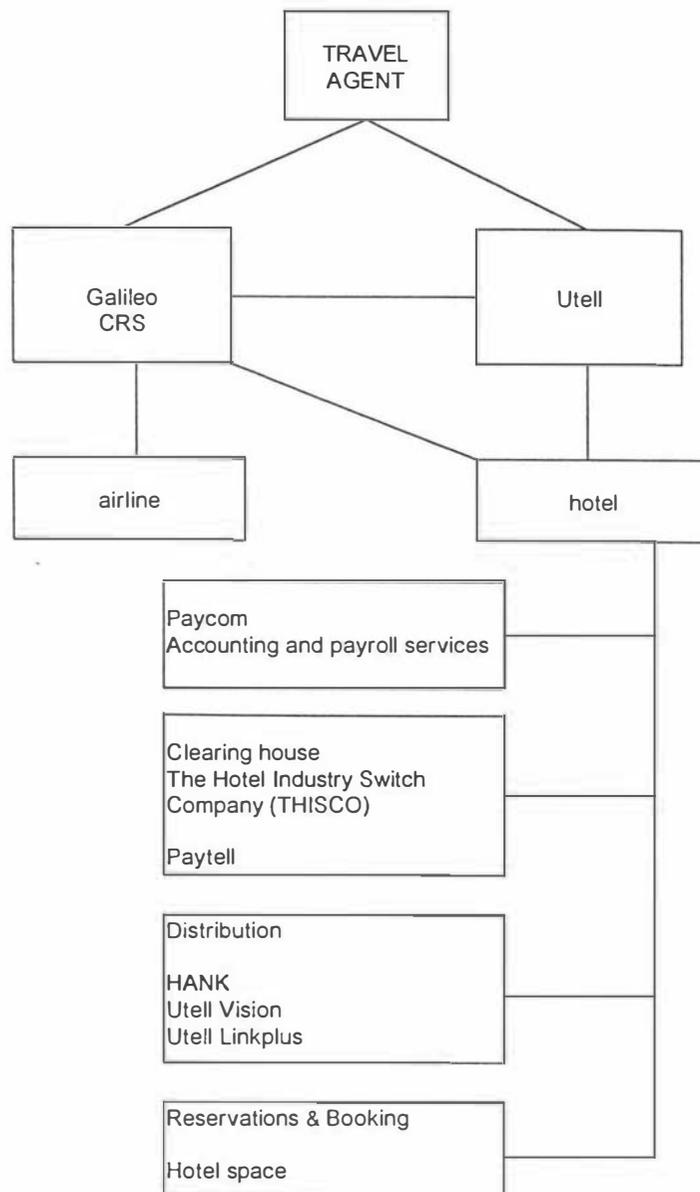


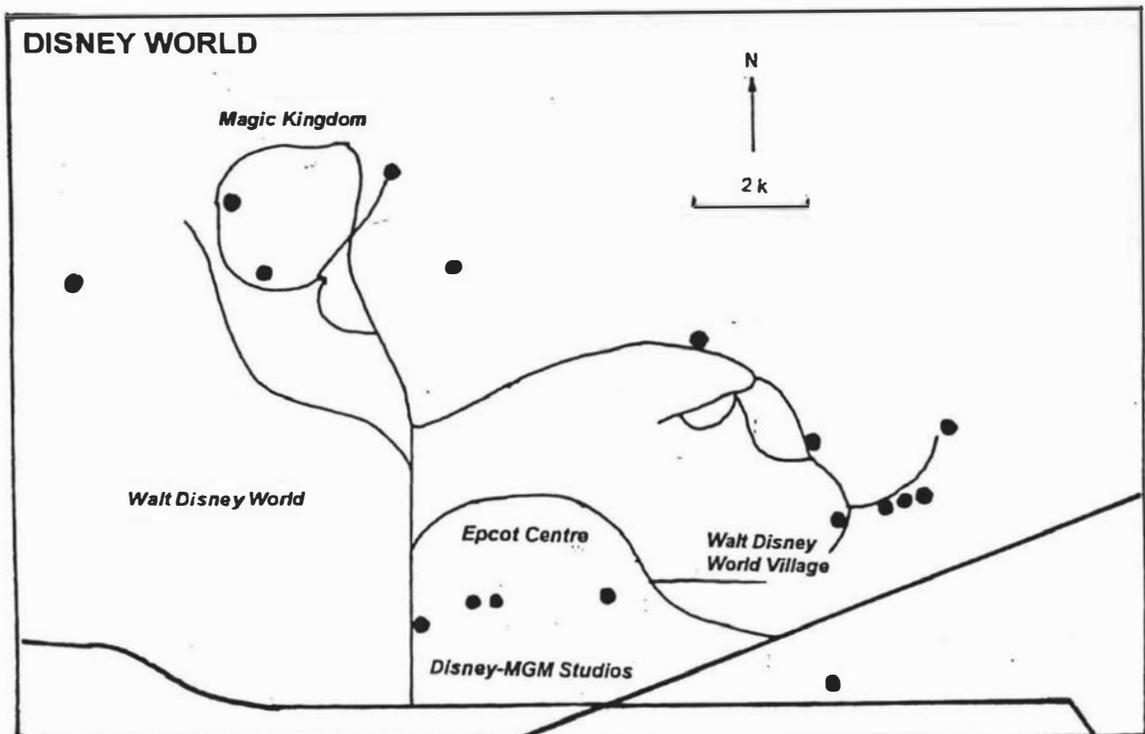
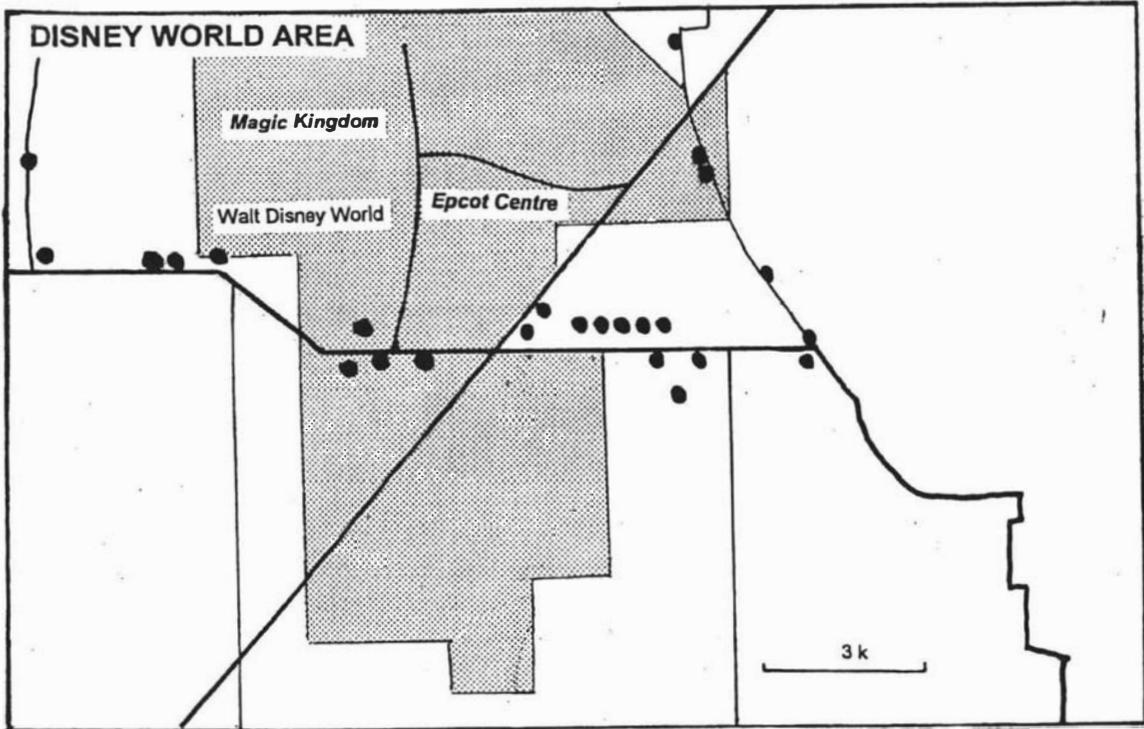
Figure 2.2 Utell International linkages

Source: Utell International, pers comm. 1995

Integration of accommodation with attraction is illustrated by the investment in theme parks by the Disney Corporation in Florida, Tokyo and France that

d'Hautesserre (1997: 18) describes as a profit driven trans-national corporation. As an integrative development that includes investment in hotel accommodation as part of the overall facility Disney parks act as magnets for other hotel accommodation. This is illustrated by Figure 2.3 that identifies 17 Disney Hotels and 26 other hotels in the Disney World area at Orlando, Florida.

Competition between airlines after US airline deregulation in 1978 instigated mergers, take-overs and the formation of alliances as companies sought to maintain a competitive edge in the market place. Fare-based competition on the major route networks put airlines into head-on competition with each other, eventually competition became based on service quality as price/profit margins decreased. The realisation that cooperation rather than competition would be beneficial for different players led to the emergence of code share alliances and other strategic alliances where savings could be made as a result of cost sharing. Contracting out of services is one means by which airlines aim to achieve efficiency gains, cost savings and hence improve competitiveness by utilising economies of scale for cargo handling and technical services at international airports. An example of this is provided by Ballantyne (1997) who records that Air New Zealand's mainframe operation is managed by IBM, and that personal computers (PCs) and local area networks (LANs) are contracted out to Wang New Zealand. The company is therefore able to concentrate on its core business of running an airline not a computer business. British Airways restructured its cargo sales and handling in Australia relocating them under Qantas as an ongoing process of the two airlines' alliance (Coates 1997). Qantas and BA both benefit



● - hotel

Figure 2.3. Hotel location in the Disney World area of Florida  
Source: Hotels and Travel Index 1992

from joint purchasing of fuel, catering and catering equipment, hotel accommodation, ground handling and engineering spares. Other gains include knowledge sharing, information technology, freight and in flight entertainment (Qantas 1997). Singapore Airlines, Ansett International, Ansett Australia and Air New Zealand's commercial alliance includes joint purchasing arrangements and cargo operations (Singapore Airlines 1997).

From the mid 1970s many national economies began to adopt a more market driven philosophy through restructuring to create a more competitive environment. To achieve this corporate organisations began to contract out those aspects of production where costs could be saved. In New Zealand, a similar trend resulted in the reorganisation of local government following the 1989 Local Government Act; local government service provision was either sold off, continued as a local authority trading enterprise (LATE) or contracted out (Pawson 1996). In the airline industry alliances with other companies resulted in the reciprocal employment of technical and service staff at foreign airports. Manufacturing companies such as IBM and the Ford Motor Company formed alliances whereby componentry was outsourced to specialist firms that bore the costs and risks of research and development (Langlois 1992). In such a way Fordist mass production and internal sourcing was gradually replaced by more cost efficient and flexible processes. The mechanism that greatly enabled the disintegration of large vertically and horizontally integrated enterprises was information technology. In effect the alliances which eventuated in the new economic environment can be seen as diagonal integration. A similar trend

emerged in tourism with segmentation of demand leading to the development of new specialised niche products.

### **From Fordism to post Fordism**

The third and fourth phases of tourism development witness the rise of mass tourism characterised by the principles of Fordism. Central to Fordism is internal sourcing of resources and non-reliance on external suppliers, hence vertical integration is the major characteristic of mass production, resources are accumulated and stored ready for use. Such a system requires an inventory just in case a particular resource is needed; additional to this is the inter-changeability of resources, or parts, that can be assembled to produce a range of similar, but different products. Akin to Ford's concept of assembling large numbers of a limited range of vehicles mass tourism transported large numbers of tourists to a limited range of destinations. Similarly Fordist production is characterised by concentration of investment in a limited number of plants which provides it with a 'spatial fix' (Harvey 1982, cited by Hudson 1992). In the tourism arena this equates with investment in a restricted number of destinations or accommodation facilities. Examples of this are provided by the holiday camp movement typified by Butlins and Pontins and caricatured by the television programme 'Hi de Hi'. Club Méditerranée which organised rail transport, tent and later chalet accommodation plus a range of activities is a further illustration of mass produced holiday, tourist, experiences. If catering for a mass market is taken as the major criterion the current trend towards cruise tourism is a more recent form of Fordist organisation. In tourism central control of resources rests in the hands of tour operators who coordinate transport and accommodation and promote it as a package to a range of travel agents. These elements of Fordism are also the hallmarks of the major

chain hotel companies that draw on internal managerial expertise to develop and maintain their own individual corporate culture. Access to a wide market that increases purchasing power gives the tour operator a competitive advantage over individual travel agents whose market is small and who cannot guarantee sales. Consequently agents become locked into a system of dependence on the operator to provide, or supply, competitive prices. Tour operators therefore have, in effect, acquired a monopoly over both outbound and inbound travel through their power to negotiate rates with multi-national transport and accommodation corporations. The facility for arranging transport and accommodation as inclusive packages comprising a range of options involving different airlines, hotel chains and rental car companies typifies Fordist mass production. Whilst not owning or controlling the supply of resources in the same way as in manufacturing industry vertical integration is achieved through the tour operator's ability to exert power over suppliers and hence assemble a set of 'parts' into a range of similar products for sale.

During the 1980s western economies came under increasing competition from newly industrialising countries, rising prices, and increasing labour unrest and costs. In manufacturing industry the need for nation states to be more competitive heralded a move to a more market driven economy which led to a process of restructuring in both public and private sectors. Harvey's (1989) observation of the displacement of older managerial styles by a more entrepreneurial regime in urban government, and one echoed by the 1989 Local Government Act in New Zealand, is a reflection of a more general change in focus to a more flexible and competitive environment. In the manufacturing sector disintegration of vertical

and horizontal alliances was accompanied by the emergence of what Poon (1993) refers to as diagonal integration marked by contracting out as a means of risk shedding. These arrangements which reduce the need to carry extensive inventory are facilitated by information technology which enables the assemblage of goods from components assembled elsewhere. In contrast to Fordism the more flexible arrangements and organisation labelled post Fordism involves changes in labour relations such as multi-skilled individuals and teams in contrast to single task oriented assembly line occupations. Different employment arrangements involving short-term contracts produce flow on effects that in turn raise implications for tourism.

Whilst changes in the pattern of consumption brought about by the technological revolution enabled tour operators to maintain their position in the tourism production system demand for individually tailored packages to existing and new destinations placed them under increasing pressure to change. Information technology in the form of computer reservation systems, increased exposure to travel and the desire to visit new places encouraged the more entrepreneurial agents to exploit expanding niche markets. The more efficient new technology gave agents direct access to airlines and hotels freeing them from operators. With access to a wider range of information agents were able to be more flexible in assembling a wide range of tours to an increasing range of destinations. The changes which characterise post-Fordism are the essence of what underpins the emergence of what Poon (1993) designates 'new tourism'. Taking the situation a step further the growth of the internet has made it possible for individuals to book transport and accommodation without recourse to the travel agent. Although this

possibly offers the ultimate in flexibility there are constraints. The usefulness of the information is only as good as its availability and level of inter-activeness. Needless to say the availability and usefulness of data are spatially and temporally uneven in their distribution. However, this form of competition adds new meaning to the term independent tourism and places a query over the future of the travel agent,

At the global scale post-Fordist principles underlie integration through strategic alliances based on synergies to be gained from complementarity of product, or service and may or may not have equity links (Wells and Cooke 1991). One example is the merger of Utell International and Anasazi Inc. that was driven by Utell's search for improved technology systems and technological expertise that effectively led to the merger with what was seen as an potential industry rival (Utell 1997). The former company, as noted above, has a global presence in hotel marketing and finance transaction management, the latter has strengths in hotel management systems. The integrated company, REZsolutions Inc. is jointly owned by Reed Elsevier and Anasazi Inc. with a headquarters office in Phoenix, Arizona, the home of the latter partner. According to the management team, led by an Anasazi CEO, it will be operated as three separate business units; technology, representation and brands. The former led by an Anasazi representative and the latter two by Utell representatives thus utilising the combined strength of the two companies while maintaining parity of relations between the personnel of the two partners. The advantages of the merger to both partners and for travel agents are tabulated in table 2.2.

Utell International	Anasazi Inc.	Travel Agents
<ul style="list-style-type: none"> <li>• Expanded N. American presence in markets already served</li> <li>• Added depth</li> <li>• Easier access to Anasazi's technology</li> <li>• Access to technological products which will enable hotels to better control their yield management</li> <li>• Members benefit from highly skilled developers and technical personnel working with the latest tools and programming techniques, and experts who can translate technical functionality into customer benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Access to Utell's global infrastructure and local presence via offices staffed with those who know the local markets, culture, customs and language</li> <li>• Access to Utell's marketing expertise and comprehensive portfolio of marketing products and services</li> <li>• Access to Utell's extensive network of travel agent relationships</li> <li>• Ability to tap into Utell's dedicated customer support and service network</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded portfolio of hotels - the largest global portfolio available - which travel agents can access through a single source</li> <li>• Greater number of N. American hotels available through Utell and added depth in other markets</li> <li>• Increased and superior information on the member hotels accessed on the GDS as a result of expanded Anasazi technology</li> <li>• Expanded services within both reservations and customer service departments</li> </ul>

Table 2.2 Advantages of the Utell - Anasazi merger to both partners and to travel agents  
Source: Utell International 1997, <http://www.rezsolutions.com/11124fact.htm>  
Pers. comm. Utell International 1997

## Conclusion

The development of tourism can be conceptualised as a process of widening and deepening integration amongst places and actors. Developments in transport and communication, especially information technology, have led to time-space compression and convergence which have enabled a wider spatial distribution and flow of tourism and, at the same time have widened the sphere of influence of those social and cultural structures that characterise the tourist. Tourists are attracted to places that have been marked as worthy of their attention. It therefore follows that those places not signalled as worthy of attention do not attract the same segment of tourists. The power of the person, or persons, who mark a site or sight as having touristic worth in effect ensures that development is spatially uneven. It is also significant that the perception of attractiveness varies through time, hence tourism development is uneven not only spatially but also temporally (Table 1.1). The form and size of investment, and consequently development, also varies in time and space thus tourism provides a vehicle for a fresh examination of the nature of uneven development.

The phases of development in tourism summarised in Table 1.1 are characterised by a complex of features and the transition from one phase to the next is precipitated by changes in one or more dimensions. In the early phases tourism was essentially led by consumption, facilitation being organised on a one off, *ad hoc* basis. Each of the different dimensions of tourism, transport, accommodation and attraction developed largely independently of the others as entrepreneurial operations. Mechanised transport was developed essentially for the carriage of goods and, with the exception of the aristocracy, not for the carriage of people.

This is demonstrated by the development of river and canal boat networks; likewise railways were developed in England for the carriage of coal from pithead to point of shipment at coastal, river or canal wharf (Perkin 1970). The provision of accommodation for travellers was as an adjunct to other purposes; the tavern provided a floor to sleep on for those who were passing through. Inns by definition provided accommodation but generally of poor quality. The grand tourists were reliant on family and friends. The age of hotels dedicated to the traveller did not emerge until after the founding of railways when they were established as a means of increasing revenue from what was seen as a captive market. Attractions, both cultural and natural, were noted by travellers and places to visit noted and passed on by word of mouth; guide books such as those produced by Murray and Baedeker listed and described those places, sites and sights which were worthy of the tourist's attention. In such a way, and later through film and the electronic media, places were promoted and commodified for the purposes of tourism. Until the establishment of a systematically organised process of transport, accommodation and visits to attractions was developed by people such as Thomas Cook tourism could not be regarded as a business.

During the third phase integration between transport and accommodation emerged. More efficient means of transport developed and independent tourism began to be replaced by mass tourism. The height of production-led mass tourism was reached in the fourth and subsequent fifth phase. During the latter phase changes in economic organisation and society and improvements in communications stimulated consumption resulting in the rise of independent tourism from the early 1980s. The net result of these changes in geographical

terms is an increasing number of generating and destination regions and the consequent globalisation of tourism. However, the very nature of tourism under capitalism has resulted in the uneven nature of its development and distribution. Likewise the impacts of tourism differ according to changing economic and political conditions within and between generator and destination regions.

## Chapter 3

### TOURISM DEVELOPMENTS

#### Introduction

This chapter takes a chronological view of tourism development based on five historical phases (Table 1.1) that are characterised by two broadly different themes. Prior to the outbreak of World War Two the evolution of different modes of transport enabled travel for leisure, and for business, to extend across a widening range of origins and destinations. In the post war period integration was essentially concerned with the intensification and concentration of control and operation of tourism as a business. In social terms tourism as a leisure activity gradually broadened from a narrow cohort comprising the nobility and upper classes to include, by the end of the 20th century, people from all social classes in developed nations.

It was the initial promotion of excursions and tours to domestic and overseas destinations by Thomas Cook and Son which led to an increase in the number of people travelling for leisure during the second half of the 19th century. Whilst group travel increased as a result of the spread of the railway the invention and development of the internal combustion engine and the motor car led to a rise in independent travel. This was, in England and Europe, essentially restricted to the upper class but with the invention of the charabanc became open to the middle class. Developments in the United States differed from those in Europe in that the mass production of the motor vehicle during the inter-war period gave greater independence to a wider range of people enabling them to engage in domestic

tourism to a greater degree than their counterparts in Europe. As Table 3.2 indicates, a widening tourist cohort and the subsequent emergence of a greater number of destinations parallels industrial activity and forms of organisation. In the two early phases of development transport and accommodation operated independently of each other, information flows were essentially limited to word of mouth and the print media, and foreign currency organised at an individual level. In the third phase which ended with the outbreak of war in 1939 transport developments and more efficient and effective means of communication were established, in addition synergies to be gained from integration between transport and accommodation were realised. Social and regulatory change from the late 19th century, including paid holidays, enabled more people to engage in tourism. The social conscience of church, youth and sporting clubs witnessed the growth of group outings including picnics and camps for young people, within this area of interest is placed the holiday camp which provided a reproducible experience for large numbers of middle and low income families (Ward and Hardy 1986). In effect this development marks the emergence of tourism for the lower middle classes who could not afford the time and cost of Cook's tours.

### **The extensification of integration**

The three phases of tourism development that cover the period up the outbreak of World War Two are characterised by an extension of tourism which integrated a widening range of destinations into the economy of the developed nations of Europe and North America.

***Phase 1: pre 1841***

Prior to 1841 travel for leisure was essentially confined to the wealthy classes who travelled for a variety of reasons, for example family, education and sightseeing. In addition there was a well established round of travel in the form of both domestic and international pilgrimage, and during the Middle Ages crusades. Business travel had always been important as a motivator for tourism dating back to the ancient civilisations of the Mediterranean Basin (Feifer 1986; Leiper 1990). Although he was not the first, nor only organiser of rail excursions, Thomas Cook is widely recognised as the 'father' of modern tourism. It was in 1841 that he organised the first commercial rail excursion that brought the possibility of travel to a middle class which hitherto had largely been unable to travel for leisure purposes because of cost and lack of organisation (Pudney 1956; Swinglehurst 1982).

The 'Grand Tour' (Towner 1985) had been the vehicle by which the younger sons of the landed classes of peers and gentry, and later the professional middle classes principally of England, broadened their education. This was achieved through visits to the cultural centres of Europe where they attended the courts and universities in order to learn languages, sciences and arts, and philosophy. The mode of travel determined by social status devolved into carriage, stage coach, on horse back or on foot. Contemporary accounts of the grand tour and guidebooks were a source of information to many (Bromley 1692; Martyn 1787; Cobbett 1830 cited by Towner 1985). The elite classes, however, were able to rely on a well-established network of family and relations through marriage plus acquaintances with whom they kept in touch and with whom they could stay. In

such a way information about places and people to visit was spread by word of mouth.

In the initial years of the Grand Tour the tourists were concerned to visit centres of learning in order to complete their education; the typical route was from Paris through Switzerland to Italy (Figure 3.1). Cultural centres of Europe were visited on a regular basis. In addition spas, and later casinos, became the popular destinations where social pressure and expectations made it almost *de rigeur* to be seen. The landscapes of Tuscany, the Loire Valley and the Alps made popular by such writers as William Cox and William Wordsworth led to a gradual change in destination as rural areas replaced urban ones (Turner and Ash 1975). In effect the decline of the Grand Tour was matched by the rise of tourism based on scenic attraction, the focus of learning being replaced by seeing (Adler 1989). In this initial period there were few hotels as such, hostelries were few and far between and generally unsanitary and unsafe for the wealthy to stay in. The houses of friends and acquaintances, their peer groups, the houses of those whom they visited for education were the places in which they stayed.

During the 17th and early 18th centuries the Grand Tour evolved from what had been primarily an educational undertaking to one of a less serious, leisurely perambulation through the European continent. Although the Grand Tour *per se* essentially describes the English abroad travel was by no means confined to them, accounts of Italian and German tourists (Towner 1985) indicate that during the 17th, 18th and 19th centuries there was a considerable amount of

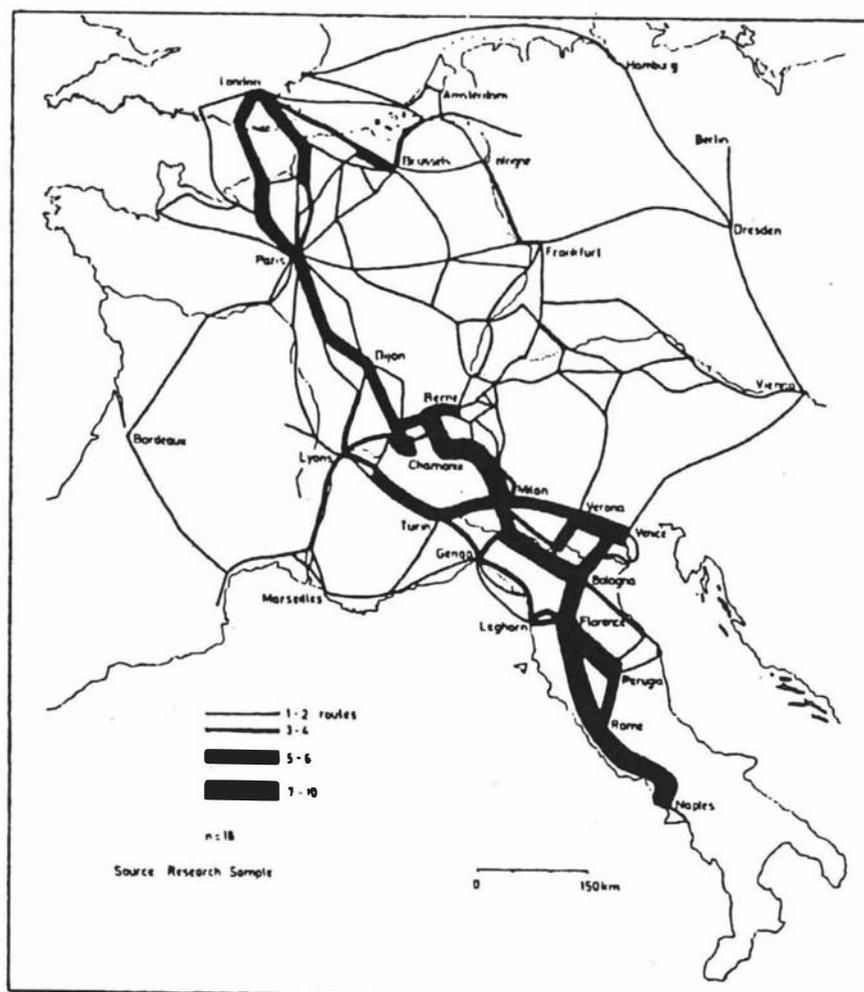


Figure 3.1 The Grand Tour 1814-1820  
Source: Towner 1985

inter-state travel within Europe. Americans entered the arena from the early 1800s initiating what be regarded as start of a trans-Atlantic tourism trend that expanded during the latter part of the century. Feifer (1985) describes the change through a series of snapshots that reveal a change in the attitudes of the Grand Tourists towards the inhabitants of the countries visited from one of respect to one of disdain. This is, perhaps, a result of the greater number of middle class tourists who ventured onto the European mainland for leisure purposes, rather than for educational reasons. Additionally, improvements in the

general availability and standard of education no doubt contributed to the change in terms of a decline in amateur scientific exploration, and the rise of the professional scientist. Towner (1985) also calls on the increasing awareness of environment as an attraction, portrayed by the romantic artists and writers of the mid to late 18th century, the mountain and rural nature of landscape came to be an attraction in itself. Indeed, works of literature such as Rousseau's *Emile*, first published in 1762, stimulated travel to rural destinations

Although early tourism was generally organised at an individual level the realisation that increasing numbers of travellers passing through, or visiting, such places as Brussels, Paris, Berne, Chamonix, Turin, Milan, Venice, Florence, Rome, and Naples (Figure 3.1) required accommodation. This eventuated in the establishment of hostels and hotels to meet their needs. Thus the Grand Tour can be viewed as a key phase in establishing a network of services for an expanding tourism business.

### ***Phase 2: 1840 - 1869 The age of steam transport***

Stationary steam engines had formed the motive power for pumping and hauling since the end of the 18th century. However, it was not until the mid 1820s that their use as a means of transport was successfully applied to railways. Steam engines were developed and built with private capital in England, later they were exported to other continents as trade and the British Empire expanded, Table 3.1 indicates the expansion and spread of railways from 1825. Although originally intended to transport coal and other heavy and bulky goods the railway was to

become the prime mover of people for both pleasure and business in both domestic and international arenas during the period 1850 to 1925.

CONTINENT	1825-49 <sup>1</sup>	1850-74	1975-99	1900-24	1925-49	1950-77
Europe	17 <sup>2</sup>	8				
North America	2	1				
Central America	2	1	4			
South America		9	1	4		
Africa		2	7	16	3	4
Middle East		1	3	3	1	
Asia		5	8	1	2	
Australasia		2				

Table 3.1 Railway expansion by country and continent, 1825 - 1977

Notes:

<sup>1</sup> 1825 marks the widespread introduction of railway development; it is implicit that passenger use of railways dates from 1840

<sup>2</sup> numbers refer to the number of countries in which railways were built

Source: derived from Nock 1978: 8

The key change in this phase of tourism development lies in the commercial coordination of transport for leisure purposes. Railway companies in England were quick to recognise the potential for revenue earning. From 1830 onwards railway companies ran sight-seeing excursions, visits to festivals and public executions (Simmons 1991). In 1841 Thomas Cook, Secretary of the South Midland Temperance Association, arranged rail transport from Leicester to Loughborough for a group to attend a temperance rally (Feifer 1985). It was the success of this venture that encouraged him to organise other trips for purely commercial reasons. On these later ventures Cook accompanied groups of tourists on holidays to North Wales, the English Lake District and the Scottish Highlands. Advances in steam powered transport further encouraged Cook to extend his tours to the mainland of Europe and later to destinations which lay further afield. Railway extension and development through improvements in comfort, safety and speed encouraged passenger travel and tourism. Tunnel and

bridge building which reduced distances and improved access motivated tourists to travel further afield, hence tourism, railway growth and economic development are inter-related. Further to this, the realisation by railway companies that the provision of hotel accommodation as an added attraction, led to their investment in such facilities in London and elsewhere (Simmons, 1991).

The importance of Cook's enterprise, organisational and entrepreneurial skills is measured by a widening of the tourist market in Britain. The growing British middle class were able to travel and, as incomes rose, travel was brought within reach of an ever widening population. An aspiring middle class sought to visit those destinations previously only accessible to the elite of society. It was Cook's organisation which enabled the middle class to travel to other countries, and which brought them into contact with an English elite who either had second homes in Europe or, who had migrated to a permanent home in what was to become a tourist destination. The advent of Cook's tourists into such places which had been adopted by the expatriate English resulted in the term 'tourist' being used in a disparaging way (Leiper 1990). The congregation of tourists in such places had the effect of reducing the perceived status of these places, resulting in the departure of the elite to less accessible places. The derogatory use of the term was not confined to European city locations alone. Soane (1993:40) quotes Granville by way of illustrating the reaction of the elites of society to the '*everybody*' and '*anybody*' who by congregating in such places as Bournemouth lowered the overall ambience of the town as a resort. The perception of what was deemed to be fashionable was reinforced by the social mores of the time and strengthens the notion that social change and social

pressure are important in the development of resorts. The reinterpretation of such places is an ongoing process as expectations and perceptions change through time. The recognition of sea bathing as a beneficial activity was rendered socially acceptable through royal patronage (Gilbert 1949) which consequently impacted on the growth of Brighton and on other coastal resorts. Gilbert (1949) and Nash (1979) in their discussion of Brighton and Nice respectively provide examples of a sequence of tourist occupancy of such resorts noting changes in fashion and desirability of destinations. In Figure 2.2 the widening band and opening spiral indicates the increasing numbers of people travelling to an increasing geographical range of destinations. This wider range included Sunday and seaside excursions, transport to races and, as noted above, to fairs and festivals. As Perkin (1970: 201) states, "*modern holidays are a product of the Railway Age.*"

The extension of the railway network had implications for uneven development, prior to its arrival the inland spas of England such as Bath, Buxton and Tunbridge Wells catered for the fashionable clientele including royalty. Railway access to the seaside resorts patronised by royalty led to a focus of attention on places such as Brighton, Scarborough, Blackpool to which cheap excursion fares were available (Simmons 1991). In consequence the former inland spas suffered declining prestige, popularity and eventual loss of function as new fashionable seaside resorts grew in size and popularity (Perkin 1970).

Thomas Cook's organisation of rail travel provided the means by which the middle classes could escape from their humdrum urban, working environment. However,

it was those with the time and money with which to indulge themselves in travel who dominated tourism in the mid to late 19th century, thus the contemporary form of industrial organisation, or mode of social regulation, determined the class structure of the tourist population. The growing middle class was enabled to travel and as incomes rose travel was brought within reach of an ever-widening population. The impact of this was the eventual displacement of the wealthier elite class of society from many of the traditional European destinations as is indicated in Table 3.2 which traces changes in tourist cohort and destination and evolving forms of industrial activity and forms of organisation.

The development of steam power stimulated the development of engineering providing the main carrier for economic development in Britain, Germany, Belgium and France in Europe and later in North America. Industrial growth that produced the steam railway and steamship led to rural depopulation as populations migrated to urban centres to work in the industrial complexes. This migration in turn was itself responsible for the growth of an urban, industrial, working class and the eventual emergence of a middle class of managers and shopkeepers who were able to avail themselves of travel for leisure. As rail networks and social classes expanded so too did tourism flows and hotel building.

The application of steam to shipping ended dependence on winds and tides, and by reducing travel time through increased speed the continents were brought closer together setting a foundation for the development and expansion of inter continental tourism. Trans-oceanic travel remained largely in the domain of the steamship until the improvements in air transport in the 1950s and 1960s. Prior

to this air travel was expensive and, with the exception of airships, could carry few passengers.

TIME PERIOD	INDUSTRIAL ACTIVITY; MODE OF TRANSPORT	FORM OF ORGANISATION	TOURIST COHORT	MAJOR DESTINATION
pre 1750	pre industrial	Familial and class contacts	landed class	Grand Tour of Europe
1750 - 1800	early mechanisation		landed class bourgeoisie	Spa Grand Tour
1800-1840	steam power & railways		landed class bourgeoisie	Seaside Spa
1840-1875	steam power railways & shipping	Early entrepreneurialism	landed class bourgeoisie lower class	Med. Sea in winter, Rhine tour Seaside resort Excursion trains
1875-1900	steam power electrical and heavy engineering	Entrepreneurialism	landed class bourgeoisie lower class	Alpinism/ Med Sea in winter Med. Sea in winter, Rhine tour Seaside resort
1900-1930	electrical and heavy engineering	Early Fordism	landed class bourgeoisie lower class	World tour Alpinism/Med sea in summer Seaside resort/spa
1930-1950	mass production automobile	Fordism	landed class bourgeoisie lower class	World Tour Alpinism/Med sea Holiday camps
1950-1980	transition electricals to electronics	Transition Fordism to post Fordism	landed class bourgeoisie & lower class	World tour/cruise Inclusive package tours
post 1950	flexible specialisation automobile aircraft	Post Fordism	blurred class boundaries generally inclusive of whole population	Independent tourism replaces mass tourism, increasing segmentation

Table 3.2. Industrial activity and tourism.

Source; Poon 1993, Steinecke 1993.

### *Integration*

In a pattern similar to the provision of coaching inns of previous times major city centres provided sites for the establishment of railway hotels built either adjacent to, or integral with, railway stations. Railway hotels were the first purpose-built hotels,

the earliest being opened at Euston station to service the Great Northern Railway Company in 1839 (Simmons 1991). Built and managed by organisations, such as the Metropolitan Hotel Company, separate from the railway companies which did not have hotel management in their charters, they were noted for their clean and comfortable accommodation at reasonable prices according to Baedeker's guide (Simmons 1991). Increases in the number of travellers and the success of railway hotels provided the incentive for competition, other hotels established in the vicinity of the railway stations developing what could be seen as an incipient accommodation zone characterised by the agglomeration of hotels, entertainment and retail shopping (Kellett 1969).

Railway companies extended their hotel activities beyond the terminus to include points of transit at the interface between rail and sea transport, for example on the coasts of Britain hotels were established at Harwich, Dover, Folkestone and Neyland to service the cross Channel traffic between England the continent and Ireland. A further series of investment saw the development through acquisition, or construction, of sea-side resort hotels and, in Scotland, hotels associated with golf, an example of the former being the Zetland at Saltburn in 1863 and of the latter, the Gleneagles Hotel opened in 1924 (Simmons 1991).

Mirroring the British pattern of hotel location the Canadian Pacific Railway constructed resort hotels at Banff Springs in 1886-8, and Lake Louise (Coo, 1985). Later the company built and operated Hotel Vancouver in Victoria, its prime purpose being the accommodation of passengers arriving by rail, and with a later addition, those arriving by sea. Encouragement to build a new hotel or

purchasing an existing one was made by way of tax exemption incentives offered to the company by the Victoria City Council and Victoria Tourist Association (Eagle 1989). In mainland Europe some of the first hotels in Switzerland, for example in Lucerne, Zurich and Interlaken, were built to accommodate railway delivered Cook's tourists (Swinglehurst 1982).

The city centre hotel and railway station were perceived as marks of urban maturity and prestige, as implied by Gilbert (1949) with respect to Brighton, likewise port located hotel properties were viewed in a similar vein. In conveying travellers to particular destinations railway company activity was the cause of uneven development which, in turn, reinforced the nature of its business through the establishment of hotels and consequently their promotion. Indeed the very existence of railway access provided those places in its immediate hinterland with an advantage over places distant from it.

By the 1860s Thomas Cook had extended his operations to Europe with tours to Cologne and Strasbourg, Paris, the Mediterranean and the Alps of France and Switzerland (Swinglehurst 1982). There were relatively few obstacles to travel, apart from wars on the continent of Europe, and there was a steady increase in the number of people travelling for holiday purposes.

### ***Phase 3: 1869 - 1939 World tourism***

The opening of the Suez Canal in 1869 marks transition to a third phase of development. During this phase the application of steam power to shipping led to the extension of tourism in terms of both the numbers of people travelling and the

number of destinations as European countries extended their colonial reach. On the European continent travel agencies similar to that of Thomas Cook were established in Germany. The spread of railways and increasing wealth of the upper middle classes resulted in an increase in the number of people travelling. British and European royalty visiting such places as Cannes and Monte Carlo popularised those places and guide books by Cook, Dean and Dawson, Murray, Chambers, Simpkin and Marshall in addition to the established Baedeker guides (Vaughan 1974; Swinglehurst 1982). Additionally novels that romanticised the Alps and the foundation of Alpine climbing and skiing clubs helped to stimulate travel for pleasure to those areas (Turner and Ash 1975). Cook's first tour to Africa and an expansion of his interests in the eastern Mediterranean in 1869, ensured that by the end of the 1880s his name had become an institution in the British Empire; indeed his name had become synonymous with tourism. An understanding of the expansion of Cook's business in terms of places which were travelled through and destinations visited can be reached with reference to the political and economic strength and influence of Britain during the mid to late 19th century.

Technical advances in steam and later diesel propulsion at sea resulted in time savings on trans-Atlantic routes (Figure 3.3). As shipping companies expanded so

<b>Vessel and date</b>	<b>Time</b>
City of Paris; 1888	6 days
Mauretania 1910	4 days 10 hours and 41 minutes,
Bremen 1929	4 days, 14 hours
United States 1952	3 days 10 hours

Table 3.3 Time-space compression on North:Atlantic shipping routes 1888 - 1952  
Source: Walker 1982

many were given government aid to assist with the costs of construction, similarly dock construction also was granted government aid (Walker 1982). Time-compression and the savings made possible by increased fuel efficiencies led to a widening of the tourist cohort (Table 3.2; Figure 3.2).

### *Change in the nature of holiday taking*

Travel for leisure had traditionally been the preserve of the middle and upper classes, the lower classes being unable to afford travel other than the occasional day trip to the seaside. In England it was perhaps social conscience which prompted such organisations as the Boys' Brigade and Boy Scouts, Clarion Cyclists' Clubs and church groups such as the Presbyterians to establish holiday camps for the children of working class families. It was the latter group who established the first holiday camp *per se* on the Isle of Man (Ward and Hardy 1986). The concept of the holiday camp introduced to England by Billy Butlin expanded through the 1930s; by 1939 there were some 175 holiday camp sites in England and Wales. The major concentrations of these camps were the Lincolnshire coast, South East England, the Hampshire Basin and North Wales that together accounted for 60 per cent. Although the concept of the holiday camp changed through time in terms of a diminishing regimentation it still remains a popular means of holiday taking. There has been a shift away from Lincolnshire and a concentration on the south coast of England from the Hampshire basin to the South West which together accounted for about 65 per cent of camp sites in the late 1970s (Ward and Hardy 1986). In the New Zealand context camping as an activity was organised along military lines by the YMCA

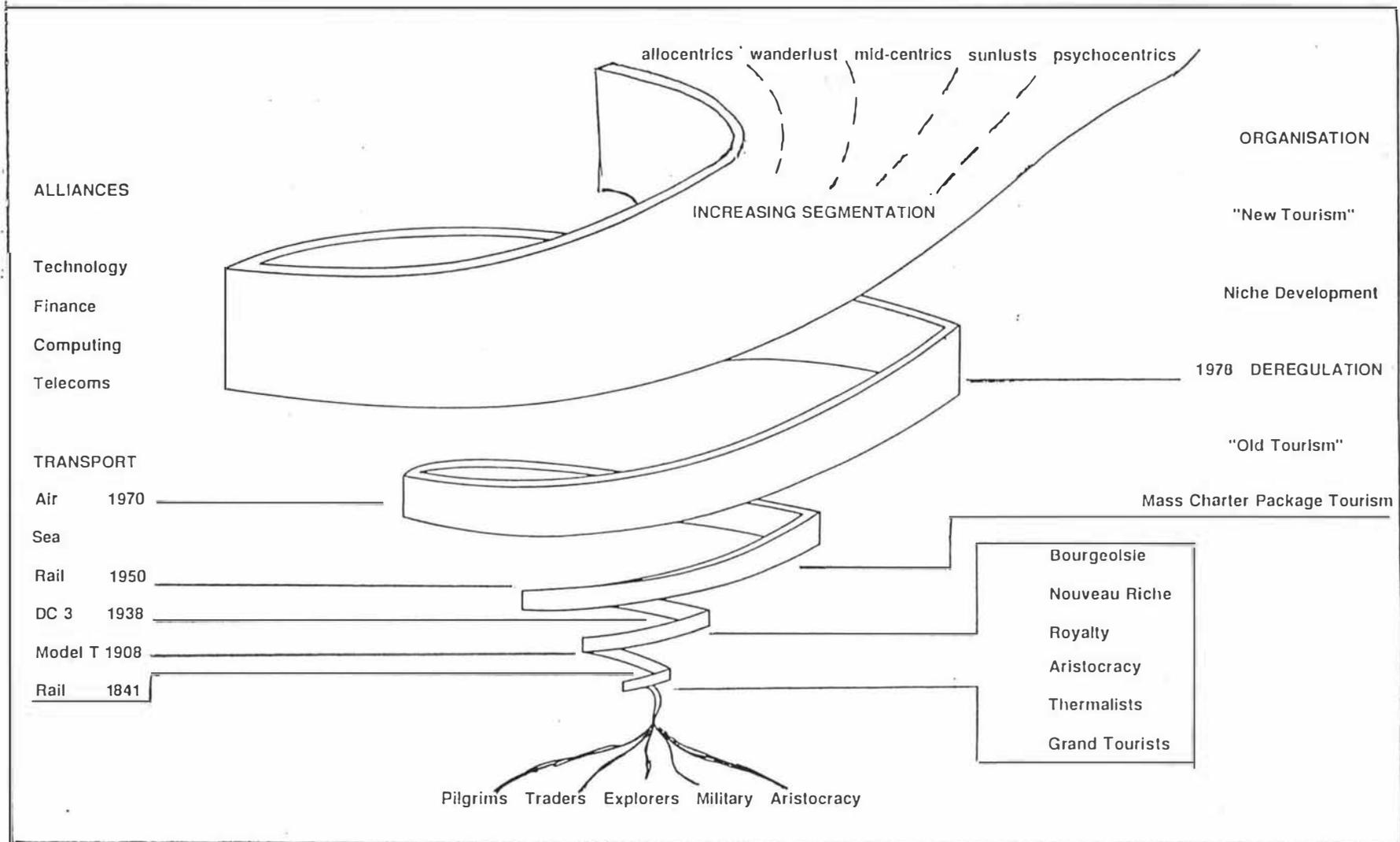


Figure 3.2 The evolution of tourism

and scouting movements from 1910, however, New Zealand did not experience the same camp movement as in Britain. The Boys' Brigade, introduced into New Zealand in the 1880s (Hoare 1982; Springhall 1983) introduced an organised camping regime similar to that of the scouting movement although run on more militaristic lines. An organised camping system along similar lines to that of the British pattern although unrelated, developed with the Health Camps from 1919 when the first camp was run at Turakina south of Wanganui. Other camps were run near Dunedin, Levin and in the Hawkes Bay; a permanent camp opened at Otaki in 1932 providing subsidised holidays for children with health problems (Tennant 1994).

### ***Work place changes***

Gradual changes in the mode of social regulation brought about by changes in industrial organisation during the early 20th century and interwar years led to an increase in the number of people with time and money for tourism, in Britain the Holidays with Pay Act of 1938 was an important milestone in this respect. Prior to this in Britain, hours of work and rates of pay were controlled by the Factory Acts, Bank Holidays with pay were enjoyed by clerks and foremen only. The 1938 Act extended holiday pay to about 40% of manual workers (Cowie 1965). The establishment of public holidays and annual holidays plus the institutional picnic arranged by such diverse groups as Sunday Schools, firms and government departments, did much to enhance the emergence of destinations which came to be associated with particular social groups and generator towns.

The rise of the proletariat, as social and labour conditions changed, was accompanied by their travel to the places frequented by those whom they perceived as their social betters. Railway development led to the growing popularity of seaside excursion weekends. Overseas travel from England and America saw increases in the patronage of such European resorts as Cannes and Nice, Monte Carlo and Deauville with the main attraction being provided by casinos and the social prestige acquired by visiting such places. As resorts such as Bournemouth, Nice, Cannes and Los Angeles expanded with the arrival of increasing numbers of visitors, so suburban development led to the segregation of different social classes (Soane 1993), as elite groups sought to distance themselves from those whom they knew and regarded as being of lower status.

### ***The growth of road transport***

During the 1920s and 1930s industrial organisation and production in the industrialised nations was characterised by the mass production of such consumer durables as cars and capital equipment for expanding domestic and international markets. Standardisation and assembly line methods dominated a system accompanied by central government regulation and control over holidays, hours of work and wage rates. Social conditions were relatively stable with wage bargaining under a system of organised capitalism taking the form of national collective agreements and awards including wage rises which stimulated demand. The mass production of cars in the USA increased population mobility and at the same time laid the foundation for the emergence of expanding independent domestic tourism. An illustration of the mobility afforded by the car is provided by the out migration of farm workers from the Dust Bowl states of the south central

USA during the depression described in the *Grapes of Wrath* (Steinbeck 1939).

The later adoption of mass production techniques in the European and British car industries led to relatively higher prices which, during the inter war period, restricted their use to the upper and upper middle classes. In consequence, tourism development in this area of the world remained dependent on public transport systems.

As road traffic increased in size and density so roads were put under increasing pressure. It was the development of the pneumatic tyre that eventually led to tar sealing of roads as at present. Other forms of surface apart from compacted stone aggregate were cobbles and setts, and in places where there was a demand to reduce noise levels, wood blocks set on end in a tar on a sand bed were used. Pressure from cyclists, whose tyres suffered badly on the poor road surfaces, and also from motorists, whose vehicles also suffered from being driven over rough roads, eventuated in improvements being made to road construction and surfacing (Rae 1971). The demands for improved roads stimulated the development of engineering as bridge and viaduct building was expanded to meet the needs of increasing road traffic. Recognising this pressure for improved roading the UK government set up the Roads Board in 1910 which was empowered to build roads and which was later strengthened by annual grant from 1937 onwards thus furthering state involvement in roading and transport (Wood 1988).

Military planning was one reasoning behind the development of the German autobahns built during the 1930s; Italy's autostrade have a similar origin with tolls being used to finance further development. Whilst these European roads were constructed with military and political overtones there was also the underlying social

policy of work creation. Similarly in China and Russia roads were constructed for military and political needs. The American Interstate Highway system dating from the mid 1950s came as a result of the rising number of motor vehicles and the need for a suitable transport network separate from existing local systems. In post-World War Two Europe plans to develop a network of E roads is a means of integrating the continental road network. Britain was a relative latecomer in the development of a highway system, as such, with the first motorway not coming into service until late 1959. Subsequent development has extended the network to roughly parallel the existing main road network whilst, interestingly, the pattern which has evolved bears a resemblance to that of the Roman Road network of 2000 years ago, (Figure 3.3). With the building of the Channel Tunnel road systems in south east England and north west France are undergoing redevelopment to cater for the expected increase in road traffic and tourism in these regions of the respective countries, according to research recorded by Vickerman (1993, 1994).

Modern roads, which date from the 1930s in Germany, are designed to be part of the landscape rather than being imposed onto it. The view from the road is designed to be one which allows the traveller to gaze on the landscape through which the traveller is journeying rather than driving blindly through it. Both safety and aesthetics are part and parcel of modern motorway planning. Roads, unlike railways, provided access to a wide variety of places; roads increased the spatial extent of Leiper's transit zone. Those places served by the major road network that carried greater traffic volumes stood to gain more than places on other roads, this is amply illustrated by reference to the Figure 3.3 and underlies the foundation of the foreign exchange provider Travelex (Morais 1994).

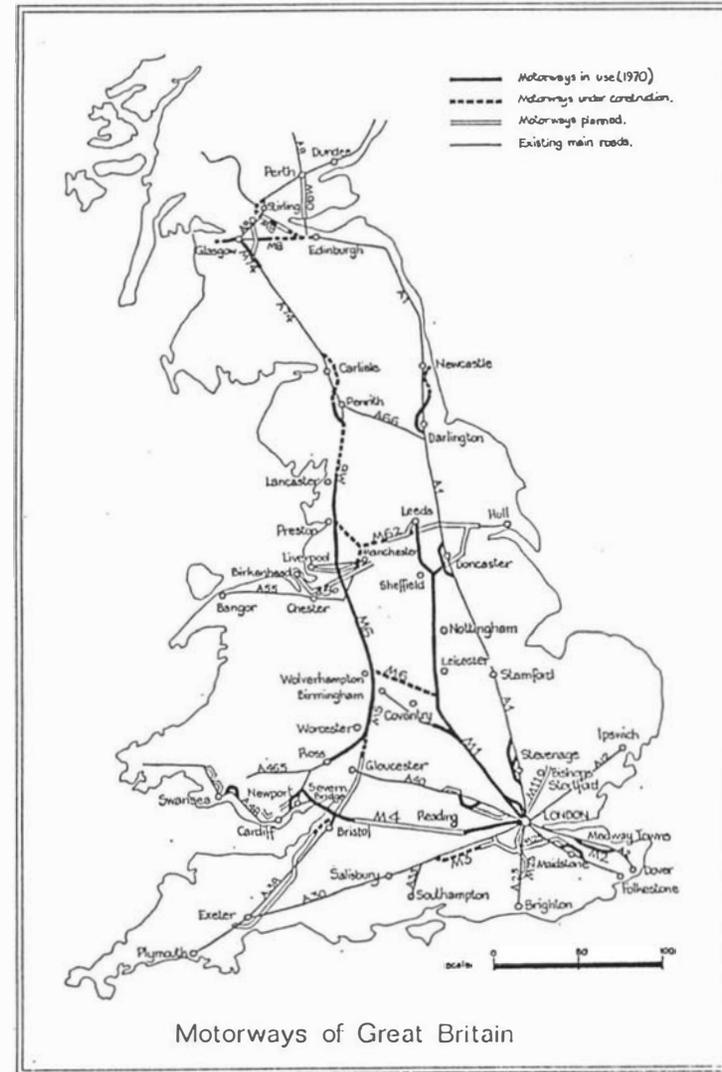


Figure 3.3 Roman routes and motorways  
 Source: Walker 1982

The demand for improved roads originating from the demands of cyclists and motorists. It was also driven by the potential economic benefits that accrue from more efficient and effective transport and communication networks. Whilst rail and canal links are fixed, road transport is flexible and it is this system that offers the motorised tourist with a multiplicity of routes between places or destinations. However, the development of scenic drives and access routes to particular tourist attractions are no doubt motivated by the potential economic gain to be realised from their development. The economic spin-offs in the form of employment and income, generated by servicing tourist demands, to local and regional economies are seen as outweighing any negative impacts such developments may bring. There is, however, a negative corollary as far as road building and tourism are concerned; new and better roads attract greater usage that in turn may well destroy the images of the places they were designed to open up. This in turn adds grist to the environmentalists' mill which seeks to prohibit the pushing of roads into wildscapes, national parks and areas of outstanding scenery as for example the proposal to extend a road from Haast to Milford in New Zealand's South Island Fjordland National Park.

The third phase witnesses the expansion of rail and steam ships in terms of intra and inter-continental travel. Towards the close of the 19th century road transport in the form of the bicycle, motor cycle and motor car made their appearance and staked claims in the development of transport. The nature of aircraft in the early years was such that their short range denied their being a serious contender for inter continental travel. Lack of speed, a limited capacity and relative high cost restricted travel by air to an elite who could afford such a mode. The growth of

air transport through the 1920s and 1930s was controlled through strict regulation on the grounds that an integrated service network was required, that subsidies would be necessary to develop and promote such a network and that destructive competition might sabotage the industry (Bailey *et al* 1985). The rationale was that competition would lead to duplication of routes and the wasteful use of resources, a situation that would not arise in a monopoly where regulation would protect consumers from exploitation. It was found that small communities bypassed by major companies were serviced by small unregulated carriers, hence the realisation that regulation was unnecessary (Eads cited in Bailey *et al* 1985).

The importance of a range of transport modes is seen in the fact that each enabled a different segment of the population to engage in tourism, that is travel for leisure. Phase three is critical in marking, or signalling, a trend that was to become increasingly important in the post World War Two period, namely the increasing segmentation of the tourist population by income and motivation.

In Britain the seaside weekend gave rise to the boarding house and guest house that afforded cheap bed and breakfast accommodation for the rising middle and lower middle classes. Seaside resorts such as Blackpool, Margate and Scarborough grew in response to the increasing spread of disposable wealth and later in real wages. Transport improvements and changes in social, financial and legal arrangements enabled landowners, developers and entrepreneurs to respond quickly to a rising demand. In addition seaside resorts in England and Wales owe their development to accessibility provided by the railway. Few places

are more than 130 kilometres from the sea and with a relatively cheap and reliable transport system resorts underwent rapid growth in the second half of the 19th century. In catering for a diverse clientele seaside resorts were adaptable, they offered something for everyone. Children could play on the beach, there were entertainments, a range of accommodation, space and places for promenading as well as the possibility of taking the waters or sea air (Walton 1983). Bournemouth's guesthouse accommodation originates from the late 19th century Soane (1993) while Gilbert (1949) records that in Brighton there were 2300 accommodation establishments prior to the outbreak of war in 1939. The widening social range and increasing numbers of tourists were important in the growth of a greater number and range of forms of accommodation. By the outbreak of war in 1939 tourism had grown in scale to bring more people, through fewer controls, to more destinations than at any time in the past. Not least in importance was the establishment of the English seaside holiday camps (Ward and Hardy 1986).

Key influences in the development of tourism in this phase can be identified as the changing social environment and the growing demand for tourism, whether it was to domestic destinations by the sea or in the country, or overseas travel. Technological development in the form of steamships, the motor vehicle and aircraft, were important. Concomitant with this was the drive of tour operators to sell their products, a factor enabled by the growth of the print media, especially the weekly and monthly magazine market. As an important enabler of travel both of Thomas Cook and Son and American Express played a pivotal role in the issue of travellers' cheques, money vouchers and tickets for travel and accommodation.

Using the former as an example Thomas Cook's circular note introduced in 1873 was an early form of travellers' cheque in that it represented payment in the appropriate destination currency that was arranged by Thomas Cook. The increasing number of properties that accepted them demonstrates their acceptance and importance. Through arranging tours Cook built up a list of hotels that would accommodate his tourists and which would accept payment by his circular notes; between 1873 and 1876 the number of hotels on his list grew from 200 to 400 and by 1880 had reached about 1 000 (Swinglehurst 1982). In printing "*The Excursionist*" through which he advertised tours, Cook acted as tour operator and travel agent, in addition the listing of hotels and his method of payment together represent an important step in integration of commercial activities (Pudney 1956). The co-ordination and organisation of separate businesses into a directed and focused activity represents integration and the initial industrialisation of tourism. It is this process which more clearly marks the evolution of tourism in the fourth and fifth phases of development as dominant players emerge to control transport and accommodation.

The importance of tourism as an economic activity with important social and cultural benefits was marked by the formation of the International Union of Official Travel Organisations (IUOTO) in 1925 (Collier 1991). Located in The Hague the IUOTO was a non-governmental body comprising private sector tourism organisations. The growing importance of tourism led to the need for consultation at a governmental level, consequently the IUOTO was replaced by the inter-governmental World Tourism Organisation (WTO) in 1976. Located in Madrid the

WTO comprises sovereign states, territories and both governmental and non-governmental bodies.

### **The intensification of integration**

The two post war phases are characterised by intensification that leads to the emergence of tourism as a globally integrated and organised phenomenon. The demand for overseas tourism was also affected by war. Servicemen and women who had served overseas had their appetites whetted for further travel during peacetime, or who wanted to visit the sites of wartime action (Holloway 1996). Similarly families were also stimulated to travel to those places where wartime activities had taken place, if only to visit the graves of family and friends who had fallen in overseas arenas. In addition the immediate post-war years release from the economic and social restrictions of wartime added impetus to the demand for foreign travel. Ironically the war years laid the foundation for an expansion of what may be described as a peacetime invasion of people, which has the potential to further understanding and peace between people. Taking New Zealand as an example, in the second half of the 1940s tourist arrivals more than doubled from 5 206 in 1946 to 11 719 in 1949, the 1950s were marked by a steady increase from 14 716 arrivals in 1950 to 31 173 in 1959 (Appendix C). Between 1959 and 1962 arrivals in New Zealand increased by 65 per cent, these increases reflecting the promotion of the country as a destination by the New Zealand Tourist and Publicity Department, shipping companies and enhanced by the formation of the Pacific Asia Travel Association (PATA) formed in 1951.

### ***The rise of alternative tourism***

Advertisements published in the *Geographical Magazine* for adventure and special interest holidays provide a means of tracking the emergence of this segment. Designed to attract potential customers these advertisements offer cheap flights, and/or information about holidays for individuals or small groups to destinations in Africa, Eastern Europe and Iceland. Table 3.4 shows the average number of number of advertisements that appeared in each monthly issue of the magazine for the period 1960 to 1996. Accepting that this is perhaps a flawed indicator, subject to editorial and publishing policies, but never the less it points towards independent and adventure travel having its beginnings in the 1970s. The figures must be regarded as indicative only, industrial action by printers may well have had an effect on editorial policy, New Science Publications taking over the magazine from October 1968 and introducing a new format. One major change that took place after the change of publisher in 1982 from IPC Magazines to Country and Sporting Publications was the inclusion of articles about equipment for tramping, climbing and expeditions in general.

YEAR	NUMBER ADVERTS						
1960	1	1970	7	1980	8	1990	17
1962	2	1972	9	1982	12	1992	19
1964	2	1974	5	1984	12	1994	24
1966	2	1976	3	1986	20	1996	18
1968	4	1978	4	1988	18		

Table 3.4 Advertisements for adventure and independent tourism in the *Geographical Magazine* 1960 - 1996

Source: *Geographical Magazine* various years

Note: Number of advertisements is the monthly average for the year

Independent tourism appealed especially to young people who wanted to venture 'off the beaten track' (Vogt 1976) although travelling in a safer and loosely organised capsule. It is perhaps from this type of holiday, in part, that the wanderlust spirit of the backpacker who also wants to get 'off the beaten track' may derive by demystifying and demonstrating the ease of foreign travel to young people.

Social changes plus rising incomes during the long boom that followed the war led to a steady increase in tourist arrivals (Table 3.5). The growth of tourist arrivals, in percentage terms has been faster than that for world population that may indicate that in time the growth of arrivals, and subsequently receipts will stabilise. An indication of this can be taken from the slowing of growth in tourist

YEAR	TOURIST ARRIVALS		WORLD POPULATION	
	(MILLIONS)	% CHANGE	(MILLIONS)	% CHANGE
1950	25.3		2520	
1960	69.3	174	3021	20
1970	159.7	130	3697	22
1980	284.8	78	4444	20
1990	425.0	49	5285	19

Table 3.5 World International Tourist Arrivals

Source: *World Tourism Statistics* Vol. I 1992,

United Nations, 1994 *Demographic Yearbook*, Table 1, p123, United Nations, New York

arrivals. The result was recognition of the value of tourism to economic development in addition to the lucrative nature of the industry as a place for investment. Purpose built accommodation in the Mediterranean countries of Spain, Southern France and Italy formed the basis of the integrated package offering a variety of experiences catering for a wide interest and age market and

bought from a travel agent in the source country. Accommodation largely built with overseas capital, owned by overseas companies, employing expatriate managers with local domestic labour form part of the foundation of an internationalising industry.

#### ***Phase 4: 1939 to 1984 the emergence of mass tourism***

The emergence and adoption of mass production together with vertical integration, backwards through control of the sources of raw materials and forwards through modes of distribution to markets, enabled companies to gain economies of scale. In the tourism sector a similar trend is seen in the emergence of tour operators who established linkages between modes of transport and accommodation whereby the power of guaranteed sales established their position in the market place. Indeed Poon (1988) likens the development of tourism in this period to that of the automobile industry, both characterised by Fordist principles of organisation. Vertical integration is referred to by Ascher (1985) with reference to Pan Am's establishment of Inter Continental hotels, TWA's purchase of Hilton Hotels and a consortium of European airlines setting up the European Hotel Corporation. The entry of airlines into the hotel industry is supported on the grounds that confirmation of an air ticket guaranteed an hotel booking, and vice versa, (Lane 1986). Dunning and McQueen (1982) record 16 hotel companies allied with airlines in 1978, and Lane's (1986) research shows 18 airlines associated with some 27 hotel companies in 1984. Notable examples of airline companies involved in the hotel trade were Pan Am and TWA in the United States, Swissair, Air France and British Airways in Europe. Alliances between airlines and hotels were based upon the principle of

diversification by an airline industry that saw hotels as a logical adjunct to their operations and as a means of increasing revenue as well as developing and maintaining a loyal customer base (Ascher 1985). This latter concept is expanded upon in the alliances formed between airlines, hotels and other companies in the form of frequent flyer programmes (FFP) the first being that of American Airlines Advantage frequent flyer program that commenced operation in May 1981 (Arnesen *et al* 1997). Whilst adhering to the same principle the French company, Air France, perceived its involvement with the Meridien hotel chain as a means of advertising French style and tradition in hotel service (Lane 1986).

During this period hotel companies sought to increase their scope through mergers and franchising that gave them access to a wider market. Withiam (1985) discusses the then current trend of hotel company policies aimed at covering as wide a range of the market as possible through the formation of tiers of accommodation as the market segmented. The key behind the move is the reasoning that hotel marketing strategies need to identify changes in customer needs and act accordingly. As tourists become better educated and more discerning in their demands the hotel industry responded to cater for changing tastes. The widest range of accommodation is offered by the French Groupe Accor which operated 230 000 rooms worldwide in 1993 (Pers. comm.) in five tiers from first class, three and four star, mid range and budget hotels. Choice hotels operate a four tier range labelled Clarion, Quality, Comfort and Sleep Inn comprising almost 214 000 rooms in 1991 (Hotels and Travel Index 1992; Withiam 1997). Horizontal integration exemplified by the acquisition of different grades of accommodation increases the market scope of the operator who by utilising a brand name is more

able to build guest loyalty than an independent operator with one middle market tier of accommodation.

Club Méditerranée provides an example of diversification away from the norm of pre war holiday destinations. Developing from a tent village in 1950 on the Balearic island of Majorca, the format appealed particularly to younger tourists. Expanding initially within the Mediterranean basin its formula was such that expansion continued with the company emerging as a global operator. The company's growth was accompanied by changes in its projected image to incorporate different market segments, including families in addition to the traditional image appeal to young people. Club Méditerranée therefore illustrates two major developments in tourism, firstly internationalisation in its early expansion under centralised control from Paris, and secondly globalisation after its restructuring and decentralisation of decision making by geographical region. The Club currently, 1996, operates 103 villages in 38 countries (Club Med 1996), and, in response to changing demands in a maturing and segmenting market operates a variety of different activity styles catering for a range of ages and interests. It is these forms of tourism that Poon (1988) defined as 'Old Tourism' in contrast to what she named 'New Tourism'.

Mass production of the automobile was adopted in Europe during the 1950s with similar results to those in North America, namely an expansion of domestic and mass tourism as wages rose in the period of post war recovery. Using the United Kingdom as an example for Europe (Table 3.6), the rapid increase in cars ownership is illustrated by the declining number of people per car in the period

1950 to 1990, a trend convergent with that of the USA. Increasing leisure time and disposable income encouraged the development of mass package tourism within the European arena.

YEAR	UK POP (000)	UK REG. CARS (000) <sup>1</sup>	POP/CAR	USA POP (000)	USA REG. CARS (000) <sup>2</sup>	POP/CAR
1990	57 561	21 989	2.62	249 913	123 300	2.02
1985	56 685	18 258	3.10	238 466	114 700	2.08
1980	56 330	15 195	3.71	227 726	104 600	2.18
1975	56 226	13 781	4.08	215 973	95 200	2.27
1970	55 632	11 541	4.82	205 052	80 400	2.55
1965	54 350	8 922	6.10	194 303	68 935	2.82
1960	52 709	5 532	9.52	180 671	56 935	3.17
1955	50 947	3 526	14.45	165 931	47 123	3.52
1950	50 225	2 508	20.02	152 271	<sup>3</sup>	

Table 3.6 Population and car ownership, United Kingdom and United States 1950-1990  
Source: Central Statistical Office, Annual Abstract of Statistics, HMSO, London (various years)

US Department of Commerce, Statistical Abstract of the United States, Bureau of the Census, Washington D.C. (various years).

Notes:

1. Currently licensed cars and light trucks
2. Motor cars in use.
3. Change in statistical base, comparable statistics not available.

### ***The rise of air travel***

War surplus aircraft were put to use by entrepreneurs who developed packages to the Mediterranean coast of Spain leading to a rapid growth of that country as a tourist destination for northern and western Europeans. Cathay Pacific, based in Hong Kong, has a similar history of development using war surplus aircraft from the campaigns in South East Asia (Sampson 1984). The easing of entry controls which accompanied the formation of these regulating frameworks did much to foster intra-continental tourist traffic.

In the immediate post war years, between 1945 and the mid 1950s, most aircraft were small and powered by propeller driven piston-engines and in consequence airspeeds were slow and passenger travel was limited to the relatively wealthy and business people who could afford such travel. Between 1936 and 1952 cruising speeds and passenger payloads had increased from 282 k/h with 21 passengers in the DC-3 to 499 k/h with 47-94 passengers in the Lockheed Super Constellation. The DC -3 carrying 21 passengers was the first aircraft to be profitable as a passenger carrier, its importance can also be judged by its Atlantic to Pacific Coast flight time of 15 hours compared to the 19 hours of its nearest rival (Whiteside 1971). The size and reliability of the machine led to its becoming the work horse of the air force during the second world war after which many second hand aircraft were available to be pressed into service in the field of civilian air transport. The era of the turbo-prop engine saw speeds raised to 523-571 k/h between 1953 and 1956. Passenger capacity increased from 40-53 in the Viscount to 52-133 in the Britannia (Forer 1974). 1953 saw the introduction of the turbo-jet that was a milestone in engine and aircraft technology enabling a great leap forward in both air speed, from 571 k/h to 816 k/h (Figure 3.4a). Time-space compression resulting from the advent of new technologies of propulsion are illustrated with reference to the reduction in travel time between Europe and the Asia-Pacific area (Figure 3.4b).

The growing use and development of aircraft was to spell the demise of the ocean liner, faced with increasing labour costs in contrast to the steadily falling costs and increasing speed of air travel. Short-haul air travel in Europe and North America eventuated in the mass packaged holiday that was to become the popular form of tourism in the 1960s. However, the initial advantages of air over



land transport within France, and by implication other countries, was lost with the development of high speed rail (*The Economist* 1990) and growth of the private automobile. The net result of traffic congestion between city centre and airport added considerably to city centre to centre times, these time delays provided rapid rail transport with a time advantage which could only be matched by the opening of helicopter travel between airport and city centre, or as in the case of the development of the London City Airport using short take-off and landing aircraft (Blacklock 1994).

The Chicago Conference of 1944 and the Bermuda Agreement of 1946 between the USA and Britain distinguished rights of access and /or traffic movements referred to as the five 'freedoms' of the air. Subsequent negotiations between airlines and between nation states have included the right of airlines to carry traffic between two foreign countries, with a stop in the airline's own state en route. The acceptance of this is an important factor in the integration of global patterns of tourism. Further, an important aspect of bilateral agreements in air transport between countries especially in an era when long range aircraft are able to fly non-stop almost half way round the world (Kissling 1993), is an increased degree of access and subsequently time-space compression.

Political controls on the movement of people through visa and entry permits, and limits on money transfers, were slowly relaxed with the demise of the Cold War. European moves towards the development of a Common Market with tourism development and enabling policies did much to encourage travel within the

European community. Consequently improved transport facilities did much to integrate the nation states of Europe, reinforcing time-space distancing and time-space compression, whose residents saw tourism as a means of generating employment and income.

A growing telecommunications industry and allied services enhanced air safety through improvements in radar and air traffic control systems and regulations thus aiding the development of international of tourism. Telephone and telex communications improved rapidly from the late 1950s through to the 1960s, this with the growth of computer science and information technology from the 1970s led to the integration of travel agent, tour operator, transport and accommodation sectors. Figure 3.5 illustrates the parallel development of communications and

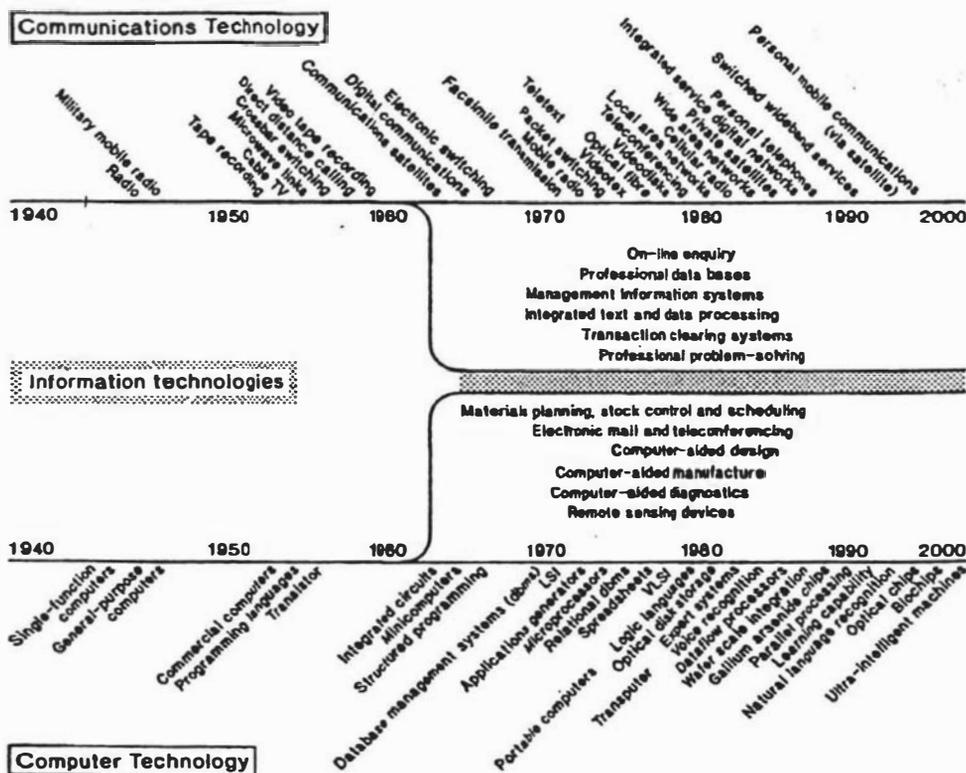


Figure 3.5 Information technology: the convergence of the technologies of communication and computers  
Source: Dicken 1992

computer technologies and their convergence in information technology. Whilst few of the innovations are explicitly related to tourism development *per se* their combined application through information technology plays an important role in the management and marketing of tourist destinations, attractions and facilities. Poon (1988) recognised the importance of information technology (IT) which, by integrating production, plays a key role in enabling a significant advance in the evolution of tourism as a business comprising a range of disparate services and points the way to the development of marketing alliances by major airlines.

Increases in disposable income and the commensurate increase in demand resulted in an expansion of the number and type of destinations. Accordingly tourist receipts became an important factor in the economy of host nations. With the freeing of international financial controls and the development of long range, wide bodied jets, from the 1970s, global travel and tourism became a well established phenomenon. However, although more people were able to travel to more countries the overall distribution of tourism is marked by unevenness in terms of both places of origin and destination (Appendix B). The major tourist origins and destinations are identified as the Americas and Europe (Table 3.7). Further analysis shows that intra-regional tourism is the major element of tourism flows for five of six regions, the exception being South Asia which receives its major share of arrivals from Europe. The leading destinations for departing residents from South Asia are East Asia/Pacific and Europe. Tourism flows within each region also demonstrate unevenness, in both receipt and expenditures; Northern and Southern Africa have the greatest share of arrivals and receipts with Southern and Western Africa being the major source of tourists in that they have

	Tourist Arrivals (000s)			Tourism Receipts (m US \$)			Tourism Expenditure (m US \$)		
	1980	1995	Annual average %change	1980	1995	Annual average %change	1980	1995	Annual average %change
<b>World</b>	<b>287 493</b>	<b>563 641</b>	<b>4.59</b>	<b>105 313</b>	<b>399 004</b>	<b>9.29</b>	<b>102 586</b>	<b>356 947</b>	<b>8.67</b>
<b>Africa</b>	<b>7 337</b>	<b>19 206</b>	<b>6.63</b>	<b>2 711</b>	<b>6 981</b>	<b>6.51</b>	<b>3 191</b>	<b>4 930</b>	<b>2.94</b>
<i>Southern Africa</i>	<i>1 118</i>	<i>5 932</i>	<i>11.77</i>	<i>697</i>	<i>2 073</i>	<i>7.54</i>	<i>806</i>	<i>2 020</i>	<i>6.32</i>
<b>Americas</b>	<b>61 368</b>	<b>110 386</b>	<b>3.99</b>	<b>25 389</b>	<b>100 185</b>	<b>9.58</b>	<b>24 965</b>	<b>73 054</b>	<b>7.42</b>
<i>Southern America</i>	<i>5 809</i>	<i>13 527</i>	<i>5.80</i>	<i>3 656</i>	<i>10 806</i>	<i>7.49</i>	<i>5 934</i>	<i>10 953</i>	<i>4.17</i>
<b>East Asia/Pacific</b>	<b>20 969</b>	<b>79 659</b>	<b>9.31</b>	<b>8 710</b>	<b>73 577</b>	<b>15.29</b>	<b>9 597</b>	<b>73 852</b>	<b>14.57</b>
<i>Northeastern Asia</i>	<i>10 312</i>	<i>42 532</i>	<i>9.91</i>	<i>3 935</i>	<i>33 574</i>	<i>15.36</i>	<i>5 761</i>	<i>54 977</i>	<i>16.23</i>
<i>Micronesia</i>	<i>433</i>	<i>2 096</i>	<i>11.09</i>	<i>240</i>	<i>1 933</i>	<i>14.92</i>	<i>-</i>	<i>3</i>	<i>-</i>
<b>Europe</b>	<b>188 072</b>	<b>336 378</b>	<b>3.95</b>	<b>63 484</b>	<b>207 330</b>	<b>60.28</b>	<b>57 371</b>	<b>198 154</b>	<b>8.61</b>
<i>East Mediterranean</i>	<i>2 390</i>	<i>11 395</i>	<i>10.97</i>	<i>1 433</i>	<i>9 524</i>	<i>1.36</i>	<i>704</i>	<i>4 353</i>	<i>12.91</i>
<b>Middle East</b>	<b>7 467</b>	<b>13 711</b>	<b>4.13</b>	<b>3 470</b>	<b>7 285</b>	<b>5.07</b>	<b>5 476</b>	<b>4 916</b>	<b>-0.72</b>
<b>South Asia</b>	<b>2 280</b>	<b>4 301</b>	<b>4.32</b>	<b>1 549</b>	<b>3 646</b>	<b>1.47</b>	<b>1 986</b>	<b>2 041</b>	<b>0.18</b>

Table 3.7 Change in tourist arrivals, tourism receipts and expenditures by regions and selected sub regions, 1980 - 1995  
Source: World Tourism Organisation 1997, *Yearbook of Tourism Statistics Volume 1*, World Tourism organisation, Madrid

the largest share of expenditures. Northern America dominates the Americas in percentage shares of arrivals, receipts and expenditures. Western and Southern Europe are the major tourist destinations in that region, the main origin areas being Western and Northern Europe. Northeast and Southeast Asia dominate the East Asia/Pacific region; tourism flows in the Middle East are essentially within the region with European tourists being the second largest source and destination areas. India as a destination dominates South Asia whilst Pakistan and Iran are the major origin countries.

Increased numbers of international tourist arrivals reinforced the natural synergy between airlines and hotel companies. In this respect the Pan American Airlines' founding of Inter-Continental Hotels as a subsidiary with loans from the Export-Import Bank and the countries involved provided a stronger platform for the company's international business and signalled an early recognition of the synergies to be gained (Van Doren 1993). Consequently other airlines engaged in hotel ownership operating them under management contracts, for example Dunning & McQueen (1982) noted six hotel chains associated with 233 hotels in the USA and 180 transnational hotels of which some 60 per cent were in developing countries. In a similar form the gaining of competitive advantage lay behind the siting of Avis rental cars on airports. Improving computer technology and systems enabled airlines to capitalise on the advantages of developing market niches and establish loyalty schemes. Frequent flyer programmes rewarded travellers for patronising the airline included hotels partners that awarded their guests points or 'miles' which could be converted into 'free' air travel at a later date.

The foundation of the inter-governmental World Tourism Organisation in 1975 as successor to the non-governmental International Union of Official Travel Organisations is significant in that the importance of tourism as a powerful economic factor was recognised. The organisation's standing in the world community is such that it is recognised by the United Nations as representing a powerful mechanism in world trade and as a factor in the evolving process of economic globalisation. The organisation's functions of monitoring tourism activities and facilities, of research and publication play a vital role in the development of tourism in both developed and less developed countries.

Phase four is marked by a number of further changes. In particular the rise of air transport and the subsequent evolution of mass tourism which was essentially sunlust in character and direction from northern and western Europe to southern Europe and the Mediterranean coasts of north Africa. In North America a similar move occurred from the northern states to the sunbelt of the south, to the Pacific west coast and to Hawai'i. The growth of charter air travel came as a result of the growing demand for international air travel at lower costs than those offered on scheduled flights. Charter flights sold to members of organisations who made block bookings grew in popularity and successfully challenged scheduled flights on the trans-Atlantic routes. The realisation that competition would bring efficiencies to the industry and that the withdrawal of government involvement would produce performance improvements led to the passing of the US Airlines Deregulation Act 1978 and the emergence of an open skies policy with respect to American air space (Button 1993). Deregulation led to further competition as

reduced entry costs allowed in new entrants putting pressure on existing carriers to respond by subsidising lower fares, by erecting barriers in the form of computer reservation systems (CRS) and the introduction of frequent flier programmes (FFP). These mechanisms which enabled travel agents to book seats directly onto CRS owner flights disadvantaged carriers not having access to them and secondly, by building a loyal customer base through rewarding passengers with the promise of 'free' flights passengers were attracted away from smaller competitors (Button 1993). These two mechanisms further integrated the travel industry by linking carriers through the use of CRSs so that subscribers to a particular system came up on travel agents' computer screens before those of their competitors. The advent of an FFP by American Airlines in 1981 integrated not only airlines but also accommodation and car rental companies. Further, the demise of regulation eventuated in the replacement of place to place routes by hub and spoke networks which furthered the move towards alliance formation as smaller players aligned their timetables to major carriers, a move enhanced by subscription to the parent CRS. Such a move results in further integration of core and periphery as minor regional and local players in air transport aligned their timetables to those of major carriers. The development of airport hubs that replaced the pre-deregulation point to point services provided the means by which activity became focused on particular places. Button (1993) notes the concentration of American Airlines activity at Dallas-Fort Worth, equally the concentration of British Airways at London Heathrow and Air New Zealand at Auckland are examples of domestic airline hubs. The selection of hubs by airline companies focuses development of services and investment in facilities on particular cities. The traffic volumes generated at these points provides

incentives and stimulation for further investment illustrating Myrdal's (1956) model of cumulative causation reinforcing uneven development. Economies of scale and scope that accompany the location of services at major hubs result in congestion and time loss with consequent costs. In turn this leads to the need for streamlining and expansion as has happened with the world's leading airports.

### *Expansion of multi-national companies in tourism*

Trade volume relates to the relationships between origin and destination, whether they are members of a common market, their relative size, wealth, of the origin and destination countries (Vernon 1972). Tourism as a generator of foreign exchange relies on the arrival and spending patterns of international tourists. Foreign direct investment in accommodation, tourist spending on accommodation, travel, sight seeing, souvenirs and incidentals provides income to the local, regional and national economy, and in addition, employment and taxation multiplies the economic value of the phenomenon. In general terms the greatest number of tourists are short haul visitors within broad regional geographic boundaries; in search of a 'cheap' holiday or 'value for money' the major originating countries and regions tend to be wealthier than destination countries and regions (Table 3.6).

### *Change in the accommodation sector*

Although multinational companies had been in existence prior to World War Two their involvement in services, and more especially tourism, depended upon the evolution of global capitalism (Cantwell 1989). The flow of tourists from the core area of Europe into the peripheral areas of the SouthWest Pacific in the 1960s

and 1970s was related to the expansion of Qantas and British Airways (Britton 1982), which relates to the political affinity between origin and destination countries referred to by Vernon (1972). Hotels developed from the late 1940s through to the early 1970s were essentially the result of entrepreneurial investment in ownership and operation of stand-alone properties both in Europe and North America. However, with economic growth and increased business travel, plus leisure travel, North American operators such as Holiday Inns (Lundberg 1969) and Westin Hotels (Livingston 1982) expanded by building or purchasing new properties. Later expansion through franchising and management contracts led to the evolution of chain hotel companies that capitalised on locations throughout the continent and, as with Hilton Hotels and Inter-Continental Hotels, eventually becoming international companies operating on an international and later a global scale. Such expansion in these cases was done from a sound home base experience and drawing on that to operate a similar model in overseas locations. In the case of the large international companies the *raison d'être* behind their expansion was to cater for the business traveller who in a strange environment could find comfort and psychological safety in the familiar surroundings and trappings of an American hotel. The process through which hotel and rental car companies internationalised and globalised their operations have some similarities. Wilkins (1997) identified the American practise of expansion from a strong home base, this is illustrated by the early history of Holiday Inns (Lundberg 1969), Westin Hotels (Livingston 1982) and Four Seasons (Go *et al* 1996). International expansion through construction and or purchase of properties was the process followed by Inter-Continental Hotels (van Doren 1993) and Four Seasons (Go *et al* 1996). In contrast the Hyatt

operates as a management company under contract to investors and owners of hotel properties (Hyatt Hotels, pers. comm). Similarly, Pan Pacific Hotels and resorts is a management and marketing company operating under contract to the Tokyu Corporation of Japan. Expanding through franchising the brand name, compared with management contracts which is, for example taken by Sheraton, Holiday Corporation and Ramada (Go *et al* 1990) is more costly in terms of the potential risk to the company's reputation if high standards are not maintained. There is a tendency for franchising into developed countries and for management contracts into developing, or less-developed countries where the potential risk is perceived to be greater (Go *et al* 1990).

The involvement of multinational companies in tourism, and the growth of tourism itself, has led to economic and cultural integration. In addition improved accessibility of peripheral areas to tourism from core areas has affected time-space distancing through time-space compression and convergence brought about by decreased air travel times and costs. Changes in transport brought further integration of generator and destination regions. More specifically the opening of rural hinterlands to tourists from urban centres broke down the isolation of rural communities and, in turn, made it more possible for rural dwellers to visit urban places. With rising wealth and the growth of business travel tourist generating regions, in particular core urban areas, become sites for investment in hotels. Core urban areas transformed into destinations become inundated with tourists and, in particular, the centres of cities where the major tourist attractions are located become congested as the number of vehicles far outweigh the parking space available to them (Jansen-Verbeke 1986).

Obstacles to international travel have diminished as a result of a number of reasons. The US Airline Deregulation Act 1978, removed policies with regard to routes and fares of airlines and controls on the entry of new airlines into the market and, produced a multiplicity of carriers, routes and fare structures (Bailey *et al* 1985; Hanlon 1992; Button 1993; Debbage 1994). The entry of new carriers put pressure on existing companies to lower fares on routes which had, in the past, been protected from such competition (Bailey *et al* 1985). The initial deregulation of airlines which came into operation in 1979 allowed greater competition between companies with a consequent lowering of prices which encouraged more people to travel. Whilst ease of entry encouraged new entrants the hubbing of routes and emergence of what Button (1993) called 'fortress hubs' made it difficult for them to succeed. Using United Kingdom figures as an illustration of the increasing number of international flights, between 1982 and 1992 international flights increased from 511 000 to 881 000 and the passenger load from 44 122 000 to 82 950 000 over the same period (HMSO 1994). For the USA Hanlon (1992) describes the continuous growth of regional air passenger travel between 1978 and 1990 with a more than commensurate revenue return. Trip length showed a consistent increase but after an initial expansion of carriers the number of regional operators underwent an overall decline. To cope with increasing numbers of air travellers required more efficient methods of data storage, handling and retrieval systems which provided the stimulus for the development of computer reservation and referral systems such as Amadeus and Sabre (Beckman 1988; Hopper 1990). It is interesting that in the mid-1980s IBM emerged as market leader in the computer industry taking advantage of the fact

that no other computer maker had applied the technology to the business world. Utilising Microsoft's operating system IBM rapidly set the standard for business computing (Langlois 1992).

Where cities are relatively close together, as in Europe and parts of North America, the speed and time saving of air travel would appear to be negated by the time lost in travelling between airport and city centre. Two major outcomes result from this. Firstly the increasing use of rail travel between city centres, for example in Europe the potential of the Channel Tunnel should provide rapid surface access between London and Paris, and between London and Brussels in a shorter time than flying, thus threatening the time/cost viability of air travel between these cities (*The Economist* 1990). In addition the development of high speed trains will pose similar problems for air travel between other European cities. Secondly, the development of hotels with conference facilities at airports catering for international business travellers who required conference and meeting venues. Airport location has the advantage of circumventing the largely overcrowded city centres where available conference space may be limited by the style and age of buildings (Reisender 1994).

#### ***Phase 5: Post 1984 - The rise of independent travel and tourism***

On the evidence of Table 3.3 above, the rise of independent travel and tourism dates from the early 1980s. The choice of 1984 is not made on the basis of observations and forecasts by George Orwell; demarcation is made on the record that in the period 1984-1985 IBM emerged as leading supplier of personal computers, a point from which the company went on to capture the corporate

market in computer hardware (Langlois 1992). Although restructuring programmes in North America and Europe date from the mid 1970s in the New Zealand context 1984 marks the advent of a programme of economic restructuring by central government as it attempted to come to terms with the crisis of capitalism. In particular, in New Zealand, the fourth labour government marked its presence by setting in motion a radical programme of restructuring of the economy introducing market forces and devaluation of the dollar in order to make the economy more competitive in the world market. It is therefore not surprising that tourist arrivals increased by 224 363 between 1980 and 1985 and, by 263 873 between 1985 and 1990 as the weaker dollar acted as an attraction to international tourists, to whom New Zealand is seen as a long haul destination. Significantly the late 1990s has witnessed a weakening of Asian currencies and consequently a decrease in tourist arrivals in a period of time marked by a relatively strong dollar.

In the post 1984 period the mass produced tourism product has undergone a relative decline in the face of an increasing growth of niche marketing of tailor-made products. This current phase of international tourism development emerged during the mid to late 1980s and represents a culmination of foregoing developments. Corporate bodies involved in tourism are actively engaged in flexible approaches to investment, production and means of accumulation. Increasingly tourism is regarded as a profitable enterprise to be involved with. Examples of this are provided by Brierley Investments Limited (BIL) which has investment holdings in Air New Zealand and Thistle Hotels (BIL 1996) as part of a diverse portfolio of interests. The Japanese company Electronic and Industrial

Enterprises Inc., (EIE) which used its real estate background to diversify into golf courses, hotels and resorts in Australia (Rimmer 1993). Other non-tourism companies with investments in tourist related facilities are the Japanese Kishu Railway Co Ltd and Mitsui & Co Ltd (Bywater 1990), ITT, Ladbroke Plc and Bass Plc. Changes in the regulation of capital and finance have enabled corporate enterprises, including chain hotel companies and airlines, to shift capital around the world within their global organizations. International information flows have largely rendered geographic barriers irrelevant (Ohmae 1989), technological advance and political change have had a similar effect on national boundaries which have become transparent to the flow of capital facilitated by companies such as American Express and Citicorp. The ease with which information can be transmitted round the world benefits the tourist who, thanks to computer reservation systems such as Galileo, System One and Sabre, can buy transportation and accommodation to and from almost anywhere on the planet.

The influence of computing and communication technology on time-space convergence and compression in the last 15 years of the century has increased with the introduction and widespread use of electronic mail and marketing via the Internet. With potential tourists able to research, reserve and book transport and accommodation from personal computers the role of the travel agent was forced to change. In some cases the use of a corporate in-house travel agent was seen as more efficient than contracting that service out, especially where the task could be added on to a compatible work load already in existence. In order to compete in an area where price was seen as a minor factor, competition came to be based on service provision, a factor of increasing importance.

The availability of information and the choice of transport and accommodation to a potential tourist became such that places which had enjoyed superior status became more popular and ceased to have scarcity value. In consequence the elite moved on to places which had that value (Cater 1995). The petit bourgeoisie sought to distinguish themselves through winter sports holidays or in the seeking of winter sunshine in the Mediterranean, forms of holiday which lower classes could not afford. These changes can be considered as a condensed time sequence reflecting the historical pattern (Table 3.2). The divergence in patterns of holiday taking is also marked by the desire for independent travel to destinations which are largely undeveloped. The demand for independent travel, characterised a diverse groups of people, stimulated the emergence of tour operators and agents who have specialised in particular niche markets. Whilst these groups of tourists make use of the services of a travel agent for most, if not all, aspects of their holiday planning a further group of people are essentially free independent tourists who may utilise an agent for initial travel but who then arrange their own accommodation, transport and activities from information gathered from the internet, specialist publications or word of mouth. The rise of independent travel and tourism provided a window of opportunity for investment in a 'user friendly' foreign exchange enterprise targeting the travelling public en route to an overseas destination. In the deregulated British environment the Travelex company found such a niche ready for exploitation on the major routes to, and from, south coast ports and set up exchange booths offering foreign currency in nominated sterling or destination currency values (Morais 1994).

The implications for uneven development of specialist and independent travel are somewhat different from those of the mass tourism movement. The changing status of a destination or attraction and, by implication, its spasmodic visitation, impinges on the size and intensity of investment and development, hence the process of development becomes uneven. At the same time the movement of tourists through a wider range of destinations brings them into social contact with a wider range of host populations. The fewer the number of tourists and less developed the host economy, the greater the contact between host and guest and the greater the acceptance of guest attitudes and values. Inevitably as tourist arrival numbers increase the contact between host and visitor takes on a greater formality characterised by the provision of information and sale of goods and services.

### **Conclusion**

The organisation of tourism in terms of the numbers and form of travel has gone full circle from what could be called 'mass tourism' in the form of pilgrims and the military, through independent travel of the aristocracy and traders to the current mix of a wide range of independent and mass tourism of the late 20th century. Tourism as a business however, has evolved from a system of *ad hoc* arrangements to the mass production of a reproducible product. In addition, and parallel to the mass produced holiday there has been the emergence of a *bespoke* product catering for the more discerning tourist who seeks a product tailored to the individual's requirements. These changes are summarised in Table 3.2 and illustrated by Figure 3.2.

As stated above the development of mass tourism owes its birth to Thomas Cook and Son who led the way to coordinating travel and accommodation for relatively large numbers of tourists. The principle of catering for people en masse was developed by the holiday camp movement in both the domestic and international market by such entrepreneurs as Billy Butlin, Herbert Pontin and the founders of Club Méditerranée, Gerard Blitz and Gilbert Trigano.

Although the boundaries of travel were extended in the early phases of tourism development it is not until the last two last two phases that the most radical changes in the organisation of tourism have taken place. Organisation change was concordant with changes in regulation and technology, financial deregulation in the broad economic, and the social and political environment in which tourism was situated in the post 1950 period. France devalued in 1956-7, the Deutschmark was revalued in 1961 and again in 1969; sterling was devalued in 1966 and in 1971 the dollar was floated. During the 1960s dollar liabilities had increased to be larger than gold reserves causing the USA to end the Bretton Woods system of fixed rates and convertible currencies, a move which the New Economic Policy of 1971 reinforced (Hamada 1985). The growth of petro dollars and the internationalisation of finance culminating in the collapse of the Bretton Woods Agreement; the deregulation of air transport; the development of computing and advances in telecommunications changed the foundations on which Fordism and organised capital had rested.

Franchising and management contracts extended the internationalisation of capital as multinational corporations (MNCs) developed offshore branches.

External incentives for offshore location came in the form of host country tax benefits and favourable regulations. International capital and financial circuits overlapped with nation states to the extent that control over economic activity passed from national to international spheres. In the accommodation sector of tourism Hilton Hotels entered the international market in 1949 in Puerto Rico and four years later established a presence in Spain before franchising Hilton International in 1966. In the second half of the 1960s Club Méditerranée entered North Africa, Westin entered Japan, and Hyatt franchised their brand name in Southeast Asia. Multi-national banking companies have their origins in the mid 1960s, from 1979 (Tsui 1987) Japanese institutional investors began to acquire American hotels, firstly in Hawaii and later on the American mainland. In such a way the initial Japanese investments in Californian banking were being reinforced by insurance company investments in the hotel industry (Wilkins 1990). Infrastructural changes therefore paved the way for the expansion of investment in international tourism and consequent concentration of control in the supply side of the business.

Tourism development in the post war years is therefore characterised by two apparently contrasting trends. Firstly, the tourism business comprising transport, accommodation and attraction is characterised by increasing integration as international corporates form and reform alliances to gain and maintain a share of the tourism revenue pie. Airlines are the major driver of this through the formation of strategic alliances and the subsequent development of reciprocal frequent flyer programmes and agreements which include transport, accommodation and credit card use (Garnham 1996a, 1997a). Secondly, that

part comprising the social and cultural range of tourists has steadily widened, segmentation of the tourist cohort is a reflection of changing social environments. In tourism as a fashion industry the individual tourist attempts to differentiate himself or herself from others who are perceived to be lower in the social hierarchy, thus as incomes and knowledge increase so different destinations and activities are selected; in response to demand attraction systems and types of attraction have also widened to cater for a changing clientele.

**CHAPTER 4**  
**TOURISM DEVELOPMENT**  
**structural and organisational change,**  
**alliances and uneven development**

**Introduction**

The aim of this chapter is to examine the changing nature of international tourism with respect to liaisons and alliances in the post war period and the impact they have on the spatiality of tourism development through time. This chapter expands on the technological, organisational and social developments that have taken place in the second half of the 20th century. Change in these areas are both cause and consequence of the evolution of a consumption led phenomenon as producers of the tourism product strive for competitive advantage.

The previous chapters have introduced the thrust of this thesis, that tourism development can be explained in terms of differing relationships between producers and consumers of the tourism product. The entrepreneurial drive of Thomas Cook from the 1840s increased the demand for tourism through the integration of transport and accommodation. In essence Cook's attention to detail in arranging transport and accommodation foreshadowed later formal agreements between tourism operators at regional, national and international scales.

**Internationalisation and globalisation**

Tourism as international travel has a long history of collaboration between operators in different countries. Indeed, the growth of shipping and later air

transport paved the way for foreign investment in facilities to service the traveller. The emergence of tourism as an international business organisation dates from the inter war period with the growth of travel agencies. Mass tourism and the increased importance of the role played by tour operators in the post war period no doubt provided the incentive for companies to operate in an international, and later global dimension, as is illustrated by the expansion of Club Méditerranée. Cooke and Wells (1992) trace the main forces of globalisation as the growth of European and Asian economies relative to that of the USA, and to the growth of MNCs. The major markets are those of the Triad, (Japan, USA and Western Europe) of which the most open is the USA and Japan the most closed. Technology drives markets that in turn drive globalisation the four key features of which are finance, location, technology and regulation (Cooke and Wells 1992). When examined in terms of IT the key features can be shown to be readily applicable to tourism.

From the 1970s onwards tourism was transformed into a global phenomenon; few places on the earth's surface were spared its impacts. Examples of this are afforded by the development of ecotourism enterprises in the hitherto untouched Amazon forests and cruise ship journeys to Antarctica, in both cases there is evidence of environmental degradation in what were environments devoid of tourist impact (Antarct 1993). Corporate organisations in transport and accommodation operating at international and global scales integrate tourist generating and destination regions contributing to time-space convergence and distancing. The process is enabled by changes in regulation and technology, and changes in the structure and organisation of corporate bodies in transport .

and accommodation. The increasing acquisition of petro dollars, the collapse of the Bretton Woods Agreement and subsequent deregulation led to the internationalisation of finance. Technological developments in computing and advances in telecommunications changed the foundations on which organised capital had rested. International capital and financial circuits overlapped with nation states to the extent that control over economic activity passed from national to international spheres. Multinational banking also dates from the mid 1960s whilst from 1979 (Tsui 1987) Japanese institutional investors began to purchase hotels in America, firstly in Hawai'i and later on the American mainland. In such a way the initial Japanese investments in Californian banking were being reinforced by insurance company investments in the hotel industry (Wilkins 1990). Japanese expansion into the North America market can be explained in terms of the investment of surplus trade capital in a country with a large construction market, a stable political regime and well established contractors, architects, engineers and subcontractors (Tsui 1987). Investment in the hotel industry can be seen as a means of servicing the needs of increasing numbers of Japanese tourists to the USA (Table 4.8). External incentives for offshore location came in the form of host country tax benefits and favourable regulations. In the accommodation sector of tourism Hilton Hotels entered the international market as early as 1949 in Puerto Rico and four years later established a presence in Spain before franchising Hilton International in 1966. In the second half of the 1960s Club Méditerranée entered North Africa, Westin entered Japan, and Hyatt franchised their brand name in Southeast Asia (Table 4.1).

YEAR	CLUB MED	HYATT	SPHC
1950	Foundation		
1957		Foundation	
1958	1950 - 1965		Foundation
1959	expansion		
1960	confined		
1961	to		
1962	Mediterranean		
1963			
1964			
1965			
1966	N. Africa, W. Indies		
1967			
1968	N. America		Australia
1969		Hong Kong	
1970			
1971		Philippines, Mexico, Singapore	
1972		Australia	New Zealand
1973	Japan	Indonesia	Fiji, Tahiti
1974			
1975			
1976			
1977			
1978		Korea	Papua New Guinea
1979	South America	Malaysia	
1980		Hawaii, Marianas, Dubai, Japan	
1981	Regional reorganisation	Saudi Arabia	
1982		UK, Hungary	Noumea
1983		Macau, India	
1984	Asian zone operated by Seibu Group	Morocco, New Zealand	
1985			
1986		China	
1987		Israel	
1988		Tahiti, Germany	
1989			Malaysia, Vietnam
1990	Cruise yachts	Taiwan, Spain	
1991		Thailand	India
1992		Chile, Argentina, France	Thailand
1993	Expansion in Asia/Pacific	Guam, Turkey	
1994			
1995		S. Africa	

Table 4.1 Global expansion of selected accommodation suppliers  
Source: personal communication with companies 1994-5

Taylor and Thrift (1982) observe that MNCs seek to exploit foreign markets and take advantage of favourable opportunities provided by labour costs, government

incentives and exchange rates. The sequence by which a company becomes internationalised is, according to Taylor and Thrift, for a company to grow from an initially small operation to a large national sized business and thence to a multinational operation through acquisition, strategic alliance, merger or by means of franchising. The development of Holiday Inns which grew from a relatively small Tennessee motel company in 1952 to a chain of 1 000 by 1968, provides an illustration of the process by which the company grew domestically by franchising the brand name. Later a programme of overseas expansion started in 1967 with the first European hotel opening in Leiden in 1968, other franchises were sold in the Caribbean, North and South Africa, and elsewhere (Lundberg 1969). In 1994 the company had 1930 branded properties and by 1995 had 2 096 hotels in 63 countries which put it in third place by number of countries and second by the number of hotels (*Hotels* 1996). The company demonstrates an essentially North American pattern of expansion from a well developed domestic base which contrasts with United Kingdom companies, such as overseas banks, which established offshore operations without reference to a domestic base (Wilkins 1997 Pers. comm). In a global perspective the major hotel chains demonstrate uneven development through their concentration in less than a third of the world's countries.

Thrift (1985) notes the opening of the British economy during the 1970s with the abolition of exchange controls in 1979 a move that encouraged and increased both British investment overseas and foreign investment in Britain. Japanese investment in the American, and later European market, was not reciprocated due to stringent protectionist policies on the part of the Japanese Ministry of

International Trade and Industry thus the internationalisation of capital and finance is marked by an uneven spatial pattern. The relaxation of controls on capital exports from Japan in late 1980 (Wilkins 1990) is illustrated by the expansion and establishment of Japanese owned production facilities in Australia, New Zealand, Europe and America and the acquisition of hotels in those countries by Japanese companies. There is, however, no similar investment by American, European or other national firms in Japan, which underlines the relative strength of the Japanese Yen and the protected nature of the Japanese economy. Penetration of this market by foreign firms is made difficult by the strength of Keiretsu organisations and tariff barriers.

In the light of an increasing trade surplus the easing of financial regulations by Japan has had two impacts, firstly the expansion of Japanese investment in overseas property and tourism based development as demonstrated by EIE which has investments in Queensland, Fiji, Hawai'i and California (Rimmer 1994). Secondly, in order to reduce the country's surplus of foreign currency the government has actively encouraged overseas travel. In contrast burgeoning outbound travel from the Republic of Korea in the period 1991 to 1997 collapsed in late 1997 to early 1998 due to an economic crisis (NZTB 1997; Kennedy 1998a; Steeman 1998) which led to moves to limit overseas travel through limitations of spending on overseas trips (Coventry 1997).

By 1973 the capitalist system had come under pressure from external and internal factors (Tickell and Peck 1992). Caught in stagflation with rising oil prices and unemployment, the rise of competition from Japan, increased labour

militancy, stagnation in technology and a decline in the demand for consumer durables in a saturated market, industry was forced to rethink its strategies in order to escape from the situation it found itself in. The problem of such a system was its rigidity (Harvey 1989) and vulnerability to strike action, the solution was seen to lie in the introduction of flexibility through developing a multi skilled and flexible workforce backed by individual site wage bargaining.

In manufacturing industry the crisis in capitalism resulted in the transformation of existing forms of vertical and horizontal integration into diagonal integration whereby contracting out aspects of the process shifted costs of development from the parent company whilst establishing a system in which linkages, or alliances, became important. In tourism a similar process occurred where operators and agents began to 'assemble' services to provide a range of products for the consumer. The key to understanding this process lies in the increasing importance of IT that enables a diverse range of products to be assembled. The other side of the coin, however, is that IT also enables the consumer, tourist, to have a greater awareness of the world and its potential attractions so spurring the process of change.

Restructuring in industry was paralleled by similar moves in tourism as accommodation suppliers diversified their operations from a single market to a multiple tiered organisation catering for a wider and segmenting audience. By presenting a range of products through providing different levels of accommodation, they sought to capture a wider market share. Similarly, airlines through code sharing, mergers and holdings in other companies sought to

maintain their place in the market. Pressured to become more competitive, vertical structures were disaggregated as risk spreading was introduced. At the same time the change from a regime of entrepreneurialism to managerialism was enhanced as the early entrepreneurs in accommodation and transport were bought out by aggressive MNCs seeking to expand their area of operation. Managerialism in the restructured environment involved increased centralisation as corporations decentralised their activities through contracting out and networking in what could be called a system of diagonal integration. Tactical, opportunistic and strategic alliances provided a more flexible system of operation for which IBM provides a North American example through the integration of parts made by different manufacturers and brought together for final assembly. By 1985 the company had emerged as market leader (Langlois 1988) largely through astute company organisation whereby effective out-sourcing of hardware componentry and acquisition of Microsoft's MS-DOS as PC-DOS resulted in the acceptance of their product as an industry standard. Strategic alliances in the transport sector saw the operation of co-operative marketing of different modes of transport, particularly the fly-drive arrangements whereby rental companies were allied to certain airline use through frequent flier programmes and other agreements often brokered by tour operators or travel agents.

### **Tourism as Production**

In a capitalist society economic activity is profit driven, as production tourism is best understood and explained from structuralist and political economy viewpoints. The uneven development of tourism is related to spatial/global divisions of labour and explained partly through political economy and in the case

of less developed nations, partly through government offered incentives. As such tourism is not an industry, it does not produce a tangible good, but rather an intangible experience. However, to gain a better insight into the workings of tourism it is necessary to consider it as a complex of different actors and agents in transport, accommodation, attractions, activities and facilities connected through channels of distribution.

Tourism is undertaken in time which is classed as leisure, that is free or uncommitted time, and thus has connotations of freedom of choice, in this sense the individual has the choice, or freedom, to undertake travel and tourism. However, this choice is constrained by such factors as disposable income, available time, age, gender, health and the knowledge of what choices are available. In the case of the last named the individual is reliant on actors and agents who essentially control access to information. It follows that the facilitator, in this case the travel agent, has control over the range of choice available to the potential tourist. The above situation applies to the case of mass or inclusive tourism where a package is assembled and sold as a complete, or partially complete, product. In this situation it is clearly production which forms and leads demand through control, assembly and promotion of inclusive packages. The ready availability of overseas travel produced a situation where demand for such experiences increased the perceived status of travel to exotic places and access to such socially desirable and acceptable activities as golf and skiing increased. Supply seeking to respond to demand and shape its development actively promoted these activities and other activities and entertainments as attractions. Cultural practises, events and ceremonies were identified as natural attractions within destinations, consequently promotion by word

of mouth and later by commercial promoters eventuated in their commodification. Activities and attractions are packaged, advertised and sold as part and parcel of the tourist experience. The assembled package sold to the customer comprises the hardware of transport, accommodation and activities, and the software promise of an experience based on media representations of the destination. The experience captured in the mind of the purchaser is not translated into reality until a later date and in a different place from where the purchase was made. An example of the promise and expectation is provided by the purchase of the holiday camp experience such as Butlins that came into operation in the 1930s in England (Ward and Hardy 1986). Club Méditerranée in which, like Butlins, the total experience owes much to the unsold intangibles provided by contact with other tourists and the host population is a more recent counterpart of the holiday camp. Entrepreneurial activity in the form of coordination of activities provided the vehicle for the first forays into mass tourism. Through powers of persuasion and the willingness to take on considerable financial risks opportunities were seized by Thomas Cook, John Hertz, Vladimir Raitz and Freddy Laker who channelled their skills and business acumen to the provision of transport at affordable rates to the travelling public. Of these four people it was Vladimir Raitz who in 1950 conceptualised the mass packaged holiday which was to become hallmark of mass tourism (Swinglehurst 1982).

In the new, more competitive environment companies divested themselves of loss-making undertakings by contracting out those aspects of production. This led to a boom in services with financial, corporate planning, management, computing consultancies and secretarial services undergoing tremendous growth.

In the tourism sector the regime of entrepreneurship was slowly replaced by managerialism as hotel property ownership, hotel brand name and management became separated. The development of hotel management companies such as Queens Moat Houses Plc., Richfield Hotel Management Inc., and Prime Management Company exploited the new niche undertaking the management of properties such as Holiday Inn, Ibis, Marriott, Sheraton and Hilton (*Hotels* 1996).

In the deregulated market place mergers and joint ventures took place. Alliances, networking and the formation of value adding chains were entered into as companies sought to maintain position. An example of this is provided by the Promus Hotel Corporation of the United States which franchises, manages and owns wholly or by joint venture over 680 properties comprising Embassy Suites, Hampton Inn, Hampton Inn and Suites and Homewood Suites throughout North America (Promus Corp. 1996). In France, Groupe Accor was founded by the merging of Novotel SIEH, hotels, and Jacques Borel International, restaurant and service vouchers (Accor 1994 pers. comm.). The earlier acquisition of Mercure and Sofitel by Novotel and establishment of the Ibis hotel chain gave the new company a strong base on which Wagons-Lits and reservation company development was based to create a company with wide involvement in tourism (Figure 4.1). A similar merger between Trusthouse and Forte produced Trusthouse Forte, now Forte Plc, with interests in accommodation and catering (Moskowitz 1987). Mergers and the formation of alliances, a mechanism of convergence of control, strengthens the power of larger corporations and reinforces the uneven spatial distribution which characterises tourism at local, regional, national and international scales.

In a tourism context flexibility in production can be related to the change from mass tourism to niche marketing of independent tour packages; in this arena the flexibility of tour package assemblage clearly rests on information technology which enables a process of 'mix and match' between suppliers of transport, accommodation and attraction. The application of IT to travel agencies has brought about the convergence of front and back office functions, the agent's rôle changing from seller to counsellor. In the hospitality industry the use of IT has led to the redesignation of jobs, improved customer service and the more efficient operation of hotels. The production of individually tailored or personalised tourism packages depends upon the availability of information from a variety of sources, thus the adoption of IT which makes this possible lies behind the alternative forms of tourism which comprise Poon's 'New Tourism'. This form is characterised by niche marketing of specialist products to a discerning clientele that includes backpackers, orchid lovers, artists, ornithologists and eco-tourists.

The tourist experience relies on the discrete services provided by travel agents, transport, accommodation and entertainment operators. Whilst IT provides co-ordination and facilitates the payment of commissions there is no buyer-seller relationship between the various providers. With the notable exception of the range of services provided by Groupe Accor (Figure 4.1) there is little if any control over the consistency of service quality between suppliers. Although each stage of the tourist experience is consumed and remembered as a part the total package the overall experience is based on provision of service by all operators.

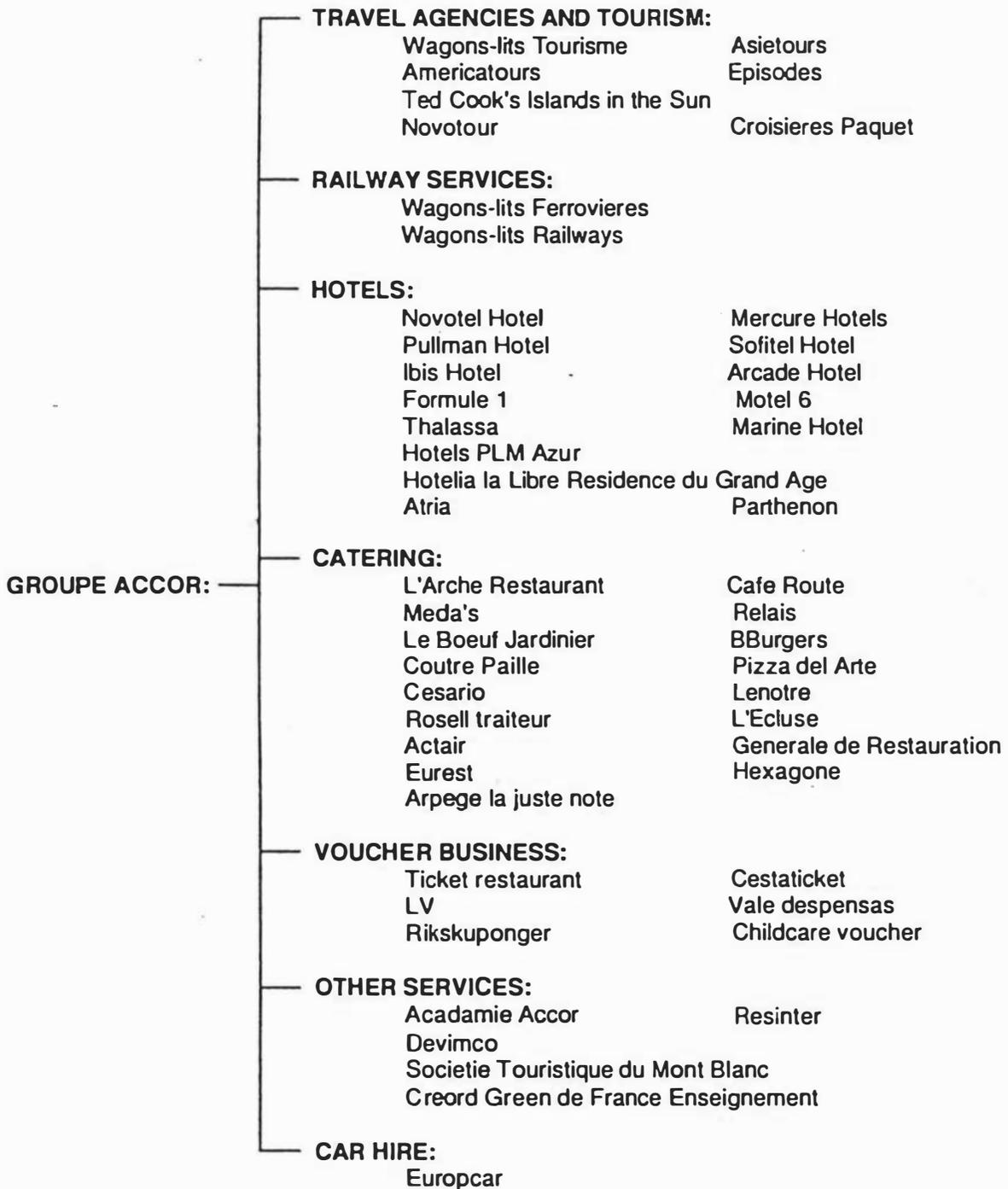


Figure 4.1 Accor activities

Source: Groupe Accor, personal communication 1994

### Tourism as Consumption

The long post-war boom of the fourth Kondratieff saw the development of consumer society as mass production made an ever increasing range of goods available to the market (Hall and Preston 1988). The consumption of tourism, as

with other services, depends not only upon the ability to purchase the service concerned but also the capability to purchase the time in which to consume them (Urry 1990a). In this light Warde (1990) recognises that in addition to exchange and use values, commodities acquire positional or status value; thus the development of niche markets fulfils the perceived function of claiming a position in a social hierarchy. Mass production had the affect of bringing those products that had acquired positional value to a wider audience thus lowering their value as markers of status (Franklin 1994). In consequence a demand was created for new products to replace the old. It is in this context that the emergence of new social classes, discussed above, sought to emulate those whom they perceived as being of higher status and to differentiate themselves from those deemed to be lower. In keeping with the tenets of status the possession of different goods clearly signifies the owner's place in a social hierarchy. From a tourism perspective destinations also underwent change as mass tourism converged on places which had previously been the preserve of the élite. The conflict that arose from this 'invasion' resulted in a form of 'social zoning' by which incompatible holiday styles were separated (Walton 1983). In response to the loss of exclusivity the élite moved to new destinations to establish exclusivity in new niche destinations. In the context of uneven development changing social class preference may result in changes in investment patterns in and between destinations, some disinvestment in older destinations and new investment in newly developing places.

The commodification and consequent consumption of places is reinforced by the development of information technology that increases their distribution to a widening audience of potential tourists. A corollary of this is uneven distribution,

those places which do not have access to the technology are less exposed to tourism in that they are bypassed by booking agents who rely on electronic communication. The uneven development of tourism, and consumption of places, results from the concentration of arrivals in those places that are more accessible.

### **Alliances and integration**

In an increasingly competitive environment Perlmutter and Heenan (1986) comment on the necessity for cooperation in order to compete in local market places which they see as a crucial strategy. Benson (1975:230) observed that a *"...(P)olitical economy perspective is integrative in the sense that a number of diverse concerns of inter organisational research are brought together in a general framework."* Alliances are a means of increasing the power of partners towards increasing their competitiveness through cooperation to form value adding chains and thus making synergistic gains. The affinity between travel and accommodation witnessed by the growth of railway, shipping and airline company interests in hotels as a means of extending their services into new markets demonstrates the effectiveness of alliances. However, increased inter-company and inter-modal competition ensures that alliance arrangements tend to be flexible to contend with changing economic and political environments.

It is argued that changes in regulatory and technological environments have led to increased competition in the fast expanding tourism industry which, in turn, has led to increased cooperation between producers to the extent that smaller actors have been forced to utilise expanding technology based distribution systems in order to prevent their becoming marginalised. The cement that binds frameworks

of alliances together is, as Poon (1988) identified, information and the technology that enables the transmission of information between players in the framework. In the drive for profit, information and technology are interdependent. Neither on its own is sufficient to explain the growth and expansion of tourism, but by combining the power of capital with the flexibility provided by technological development and changes in regulation, which have enabled the flow of information, we are better able to explain and understand the processes by which the establishment of alliances have taken place. In the three decades from 1960 changes in the regulation of finance precipitated by increasing pressure on the Bretton-Woods Agreement led to its collapse in 1971. The growth of IT effectively moved financial markets from territorial space to a global network of computer linkages, thus a global market place with 24 hour trading came into being (Warf, 1989; O'Brien, 1992). The crisis in capitalism came as the combined result of financial deregulation and the growth and expansion of IT, which in turn stimulated structural changes that have impacted on tourism to produce radical changes in the form of the business.

### **The importance of information technology**

American Airlines introduced computers to handle the mass of data which accumulated daily and with which a card and blackboard method could not cope (Hopper 1990). Their system, SABRE, was the first computer reservation system to be introduced by an airline and by 1976 travel agents were using the system to book aircraft seats (Lane 1986). In West Germany Lufthansa, in co-operation with Air France, Iberia and SAS (Beckman 1988), developed the Amadeus CRS. As passenger numbers increased so the demand for computer technology grew

from airlines and other business which handled huge quantities of data. Behind the CRS programmes lay computer technology that emerged in the late 1970s, competition between them was intense with a small group of companies dominating the market.

Travel wholesalers and retailers linking into the major systems were able to book customers into aircraft seats, hotel rooms and later rental cars as an increasing array of tourist oriented companies bought into CRS networks. Collier (1989) recognises the increasing sophistication and knowledge of travellers as an important factor in the changing role of the travel agent from sales person to counsellor who is able, via CRS to advise and compile personal itineraries for clients. This in turn, in order to develop customer loyalty, may include the compilation of a customer profile, or database, which by storing personal requirements provides a competitive edge for the agent. The customer who values such personal service is therefore more likely to remain loyal to the agent. Similarly corporate customers will remain loyal to those agents who provide a responsive 24 hour service.

Communication of data is a vital factor in the linkage between airline, hotel, agent and tourist. This linkage has been facilitated by the development of CRS that, as indicated above, is transforming the role of the agent by providing the customer with greater flexibility of choice and planning as competition between vendors of CRS continues to make available an increasing array of services.

The integration of CRS (Figure 4.2) exists at two levels; at a national level

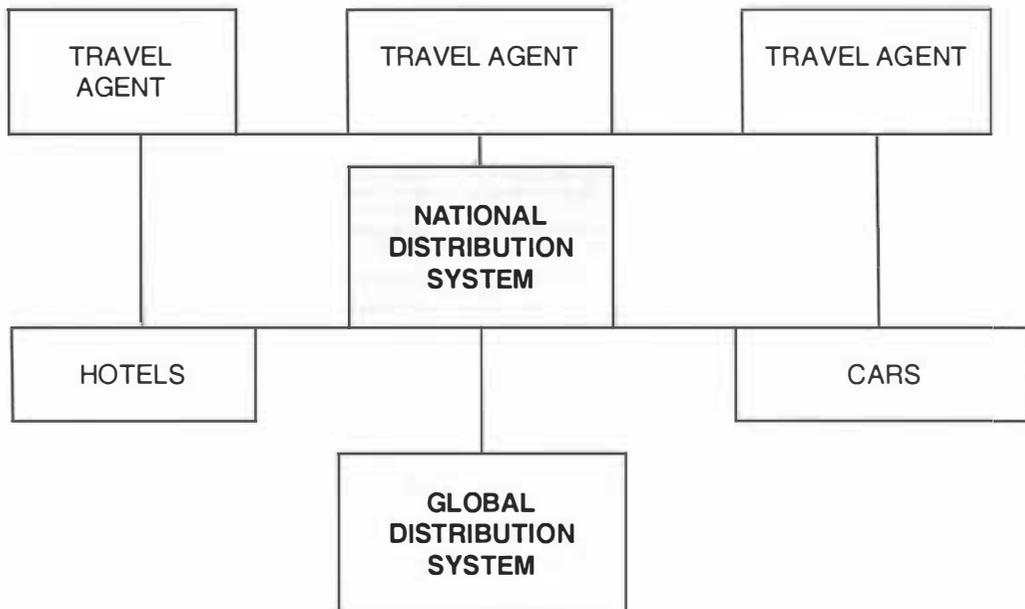


Figure 4.2 Distribution systems  
Source: After Lindsay 1992:12

between agents, hotels and car rental companies that are involved in domestic tourism. At the global scale those distribution systems give access to international tourism operators via Galileo, Sabre or Amadeus (Figure 4.3). This gives the agents direct access to hotels and rental cars via two information switching systems. In order to gain a competitive edge over rival companies hotel and rental car companies have bought into airline CRSs and have a discrete access code which allows an agent to book directly into a hotel's room inventory and into the rental car company's booking list. Hotel companies are able via THISCO or WIZCOM switching facilities to connect into the major airline CRS (Figure 4.3). By these means travel agents are able to book the travel requirements of customers which involve transport and accommodation, through their computer networks (Lindsay, 1992). In terms of the tourist industry, the major technological development was that of the computer reservation system which

enabled easier, faster, more efficient handling of increased numbers of aircraft to and from diverse points of origin and destination, carrying more members of the travelling public, through a complex of routes and connections.

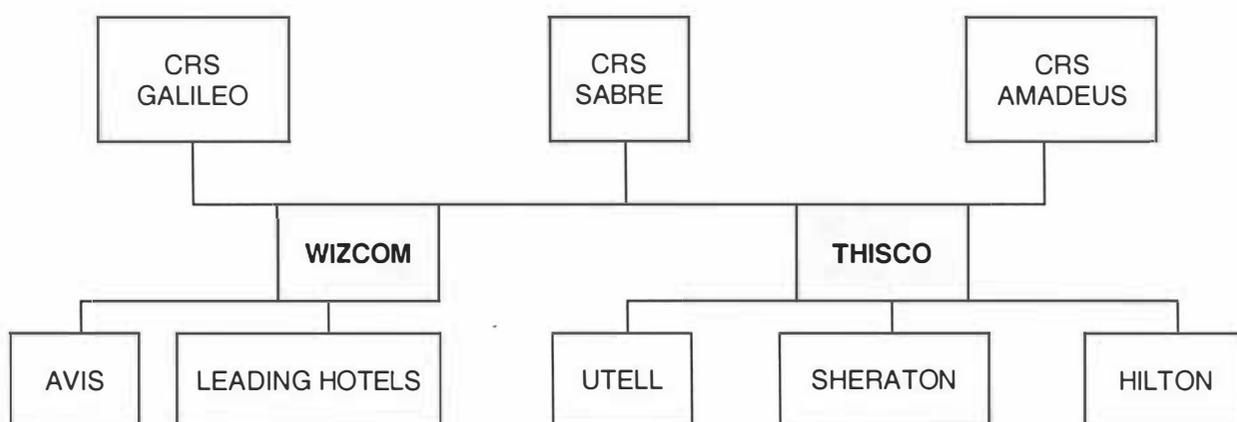


Figure 4.3 Information switches  
Source: After Lindsay 1992:12

The development of computing technology in the 1970s created the powerful computerised reservation system which gave airlines a powerful tool in terms of booking and provided a competitive edge over those companies which did not have a system. However, passenger growth and the realisation of the importance of the CRS eventuated in airlines buying into existing systems or, as in the case of Air France, Iberia, Lufthansa and SAS (Beckman 1988) building their own system, named Amadeus. Integration within the tourism business brought about through the increasing use of computer technology provides the base from which agents can assemble inclusive packages. The power provided by such distribution and reservation systems reinforces the notion of uneven development by concentrating attention on operators and destinations served by them. In contrast smaller operators and destinations that are not linked into such systems are placed at a competitive disadvantage.

Mergers, acquisitions and strategic alliances are important means through which globalisation comes about (Taylor and Thrift 1982; Lowe 1992) and are, as has been shown, relevant to the tourism industry. In the manufacturing sector new social and spatial divisions of labour are formed through restructuring and the use of flexible technologies, a similar process on a lesser scale occurs in tourism where the convergence of front and back office space has taken place and where travel operators are being challenged by travel agents who, through the use of airline CRS technology, are able to assemble tour packages with airlines and hotels. Furthermore, the development of the internet as a site for promotion and marketing has made it possible for the travel agent to be bypassed as airline and hotel bookings can be made direct with the vendor. This form of integration is, by its very nature, unevenly distributed in terms of those who have access to the technology. Likewise the impact of personal access to the technology on travel agents is also unevenly distributed.

The net result of changes in regulation, essentially deregulation, and technology in tourism is seen in the development of a complex set of inter-relationships between travel operators, wholesalers and agents with all forms of transport and accommodation which could not exist without technological development and deregulation of finance and telecommunications.

Integrative tendencies in finance are illustrated by Carte Blanche Travel and Entertainment (T&E) card launched in the USA in 1959 as a prestige card; agreements were negotiated with airlines, major hotels and car rental companies

which virtually guaranteed its place in the market (HMSO 1980). By 1960 all the major credit card operators were in existence thus paving a way for the formation of alliances, firstly between banks at an international scale and secondly, between providers of services that could be bought through credit card purchase. The first airline to sign an agreement with a credit card company was Western Airlines with Diners Club. Later other airlines were to sign marketing agreements with credit card companies and as frequent flyer programmes developed so credit card companies became involved in them and with the supply of travel services (Scott 1995). The launching of Eurocard in 1965 by a joint venture between Swedish Rikskort and the British Hotel and Restaurant Association signalled the start of credit card operations in Europe. EuroCard International is owned jointly by EuroCard Deutschland, Access of Great Britain, EuroCard France and the Swedish Wallenberg family. As a bank card the Access card issued by the Joint Credit Card Company backed by the National Westminster Bank, Midland Bank and Lloyds Bank was the most used card in Europe in 1974. Access was the second most used card after the Bank Americard's Barclay Card affiliate which became the Visa card in 1976 (Mandell 1990). T&E cards, especially Diners and Amex, are widely used in travel and offer a raft of services to the traveller which include travellers cheques, airport lounges, business lounges, member lounges and cash advances as well as travel insurance where air tickets are purchased with the card. The example provided by American Express (Figure 4.4) illustrates the marketing agreement between the company and airlines, agreements with trading banks over ATM access, insurance and other services related to tourism.

Internationally T & E card services offered generally include no set spending limit, fly now - pay later, express check out services and confirmed reservations (Diners Club International). Bank credit cards such as Access, Visa and Master Card generally have a pre-set limit and have a wider scope of acceptance than the T & E cards. The use of credit cards and the control of financial flows through their use is a further illustration of integration and concentration of control in the hands of those banks and corporate bodies which issue credit cards.

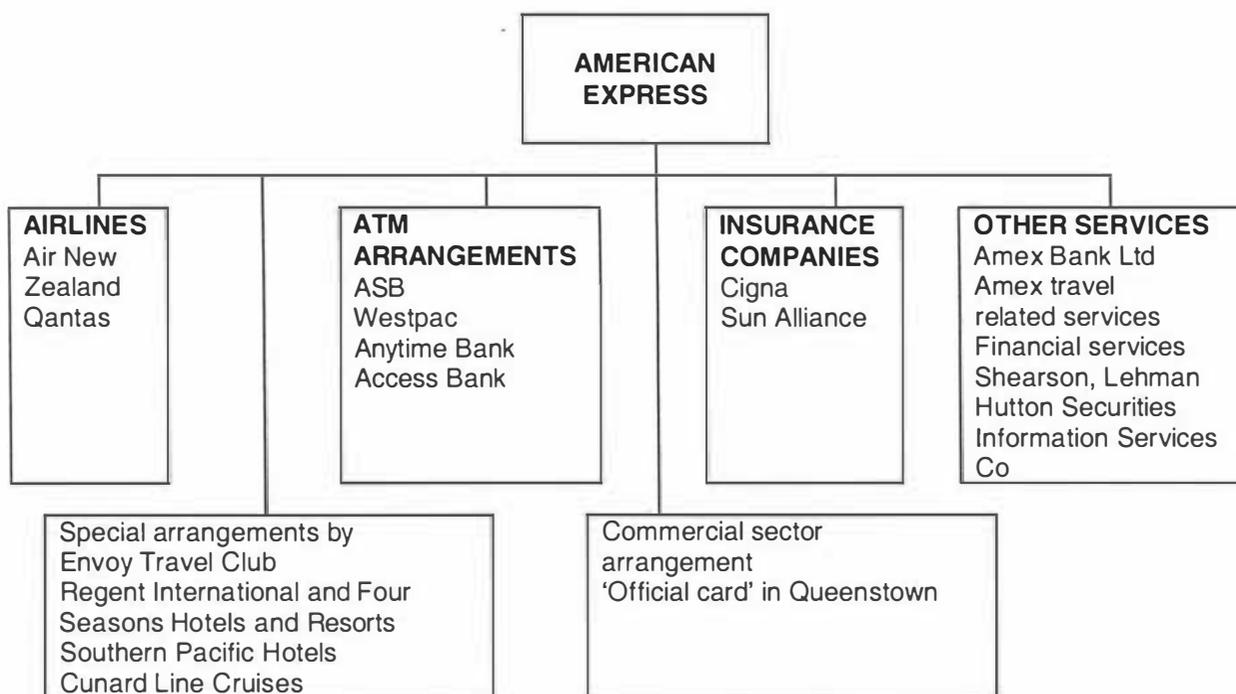


Figure 4.4 American Express alliances and liaisons in New Zealand

Source: Smith, 1994: Personal interview

Joint ventures, mergers and take-overs between and within attractions, accommodation and transport related to tourism have different impacts from those in the manufacturing sector. Horizontal integration in the accommodation industry does not necessarily bring economies of scale although gains are made

in the utilisation of management skills since the component parts of the resultant company may be in different countries. Similarly vertical integration does not necessarily lead to the formation of value adding chains as there is no output - input relationship between the stages of the tourism product (Bote Gomez and Sinclair 1991). Vertical and horizontal integration were a mark of industrial and services organisation prior to the move to a market driven economy. On restructuring and rationalisation existing structures were disaggregated into more flexible arrangements through networking, contracting out, loose opportunistic alliances, tactical and strategic alliances. Vertical and horizontal alliances were thus replaced by what could be called 'diagonal integration' as players sought to control costs and minimise risks. In contrast to the inflexibility of Fordist systems of organisation the new flexible systems allowed for specialisation and short run production in manufacturing and in tourism, the development of tailored packages and special interest tours.

The Fordist parallel in tourism is demonstrated by the monolithic, slab sided, concrete, sea walls of hotels and apartments that fringe the beaches of the major package tour destinations of Mediterranean Europe. The character of these destinations, serviced by operators and their agents, fuelled the move by discerning tourists towards independent holidays which they designed in co-operation with those agents who had the technology, skills and knowledge to assemble packages from existing information to the requirements of the customer. The saturated consumer market led to increased product differentiation, short product runs, batch production and the use of flexible numerically controlled machinery. At a different level there was a revival of craft

and design intensive industries, the use and development of high technology industries and business, financial and personal services which are seen by Scott (1988) and Schoenberger (1988) as the leaders of the new regime of flexibility.

The concept of flexible accumulation is based on the accumulation of profits through the use of flexible machinery and/or flexible manufacturing system, the social impact of which results not from the technology but from the choices which this makes possible (Gertler 1988). Although the concept of flexibility applied to the manufacturing sector is developed by a number of researchers in relation to the transformation of Fordism there is a dearth of comment on flexibility as it applies to services and to tourism in particular.

### **Airline convergence**

As has been discussed airlines developed CRS to solve the problems created by increasing numbers of passengers on an increasing number of aircraft on a multitude of routes. By buying into these systems hotels, and later rental car companies, were able to gain distribution. However, the technology also provided the means by which alliances and loyalty schemes could be developed thus reinforcing concentration.

Airlines establish strategic alliances through code sharing as a means to capturing a larger share of global routes, consequently smaller companies need to enter into such agreements in order to prevent themselves from becoming marginalised in the wake of major global carriers. Code sharing arrangements

between airlines in 1995 (Figure 4.5) enable companies to access a much wider range of destinations through access to partner company routes. Using British

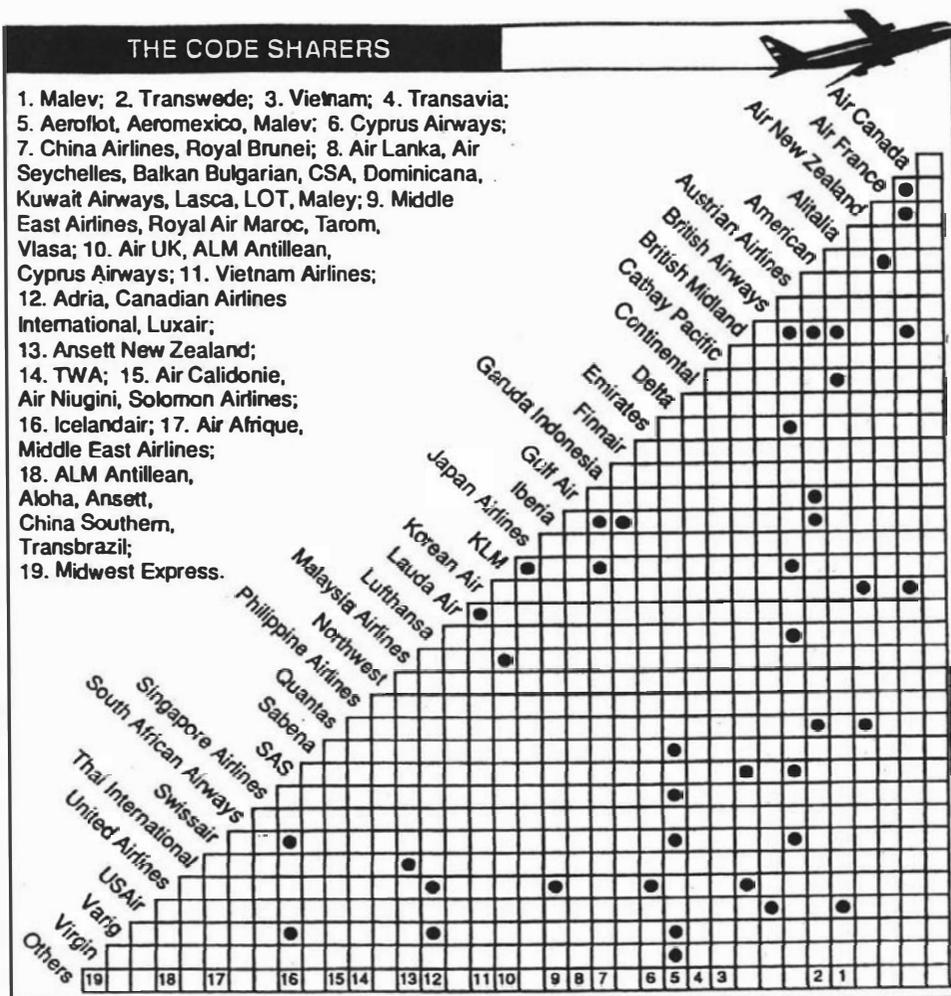


Figure 4.5. Matrix of Airline Codeshares  
 Source: Rich, M. (1994). Crack the code to get the best flight deals, *National Business Review*, 7 October, 78-79

Airways (BA) as an example together with its franchisees and alliance carriers (Figure 4.6) the company has access to 477 destinations in 97 countries. The airline's own route network covers 174 destinations in 83 countries plus, through its franchise partners Deutsche BA and TAT European Airlines, 61 European cities.

Consolidating its position as a major European carrier British Airways in partnership with the Rivaud Bank acquired a 67% share in the French regional airline Air Liberté. With connections through Qantas flights BA is able to serve over 70 destinations in the South West Pacific and the USA. Additionally a code sharing agreement with US Air and US Air Express, American West and Canadian Airlines gives BA access to 195 North American destinations, plus US Air's international routes which serve a further network of 19 destinations in 11 countries (Figure 4.6). The critical alliances in establishing a global network were those with US Air and Qantas that provided wide access into the North American and Asian markets respectively (Figure 4.7).

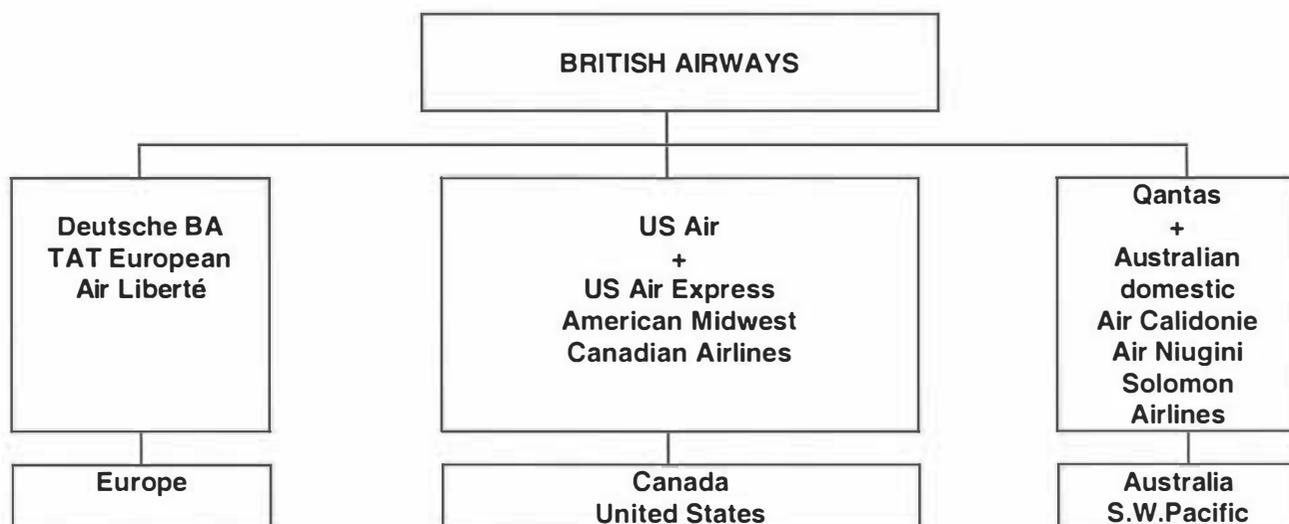


Figure 4.6 British Airways global alliances  
Sources: British Airways Annual Reports 1996;  
National Business Review: 22 November 1996

As international tourist arrivals increase airlines seek to capture as large a share as possible through the forging of new global alliances which may mean disengaging from existing arrangements. This is best illustrated by the strategic alliance between British Airways (BA) and American Airlines (AA), with a

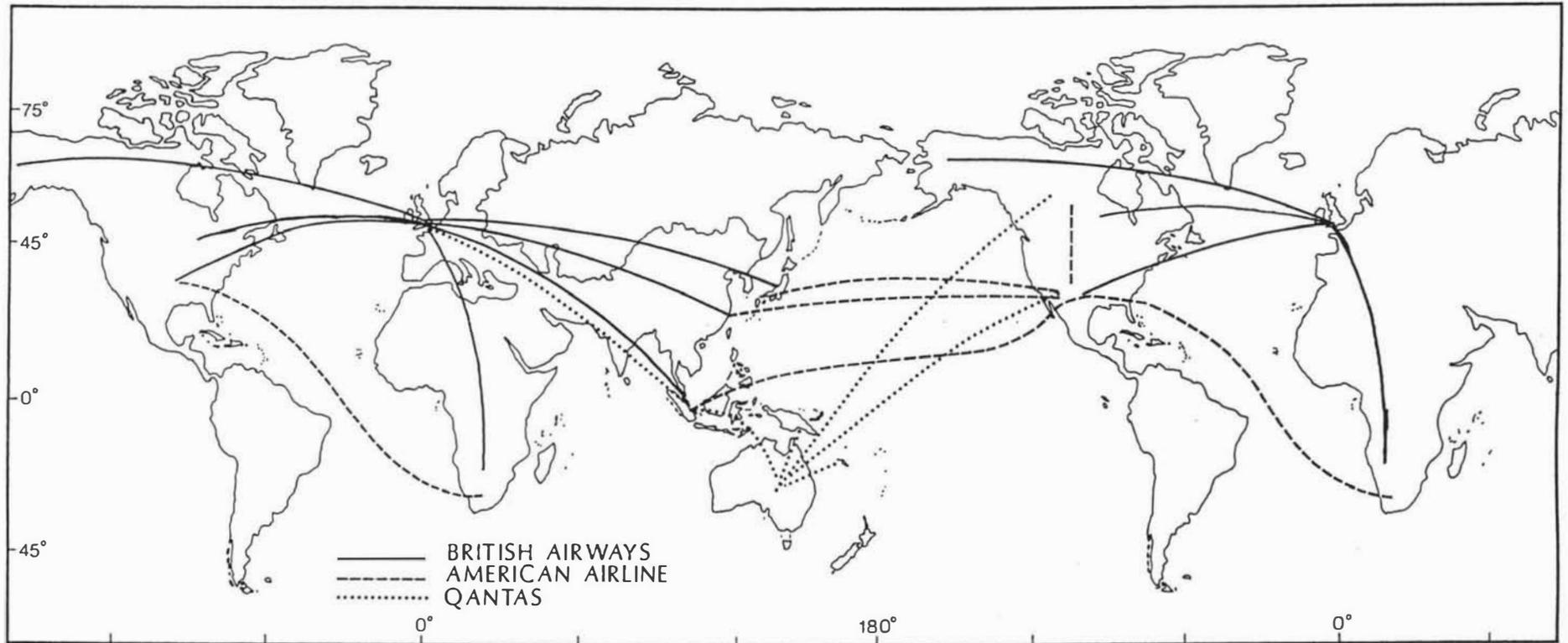


Figure 4.7 The global reach of the proposed American Airlines - British Airways - Qantas Alliance  
 Source: Airline timetables and route maps

strengthening of their separate code sharing agreements with Qantas Australia (QF). The alliance that was tabled in April 1997 aimed at creating a major primary global network between the three continental regions. Enabled by the 1995 International Air Transportation Policy Statement, in the USA, the alliance comes as a result of liberalisation of bi-lateral air services that allows for greater competition. However, the BA - AA alliance will lead to the ending of BA's code share agreement with US Air, US Air Express and Canadian Airlines on the grounds of it being anti-competitive. Each of the three partners have code sharing arrangements with other airlines forming a secondary network of major carriers below which at a sub national level there are further alliances between smaller carriers operating feeder routes. Other, less powerful, global alliances exist between smaller companies for example Virgin Atlantic has alliances with Midwest in North America, Malaysia Airlines in S E Asia and Air New Zealand; Canadian Air code share with British Airways, Mandarin, Qantas, Air New Zealand and Varig; and at present Qantas code shares with British Airways, US Air, American Airlines and Canadian Air. Whilst each of these, and other code share alliances, provide inter-continental bridges they lack the size and power of the British Airways - American Airlines proposal.

Figure 4.8 illustrates, in outline form, the global linkages through alliances and FFP arrangements that arise from a BA-AA-QF alliance. From a tourism perspective and competition based on service, rather than price, the alliance partners trade on their reputation as providers of high quality passenger service, which is backed by reciprocal agreements between their frequent flyer programmes which include partner hotels, rental cars and credit card companies.

Such arrangements will no doubt strengthen the market placement of the alliance in the frequent traveller niche. The alliance succinctly integrates Western Europe and North America with the more distant peripheral destination areas of the Pacific Islands, Asia and Africa. The code sharing and FFP alliances which each individual member airline has entered into give those airlines, and member companies, a degree of competitive advantage over other airlines serving the same areas thereby reinforcing concentration and uneven development.

Marketing alliances such as the frequent flyer programmes operated by airlines, (Table 4.2) are seen as a means of competing in an increasingly competitive market. These schemes integrate players in tourism through cooperative marketing arrangements whereby 'free flights' are given as rewards for loyalty. The establishment of codesharing and FFP agreements came about through

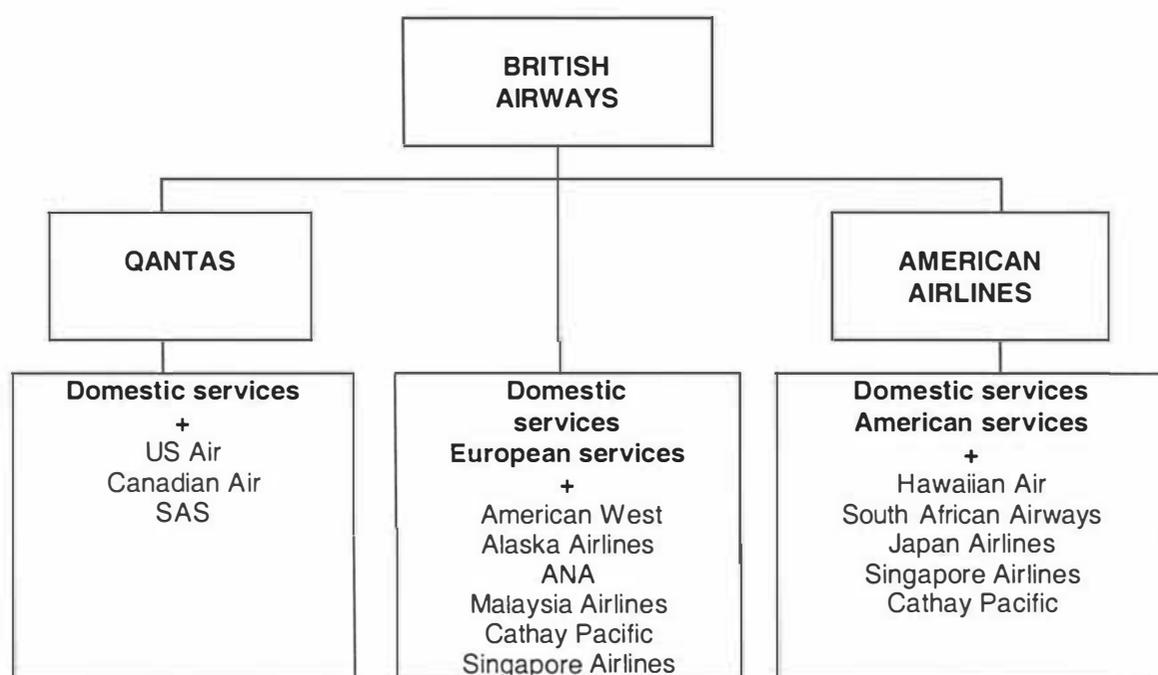


Figure 4.8 The global scope of British Airways - Qantas - American Airlines alliance  
Source: British Airways, 1996, <http://ba.facility.pip...banetsc/latestnews>.

deregulation that encouraged cooperation between carriers. Computer reservation systems played a vital role in the establishment of FFPs, and code sharing due to the synergies generated by use of same CRS, therefore reinforcing integration. As point to point routes were rationalising, following conducive to partnerships and alliances as small operators organise timetables to complement major carriers as they seek to secure business. Similarly it was in the interest of major carriers to form alliances through which they could provide a better service between hubs and lesser destinations. As competition between airlines increases so code sharing and reciprocal arrangements become the norm.

The constitution of frequent flyer programmes is flexible, partnerships change in order to cater for changing travel patterns and a changing traveller cohort, or market segment. Typically there are equity linkages between members of FFP arrangements. This is illustrated in the example of the British Airways programme (Table 4.2) where flexibility is built into programmes as a means of capturing and maintaining a loyal customer base. British Airways has equity interests in US Air 24.6%, Qantas 25%, Deutsche BA 49% and TAT 49.9% (British Airways 1996). Codesharing and alliances with other carriers is based on cooperative marketing agreements which are seen as a means gaining access to other destinations. Through codesharing British Airways service 288 destinations in 88 countries on BA designated flights, with the addition of other alliances some 477 destinations in 97 countries are served by the company. Competing carriers seek to maintain their position in the market by establishing alliances through codesharing agreements and loyalty schemes. Air New Zealand (Barrett 1996) see such alliances as means of defence rather than mechanisms with which to compete for market shares. In

	1994	1996	1998
<b>BA Franchises</b>	British regional airlines, British Airways Express, Maersk Air, British Asia Airways,	British regional airlines, GB Airways, Brymon Airways CityFlyer Express, Maersk Air, Sun Air, Comair	British Mediterranean Airways British Regional Airways/Loganair Brymon Airways; CityFlyer Express; Comair; GB Airways; Maersk Air; Sun Air (Denmark)
<b>Alliance Partners</b>	Deutsche BA, TAT European Airlines Qantas (including Qantas domestic routes), US Air	Deutsche BA, TAT European Airlines Qantas (including Qantas domestic routes), American West, Canadian Airlines, Braathens; SAFE Alaska Airlines; ANA, Malaysia Airlines, Cathay Pacific Airlines, Singapore Airways	America West; Deutsche BA; Canadian Airlines; Portugalia Airlines Qantas TAT European Airlines
<b>Car Rental Partners</b>	Hertz,	Alamo, Avis, Hertz.	Alamo, Avis, Hertz
<b>Hotel Partners</b>	Hilton International, Marriott Hotels, Mandarin Oriental, Ritz-Carlton, The Savoy Group, Radisson Edwardian, The Taj Group Intercontinental Hotels and Resorts (including Southern Sun)	Courtyard by Marriott Hilton Hotels and Resorts Hilton International Hilton National Intercontinental Hotels and Resorts (including Southern Sun) Marriott Hotels, Resorts and Suites Mandarin Oriental The Savoy Group Radisson Edwardian Radisson International Hotels Ritz-Carlton The Taj Group	Concorde Hotels; Courtyard by Marriott; Hilton Hotels and Resorts Hilton International Hilton National Hyatt Hotels and Resorts Inter-Continental Hotels and Resorts Mandarin oriental Marriott Hotels, Resorts and Suites Radisson Edwardian Radisson International Hotels Ritz-Carlton The Savoy Group The Taj group; Sixt
<b>Business Partners</b>			AT&T Hewlett Packard Talkland; Travelex Vodafone

Table 4.2 British Airways Alliance Partners, 1994 - 1996  
Source: British Airways Executive Club Programme 1994;  
British Airways 1996; 1998, <http://www..british-air...ts/docs/execpart>.

addition to airlines incorporating accommodation into their FFPs chain accommodation operators seek to ally themselves with airlines. In the new environment networking and the building of loyalty schemes have become increasingly important due to the rise in competing interests. Table 4.3 illustrates some aspects of this in relation to hotel companies. Alliances and liaisons have integrated generator and destination regions through investment in the provision of accommodation and other services. Thus what is seen as uneven development at the local scale is repeated at regional and national scales.

HOTEL/HOTEL GROUP	LOYALTY PROGRAMME	AIRLINE FFP	AIRLINE CRS
<b>HYATT</b>	Gold Passport Gold Passport at Leisure	United Mileage Plus US Air Delta Northwest World Perks Alaska Airlines Mileage Plan	Apollo Sabre Datas SII Pars System One
<b>CIGA</b>	CIGA Corporate Club Meetings Programme CIGA Weekend		
<b>SOUTH PACIFIC HOTELS</b>	Bonus Card	Ansett Australia Air New Zealand	Apollo Galileo Abacus Amadeus Fantasia Sahara System One Worldspan
<b>BEST WESTERN (referral agency)</b>	Crown Club Australia Corporate Card Best Western New Zealand travel Club		
<b>INTER-CONTINENTAL and FORUM HOTELS INTERNATIONAL plus 32 SAS Hotels available via I-C global reservation system</b>	Six continents Club Executive Club Corporate rate portfolio Club Inter Continental Global meetings portfolio Leisure travel programme	American Airlines Austrian Airlines Singapore Airlines Canadian Airlines Cathay Pacific KLM Malaysian Airlines Virgin Atlantic	SAS  Swissair TWA United Airlines

Table 4.3. Loyalty Programmes and Alliances for selected hotel companies. (Source: Personal communications from hotel companies, November 1993)

## **Changing structure of Accommodation**

With a widening tourist cohort and increasing segmentation hotel companies sought to increase their market share through horizontal integration by developing tiers to increase market coverage and penetration by providing a range of accommodation each targeting a different market segment as for example Group Accor which operating 2 465 hotels in 135 countries had the widest hotel distribution in 1996 (Accor 1996). In addition the company operates a range of other interests which include tour operating and cruises (Figure 4.1). In the case of other companies, for example Hilton International and the Italian company CIGA, a policy of concentration on specific market segments has been adopted whereby there is a concentration on quality rather than quantity, thus when a property needs refurbishing a cost-benefit analysis is used to reach a decision on whether to sell or refurbish (CIGA 1994). More recent information indicates that Hilton Hotels is planning to move into a lower market segment through building new hotels to cater for business travellers who do not want to pay luxury rates (Bloomberg 1996). In terms of changes in tourist demand toward budget accommodation such a move is in line with the company's aim of maintaining a profitable market presence. As the demand for budget accommodation increases it can be expected that more companies will be forced to consider repositioning, or acquiring properties to maintain their market position.

With deregulation of finance, MNCs, including hotel and car rental companies, were able to expand their areas of activity. At the same time they availed themselves of new technologies that enabled an easier transfer of information and capital between branches of companies. Club Méditerranée provides an example

of a company that regionalised its organisation on the basis of the geographic location, where major capital purchases or investment was needed transfers were made between the branch and head office in Paris (Club Méditerranée 1993).

Whilst multinational companies have access to capital for expansion smaller regional companies are not in the same position, the hotel companies of North America and Asia contrast with those of Britain and Europe where the entrepreneurial regime of small hotel owners and keepers differs from the managerial structures of multinational companies. An explanation of this lies in the different economic environments of North America, and latterly Asia, where hotel companies expanded through purchase, brand franchising and management contracts. Lacking capital for expansion the majority of British hotel companies tend to be small and independent and consequently are under pressure to join consortia in order to get distribution (Morrison 1994). Two major exceptions to the European pattern of small hotels and hotel chains are Groupe Accor in France and Forte in England.

### **Tourism flows**

Factors that influence tourist flows and investment in development relate to the political, economic, social, technological and natural environments in which tourism is situated. Political stability is an important factor in terms of the economic climate of the country, whether it be a generator or a destination. Political instability characterised by the threat of social unrest and terrorism which may pose potential danger to tourists often deters them from destination countries as well as deterring air travel by the nationals of those countries who may be involved in armed conflict.

Related to political stability is the relative value of currency; the direction of overseas travel relates in part to relative rates of exchange, fluctuations which increase costs will mitigate against travel to those destinations which are seen as expensive whilst increasing travel to those perceived as cheaper (fieldwork discussions with independent travellers 1993-5). Thus relative exchange rates affect the direction and flow of tourist traffic between generators and destinations. It was the relative political stability of Australia and relative strength of the Yen which encouraged Japanese investment in property in that country in addition to the proximity of Australia to Japan (Rimmer 1994; Stimson *et al* 1998).

Tourism generators are essentially those countries and regions with relatively high incomes per capita. It is therefore the populations of those first world nations who compose the majority of international tourists. Domestic tourism generators were generally the industrial urban centres of nations as Christaller (1964) discussed with reference to France. In contrast, destination regions are those less developed regions and nations that are characterised by lower income per capita and lower costs of living. Investment in these places by developed world individuals and corporate entities was seen as profitable and, consequently, their promotion and the development of transport linkages. Benefits were seen to accrue to firstly the investors, secondly the tourists who took advantage of what was perceived as a cheap holiday, and thirdly, the local and national economies of those destination regions that profited from the influx of fresh and/or foreign exchange. In addition to what may be labelled North-South flows, in terms of the Brandt Report (1982) two other flows can be determined, one based on business travel and second on sunlust.

Uneven development of tourism is manifest at a variety of scales. Christaller's (1964) discussion of urban to rural tourist migration illustrates differences in levels of economic and tourism development at the national scale. At a continental scale the desire of tourists to move from the UK and Germany to the coastlines of Spain, Italy and Yugoslavia demonstrates a demand for those destinations which have a dependable sunshine record plus access to beaches. However, this explanation is complicated by the desire of residents of those destination countries to visit the UK and Germany. North - South, or core to periphery tourism in the terms of developed to less developed economies has its origins in differential rates of exchange whereby tourists from the 'developed' world were assured of 'cheap' holidays in less 'developed' countries. These destinations were seen as important areas for entrepreneurial investment by hotel companies and by outbound tour operators who were able to provide package holidays. In this respect a political economy approach provides an understanding of how and why in which this particular patterns of tourist flow has developed.

Sunlust tourism represents what is essentially an escape, an opportunity for recreation initially as a seaside weekend away from the urban confines of industrial urban life (Dann 1977). Latterly this has evolved as a move towards the equator for 'better' climate and dependable sunshine, for example a temporary migration to southern Europe, the sunbelt states of the USA, the Queensland coast of Australia and Bay of Plenty and Northland in New Zealand. On its own this pattern cannot be explained in terms of a single reason, as intimated above other factors are important. Historically, in Europe, the growth of mass tourism from the

TOURIST FLOW	GENERATOR REGIONS	DESTINATION REGIONS
<b>NORTH - SOUTH</b>	First world countries North America Western Europe Japan	Third world/less developed countries <ul style="list-style-type: none"> <li>• Central and South America</li> <li>• Southern Europe and North Africa</li> <li>• Pacific Island states, S and SE Asia</li> </ul>
<b>SUNLUST</b>	Cool temperate latitudes <ul style="list-style-type: none"> <li>• Northern and western Europe</li> <li>• Northern USA and Canada</li> <li>• Southern Australia</li> <li>• Southern regions of New Zealand</li> <li>•</li> </ul>	Warm temperate and tropical latitudes <ul style="list-style-type: none"> <li>• Southern Europe and North Africa</li> <li>• Florida and southern states</li> <li>• Queensland and Western Australia</li> <li>• Northland, Auckland and Coromandel/Bay of Plenty</li> </ul>
<b>TRIAD</b>	Business travellers from home base in: <ul style="list-style-type: none"> <li>• Industrial Europe</li> <li>• Industrial North America</li> <li>• Japan</li> </ul>	Visits to subsidiary plants in: <ul style="list-style-type: none"> <li>• North America &amp; Japan</li> <li>• Western Europe and Japan</li> <li>• North America and Western Europe</li> </ul> Visits to developing nations
<b>WANDERLUST</b>	Developed nations of first world	Rest of the world, especially southern and south east Asia

Figure 4.9 General direction of tourist flow  
 Source: Developed from WTO 1995

UK, Scandinavia and Germany to the Mediterranean coast of Spain organised by tour operators established a pattern of holiday making. Tourism development in Spain was encouraged by favourable land prices, labour costs and exchange rates. With respect to international tourism, the political economy of tour operators and suppliers of the tourist product and in particular makes possible the offering of 'cheap' transport packages at particular times of the year. Through investment in aircraft and/or accommodation they were able to control prices to their advantage and thus direct the movement of tourists to particular destinations such as Torremolinos on the Costa del Sol.

Business tourism between North America and Europe the founding nations of modern tourism is based on their similar ethnic origins and industrial development. During and after World War Two trade between the two industrially developed nations was cemented by military aid between the Allies and, in the post War period, Marshall Aid which helped rebuild Germany, consequently travel between North America and Europe related to trade increased. The later development of industrialisation in Asian countries led to the growth of a triangular trade between the Triad of Japan, the United States and Europe (Ohmae 1989: 144).

The political economy of multinational companies in tourism enables them to exert influence over tourist flows and the development of destinations where they receive a profitable return on investment due to favourable currency exchange rates. The demand for different tourism destinations results in the identification of four general patterns of tourist flow (Figure 4.9). Developers of tourist destinations build on the

different perceptions of physical and cultural characteristics of destinations; supply seeks to interpret demand, satisfy it and lead it in a direction that will profit investors in facilities and services. An individual's choice of a destination based on personal knowledge and perceived needs, or wants. Access to the chosen destination is enabled by changes in regulation and the travel agent's ability to meet the demand. In doing so the designed package may lead the agent to develop an expertise whereby a niche market is identified. In this way demand led tourism is converted into one led by supply. In terms of concentration of development the power of the supplier is paramount to the development of a destination, in addition the initial investment triggers off successive rounds causing the agglomeration of activity as each player attempts to gain advantages of location or to consolidate the existing position.

### **Uneven development**

Discussion in the foregoing paragraphs provides an introduction to uneven development which is a necessary condition of development in capitalist society. Hence profitable tourism development can be seen to depend upon speculative investment in those regions, or nations, at different stages of relative economic development. Scott and Storper (1986: 302) consider that, *'Geographical unevenness is socially and historically produced out of the basic dynamics of commodity production as such.'* In addition Smith (1986: 97) states, *'I would argue that uneven geographical development at different (and differing) spatial scales is a necessity of the logic of capital accumulation.'*

As a necessary part of capitalist society and economy uneven development provides spaces for investment and profit. In tourism it is those spaces which are perceived to be attractive to the tourist for a variety of reasons. This statement is illustrated by the development of rail and road networks that promoted some destinations over others and in turn reinforced by investment in accommodation in those places (Soane 1993: 51-52). In addition to other land uses, it was inevitable that hotel and motel development would occur at intersections between different transport networks. Based on the traditional length of a day's journey accommodation facilities along the road networks took on a regular spacing. Such a spacing, reinforced by accommodation development, disadvantaged those places at intermediate distances unless they possessed attractions that warranted an overnight stop, in which case accommodation was developed to cater for this passing trade.

Once established, the cumulative development of transport, accommodation and communications systems reinforced the linkages between tourist generating regions and destinations via an organisational framework. Sets of attractions, accommodation and transport underpin the growth of mass tourism where the individual is sold an inclusive package. The package may be constructed by a tour operator and sold through a travel agent, or be constructed by the travel agent in discussion with the consumer. In the latter case the agent may act as a counsellor, or the package may be assembled directly by a consumer who has access to transport and accommodation services via the Internet. However, as the quantity of information available via the Internet increases the problem of identifying a 'best buy' becomes problematic. Possible outcomes of this may be a return to the agent

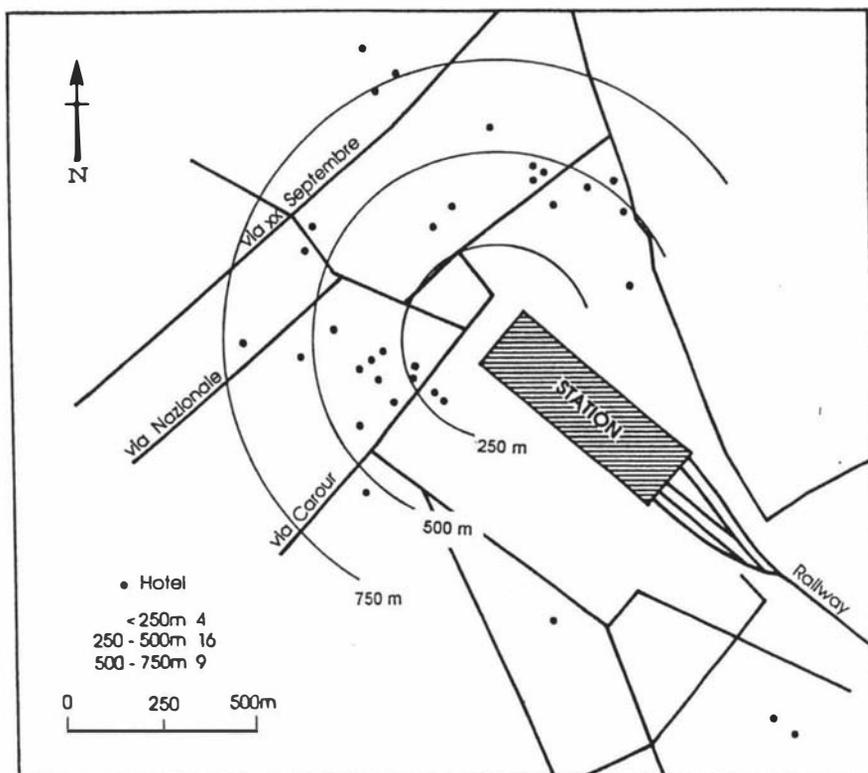
who is able to offer informed choices, or a rise in journeys to places linked to particular sites. From a travel agent perspective the loss of business to e-commerce results in a loss of commission from airline and accommodation operators; concomitant with direct purchasing has been a reduction in commission percentages paid to agents by airline companies (Kennedy 1998c) the response to which has been the introduction of a service charge.

Tourist demands which include, for example, particular climatic conditions, scenic views, or access to sandy beaches form a set of natural attractions; constructed, or built attractions, in the form of theme parks, historic buildings and cultural attractions form a different set; inevitably some destinations possess both natural and cultural attractions. Those places which are perceived as attractive and to which access is available and where national or local government is amenable provide the opportunity of profitable sites for investment. Tourist flows to perceived attractions established as destinations reinforce uneven development by demanding further services which in turn provide other opportunities for investment, hence tourist flows are both cause and effect of uneven development. Marketing and promotional activities increase the awareness of potential tourists to destinations, accommodation and activities, changes in these activities may lead to increases, or relative decreases, in levels of tourist activity and hence development through time. Included under the same heading is the activity of actors in the disparate set of activities which combine to provide the tourist product. Alliances and the power of capital play important roles in the development of tourist destinations where the existence of a major accommodation operator, for example, is thought to lend credence to emerging destinations. Thus the development of

Thus the uneven development of tourism in capitalist society is brought about by differential spatial distribution of investment in accommodation and other facilities, and facilitated by time-space compression resulting from transport improvements. By enabling a wider dispersion of both mass and independent travel uneven tourism development has reinforced time-space distancing through exposing new places to different social groups of western society.

### ***The local level***

Uneven development at the micro, or local, scale is dependent upon the interaction of different factors, in urban areas local government zoning policies based on, and reflecting land values and pressures from local business owners, determine what may be built where. Market rents based on land values in turn determine the nature of actual land use. Historically, centre city hotel development was related to transport termini and central business districts (Figures 4.10, 4.11). Hotel companies that can afford either the purchase or rent of the site, may well defray the costs by multipurpose land use with hotel property being sub-let as car parking, office or retail outlets at street level (fieldwork 1994-7). As land costs fall with distance from city centre so smaller hotels and other forms of accommodation enter the pattern of land use. Motels are established on main road routes while hotel accommodation is generally found in close proximity to, and between the city centre and airports. The siting of attractions and accommodation, eating places and entertainment are typically found near to the traditional city centre. As places designed to cater for tourists such clustering was perceived by Stansfield and Rickert (1970) as a recreation business district.



Figures 4.10 Distribution of hotels in central Rome  
 Source: Euro-Citytour 1:15 000 Rome, GeoCentre International, 1993

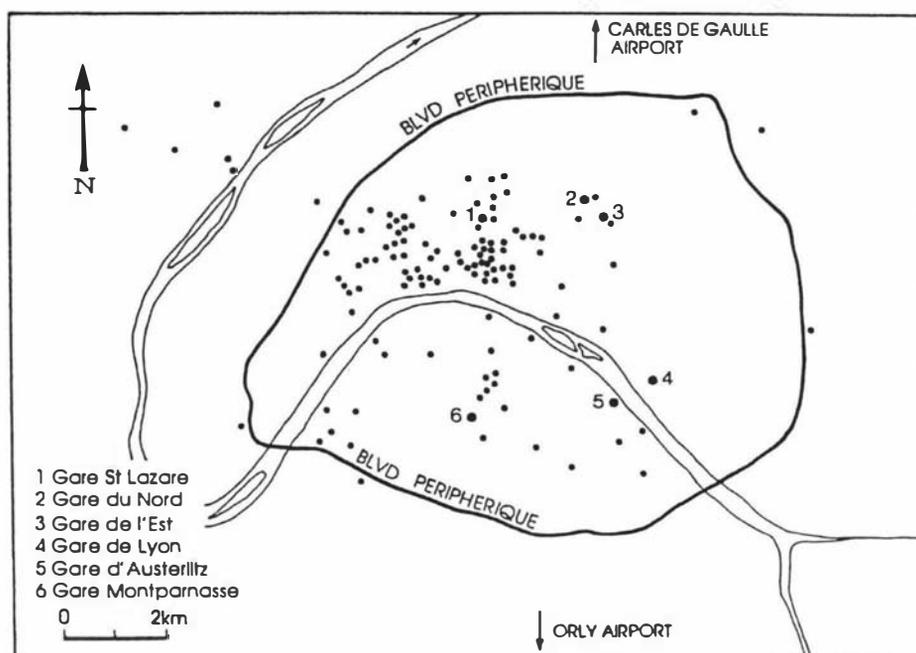


Figure 4.11 Distribution of major hotels in central Paris  
 Source: Hotels and Travel Index 1992

Drawing on classical urban sector theory, notably Burgess's concentric zone model (Park *et al* 1924) and Hoyt's sector model the agglomeration and spatial distribution of tourist attractions is explained in terms of bid rents and perceived market in terms of tourist congregation. Urban land-use zoning enacted by local territorial authorities establishes residential and commercial zones through which the location and development of tourism activities is controlled. Thus entertainment and souvenir shops tend to become established in commercial zones and in close juxta-position to accommodation facilities where they may be permitted as discretionary activities. Soane (1993) illustrates this point with reference to a study of Bournemouth in southern England where early 19th century residential properties were replaced by commercial land use including recreational facilities. He also records a similar movement in the French resort town of Nice and Los Angeles.

The recreation business district identified by Stansfield and Rickert (1970) albeit catalytic in development, is socially constructed. Tourists are attracted to places that have been signified as worthy of attention, accordingly attractions, accommodation and other visitor services develop in proximity to them. Following the criterion of bid rent, higher costs are incurred closer to the attraction and lower costs at a distance. Thus there is a grading of accommodation and entertainments away from the main focus of attraction. In the rural domain scenic viewpoints and beaches as attractions in their own right are often the focus of entrepreneurial interest by purveyors of refreshments.

It follows that at the micro scale uneven development is caused by perceived access, land use zoning, land values and the marking of attractions, in effect the interactions which occur between people and their perception of natural or constructed attraction.

### ***Regional Level***

Regions reflect local patterns of development, the key factors in uneven development of tourism at the regional level being the signposting of attractions and their ease of access. The British Tourism Authority's signing of places such as Stratford - on - Avon, Warwick and Kenilworth Castles and Moreton in Marsh in the English Midlands directs overseas visitors to those locations bypassing smaller, yet just as picturesque places as Upper and Lower Slaughter and Brill (fieldwork 1990-1).

Places that possess accessible beaches are prime attractions; properties adjoining such resources have an advantage over those that do not. In a similar way the location of a public garden or building close to a major highway acts as a magnet in attracting facilities such as tea-rooms and souvenir shops thus leading to an agglomeration of tourist oriented activity. In contrast, less accessible places do not developed in the same way. The social factor concerning the status a location acquires plays an important role, an attraction held in high regard undoubtedly develops to a greater degree than that which is not held in such high regard, investment reflects and reinforces the status of the attraction and consequently uneven development. At the regional level routeways which typify Leiper's 'transit region' provide the sites for services and facilities that cater to the

needs of the tourist. Major roads which by-pass settlements may either result in those places becoming foci for pedestrian exploration if they possess a marked attraction or, being completely by-passed and devoid of tourist activity if they do not.

### ***National Level***

At a national scale certain regions are deemed to be more attractive than others, thus tourism development is more developed in those regions than in those which are not recognised as being worthy as a tourist destination. The English Lake District and Black Forest of Germany are illustrative of regions which are highly developed as destinations in contrast to Tyneside and the Ruhr which, as industrial regions do not rate highly as tourist destinations but which do have considerable potential in terms of the development of industrial heritage tourism.

Tourism destinations are based on resources which are perceived to be, and which are signed or marked, as attractions. By their nature the distribution of attractions is uneven and in consequence the development of tourism which is location focused, tends to become agglomerated in those places which are perceived as having advantages over others. It follows that the supply of accommodation reflects this unevenness in that it is concentrated on attractions in destination regions. Consequently a number of locations emerge as is illustrated by a case study of Italy. The major attractions may be listed as: coastal, heritage, spa and mountain sites; in addition major industrial cities are the location for hotels where conference and business travel is an important factor. Italy has long been a popular tourist destination in southern Europe with a

history reaching back to the period of the Grand Tour, during the 19th century Italian cities such as Rome, Florence and Naples were popular as winter and summer residences for a northern European elite. With the development of mass tourism the Adriatic Riviera developed during the 1950s and '60s whilst a flow on effect from the French Riviera into the Ligurian coastal area witnessed the development of accommodation in the San Remo to Genoa area. In the vicinity of Naples the Amalfi coast developed with the establishment of many small hotels as a destination for domestic tourism. Lack of investment in the southern area of Amalfi has led to stagnation of demand whilst the popularity of the Ligurian, Adriatic and the Venetian areas have continued to develop into the leading destination areas in terms of the quantity of accommodation when the low end of the market is included.

The low number of smaller hotels in the Ligurian Riviera is a reflection of the development of large properties, in Rome some 16% of the room stock is in 8 large hotels of over 300 rooms, in Milan 15% is in 3 properties of over 400 rooms. In Florence almost 75% of the room stock is accounted for in hotels smaller than 100 rooms, in Venice the figure is 81% (*Hotel and Travel Index* 1992). The lack of space and high land and building costs is a reason for the high percentage of smaller hotels in these two destinations. The cities of Venice and Florence have long been tourist destinations as illustrated by Towner's (1985) work on the Grand Tour (Figure 3.1).

Mountain tourism accommodation is concentrated in the Alpine region of northern Italy with the Aosta Valley and Dolomites providing the major sites for

development based on extensive ski slope development. Spa development based on hot springs has concentrated on health treatment rather than leisure, the American style of health resort based on outdoor, and indoor, activities and an affluent German market, has been developed in Tuscany with some success.

Bonini (1993), quoting Italian tourist statistics for domestic tourism, finds that the popular destinations in terms of tourism are Emilia - Romagna - Adriatic Riviera, Tuscany - Florence, Veneto - Venice, Trentino-Alto Adige, Lombardi - Milan, and Liguria account for 60% of the tourist market which, with the exception of the Amalfi coast reinforces the information provided in the *Hotel and Travel Index* and summarised in Table 4.4. Building on an historical heritage of tourism to particular areas, and investment in those places concentration of accommodation has reinforced uneven development of tourism with coastal, heritage, spa and mountain resorts being dominant.

Concentration of ownership is vested in Italian chains (Table 4.5) which dominate the market in terms of rooms although ITT Sheraton and Trust House Forte have the largest hotel properties.

LOCATION	No HOTELS	No ROOMS	MEAN HOTEL SIZE	% HOTELS <50 ROOMS
Rome	166	18 870	114	23.8
Amalfi Coast	133	8 400	63	47.6
Florence	93	7 130	77	39.6
Milan	89	12 800	144	7.9
Venice	81	9 000	111	34.5
Adriatic Riviera	65	4 600	71	13.8
Ligurian Riviera	41	3 330	81	7.4

Table 4.4 Hotel stock in selected Italian destination areas  
Source: Hotel and Travel Index 1992

COMPANY	NATIONALITY	ROOMS	PROPERTIES	AV. SIZE
Jolly Hotels	Italy	5 200	32	162
Atahotels/Interhotels	Italy	5 100	20	255
CIGA Hotels <sup>1</sup>	Italy	3 300	23	143
Semi Granturismo	Italy	2 500	46	54
Starhotels	Italy	2 304	15	154
Accor	France	2 100	11	191
ITT Sheraton	USA	1 300	4	325
Cogeta Palace Hotels	Italy	1 200	12	100
Holiday Inns	UK	1 200	5	240
Trust House Forte	UK	1 200	4	300

Table 4.5. Hotel chains in Italy, 1991

Source: After Bonini 1993:312

Note: <sup>1</sup> CIGA hotels acquired by ITT Sheraton in 1995

Communications are the nexus of tourism, travel agents at the interface between the traveller and modes of travel and forms of accommodation are crucial players. The place of information dispensing from tour operators to tourists is an important site for investment, interest in, or control of, this sector of tourism provides for potential control over tourist sales and profits. Vorlaufer (1993) shows how the German company Tui has controlling interests in a range of transport operators, tour operators, travel agents and banking companies (Figure 4.12).

The importance of information systems in creating concentration is illustrated by Thompson Holidays who introduced a dedicated electronic booking system and required all travel agent bookings to be done via their system. In so doing the tour operator created a strong competitive advantage locking travel agents into its product range to the detriment of other operators in that the company would not accept bookings by other means.

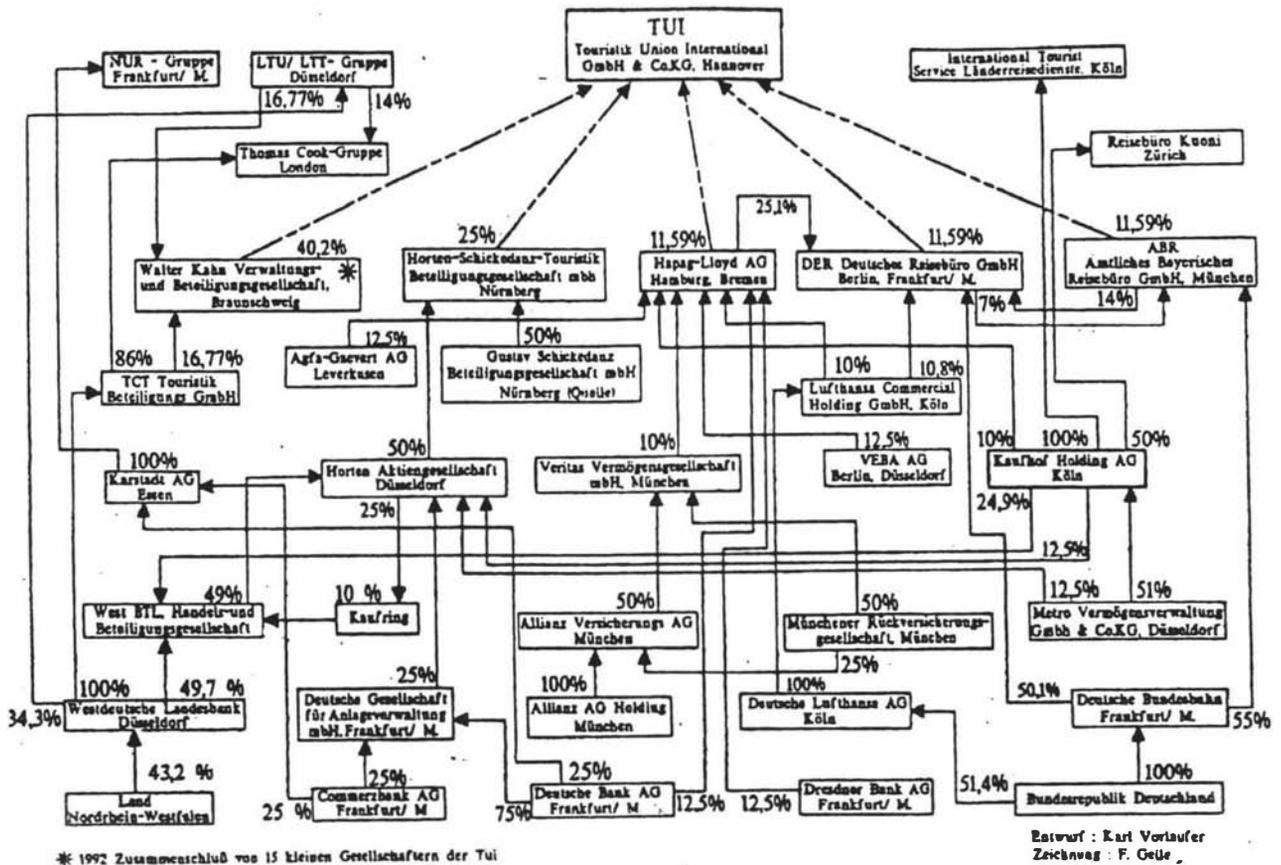


Figure 4.12 Direct and indirect shareholders of large German tour operators  
Source: Vorlauffer 1993

## Regionalisation

The development of regional carriers in the South West Pacific is illustrated by Air Pacific focused on the Fiji hub (Figure 4.13), although the airline has a global network the bulk of traffic is concentrated in the East and South East Asia arena. Similarly the route networks of both Qantas Australia and Air New Zealand concentrate on the South West Pacific and South East Asia in addition to their routes to Europe and North America. At a regional level, integration and concentration of activity takes the form of code sharing agreements. For example, Korean Air and Vietnam Air; Cathay Pacific and Vietnam Air; between

Malaysian Air, Thai Air, and Ansett New Zealand which enables ease of access and travel within the area of South East Asia (Rich 1995).

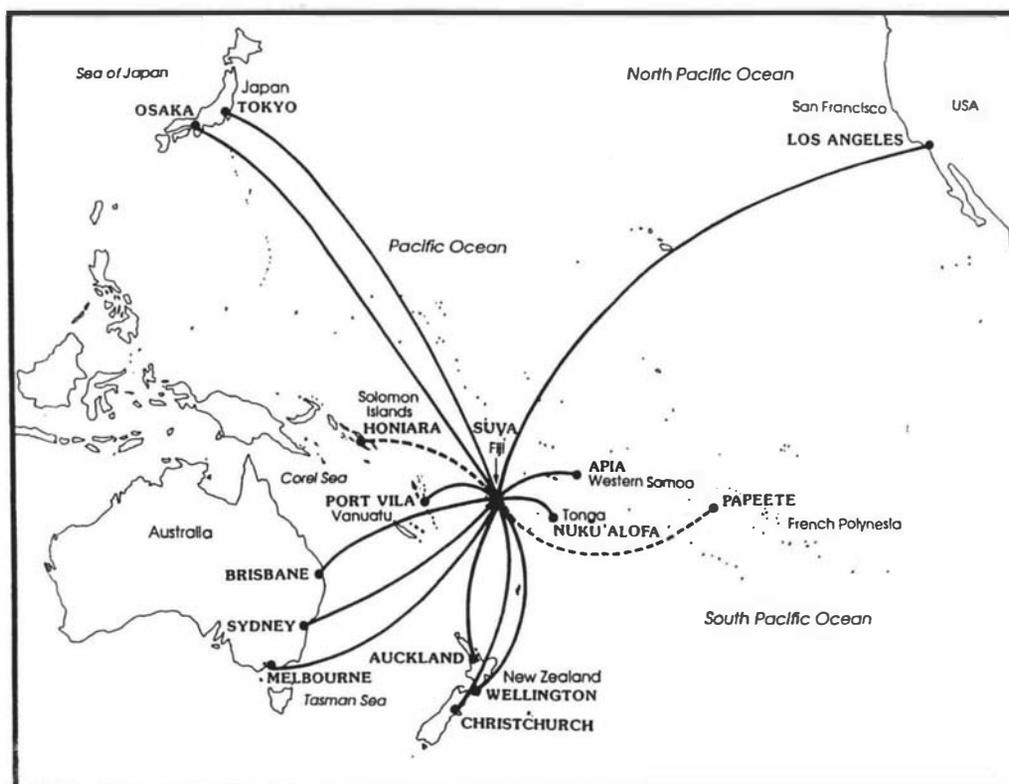


Figure 4.13 Air Pacific route structure 1997  
Source: Air Pacific 1995, Annual Report

The expense of establishing global distribution systems was such that chain hotel companies bought into the back of airline CRS mainframes in order to gain global distribution (Farrell 1994). The linking of airlines and hotel companies represents the first step towards economic concentration in tourism. Building on the use of airline CRSs companies such as Hilton International, Forte, Inter-Continental and the Southern Pacific Hotel Company have discrete CRS access codes for their properties which facilitates bookings by travel agents logged into those particular

airline CRSs. In addition there are loyalty programmes akin to the airline FFPs to encourage repeat business.

As a reflection of the growth of foreign direct investment and the growth and geographic spread of MNCs the 1950s and '60s witnessed the growth and expansion of hotel companies (Table 4.1). Club Méditerranée expanded into SE Asia, Forte acquired Travelodge giving it an entrance into Australia and North America and Hyatt International expanded into SE Asia through franchising its brand name. Regionalisation and globalisation by hotel companies is illustrated by reference to Club Méditerranée, Hyatt and Southern Pacific Hotels (SPHC).

Club Méditerranée illustrates the development of a company from a Mediterranean region focus to a global operator (Figure 4.14) in a variety of destinations and offering a range of activities designed to cater for a wide market. Attractions marketed by the company include cruises, winter sports, water sports and resorts aimed at a wide market including families. The club's villages all have a basic similarity in the range of services, entertainment and bars; a basic characteristic of the reproducible mass tourism product. However, the company has been affected by the downturn in the world economy in the late 1990s and is consequently returning to its core activities which includes withdrawing from the cruise business (Anderson 1998).

### ***International Level***

The development of international transport systems and the easing of barriers to international travel enabled those states of southern Europe which bordered the

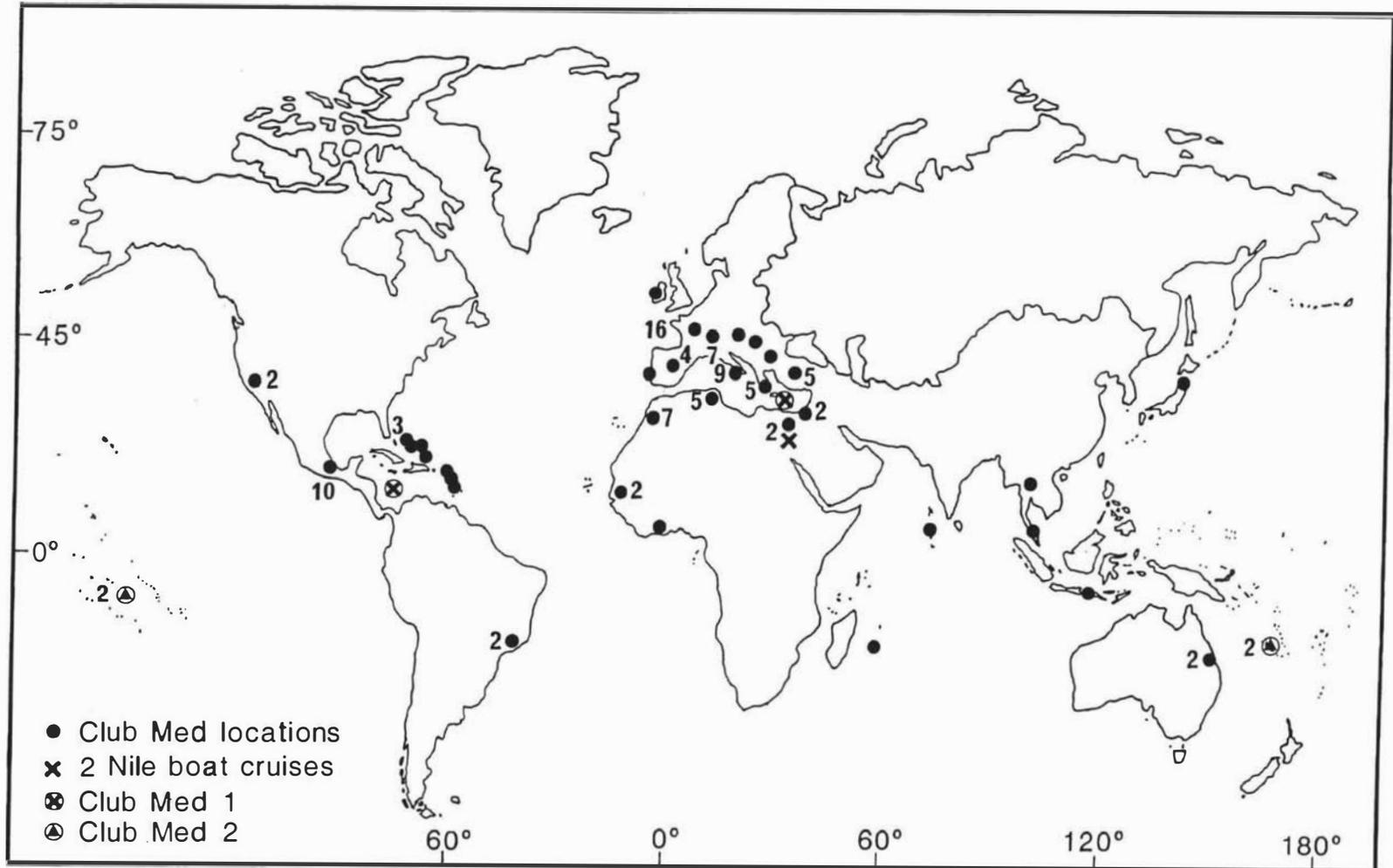


Figure 4.14 Distribution of Club Méditerranée sites and cruises  
 Source: Club Méditerranée, personal communication 1997

Mediterranean Sea to become destinations for tourists from northern European countries who desired holidays in the sun. Recognised by the forerunners of Club Méditerranée, Southern France, the Balearic Isles and north Africa plus Spain, southern Italy, Greece, and Yugoslavia's Adriatic coast all developed as summer holiday destinations. First world countries with high incomes are the major tourist generator states and include much of Western Europe, North America, Australia and New Zealand. Destination states and regions are perceived as being attractive because of their physical and/or socio-cultural environments.

Additionally they may have less developed economies with weaker currencies than generator regions and therefore are considered as places offering cheap holidays. The newly emerging industrial nations of east and south east Asia are both generator and destination states attracting tourists from the first world.

Rising incomes brought about by economic development has, and is, generating mass tourism. This form of tourism is explained by a general lack of language skills, generally an inadequate command of English, and little expertise and confidence in international travel on the part of the tourists. In effect these countries are undergoing a repetition of the tourism development which was characteristic of pre- and immediate post-war Europe. As these countries mature in respect to international travel so mass tourism becomes paralleled by group and independent travel as demonstrated by Japan.

Group Accor provides an example of a company with widespread investment interests in tourism (Table 4.6). As a global operator with a range of investments in tourism and other activities, The company integrates transport and

accommodation on a global scale. The hotel sector is the most important area of operation with four tiers of accommodation under its management across Europe,

ACTIVITY	1993	1996	% change
	Sales in m. FrF		
Hotels	13 411	15 931	18.82
Restaurants <sup>1</sup>	3 598	1 190	-66.9
Institutional catering	1 933	2 514	30.0
Business services	1 463	1 847	26.2
Travel agency sales	3 852	4 073	5.7
Car rentals	3 595	3 831	6.6
Railway services	2 032	2 063	1.5

Table 4.6. Groupe Accor investments

Note<sup>1</sup>: Decline in number of restaurants from 829 to 262

Source: Groupe Accor Annual Report 1996

	No. of ROOMS	SALES %	EMPLOYEES %	COUNTRY	SHARE HOLDERS %
Europe (Inc France)	143 953	73	47	United Kingdom	48
Latin America	80 03	11	12	France	25
N. America	88 844	14	14	United States	18
Rest of world	38 345	2	27	Rest of world	9

Table 4.7. Geographical distribution of Groupe Accor hotel activities and shareholders

Note: 70% of shareholders are institutional investors

Source: Groupe Accor Annual Report 1996

North America, Asia and Australasia. As a core region, Europe ranks first in terms of intra regional tourist arrivals (WTO 1997), hence it is not surprising that Accor's presence is strongest in this region (Table 4.7).

### Changes in tourism

In terms of the organisation of the means of accumulation Lash and Urry (1987) suggest that the transition from organised to disorganised capital dating from the widespread diffusion of the electronic media from the 1950s was accompanied by the emergence of new class fractions (Lash and Urry 1987) each struggling to

legitimise its own existence. In the context of change in tourism this characteristic is reflected in a continuing divergence of holiday taking patterns whereby the new middle classes sought to distance themselves from the lower class through engaging in package holidays. Mediterranean destinations were chosen rather than holiday camps, the petit bourgeoisie sought to distinguish themselves through winter sports holidays or in the seeking of winter sunshine in the Mediterranean.

Tourism expenditures and receipts respond to the relative levels of discretionary spending by tourists, consequently in a period of growth and upward swings of the economic pendulum numbers and expenditure tend to wax whilst in times of depression tourism flows wane. Receipts wax and wane in tune with economic upturns and downturns in both long and short terms, a factor which hotel companies respond to by constantly assessing and reassessing the profitability of their properties; those which are not performing being disposed of, or as in the case of Hyatt Hotels the internal structure and organisation of the company reassessed in the light of cost saving through the introduction of central purchasing, reducing the size of middle management by out-sourcing housekeeping and valet parking and the reduction of excessive stocks (Melcher 1995).

Segmentation based on income led into further segmentation based on a new ideology, namely concern for the environment and a feeling for the destination, experientiality became more important. Tourism to increasingly exotic destinations combining eco tourism and indigenous lifestyles in destinations such

as Mongolia and Turkestan, Amazonia and the Kalahari mark the emergence of a new and different set of demands.

The changing pattern of tourism flows is determined by a change in tourist demands from sun, sand and sea to a segmented market which includes activity, eco- and heritage tourism reflecting an increasing awareness of the environment and a more discerning market. Access to new destinations and the development of theme parks rests on technology; the increasing use of IT is an important factor in the combination of the discrete parts which comprise the tourist package. The rapidity with which tour operators assemble and reassemble packages in order to maintain their position is a measure of the volatility of the mass tourism market (Baum and Mudambi 1994).

The cruise market is a growing segment in both Europe and North America, where it is realised that with appropriate promotion and marketing there is a large untapped market (Hall and Braithwaite 1990). As discussed elsewhere cruise tourism is a highly packaged form of tourism product which exudes a perception of the exotic and romantic that has status appeal to certain market segments. The niche has been serviced by those shipping companies which diversified into cruising as passenger line numbers declined with the advent of cheap air fares (Howarth and Howarth 1986) and by dedicated cruise companies. More recently the Disney Corporation plans to enter the cruise market in 1998 from a Florida base with a resort cruise package staying in Disney hotels (Traveltrade 1996). Strong growth predictions for the cruise industry (Hobson 1993) explain the entry

of the Disney Corporation and Club Méditerranée into the industry as a logical extension of their corporate plans.

Port requirements for cruise ships demand particular facilities thus routes and ports of call necessarily lead to uneven development. Ports of call respond to visitation with the development of services designed to cater for the cruise visitors and those places which lack appropriate port facilities do not enjoy the same degree of investment and entrepreneurial development.

### **Conclusion**

In the period from 1980 to the mid 1990s tourism underwent a number of changes in response to changing social and economic environments. The current trend in tourism demand is away from mass inclusive package tourism and towards increasing segmentation and independent travel. The move to a market driven economy that increased competition, generated new niches for investment, created new organisations and relationships between suppliers, has accelerated the globalisation of tourism. Parallel with this has been the globalisation of hotel companies and their expansion in terms of numbers of hotels in response to the increase in tourist arrival numbers (Appendix B). Between 1991 and 1995 bed and hotel numbers increased by 10% against a 21% increase in international tourist arrivals which indicates a cautious expansion of facilities at the global level. At the regional level uneven development is illustrated by the contrast between developed countries which increased their bed and room capacities by 25-26% and the OECD countries where the increase was about 6% (WTO 1997).

Currency values and rates of exchange which are related to national rates of accumulation generally determine the direction and scale of tourist flows and investment in tourism infrastructures such as hotels and constructed attractions. The Japanese foray into hotel and golf course construction and ownership from the 1970s is witness of this factor. Taking New Zealand as an example the dollar underwent devaluations of 5% and 6% in 1979 and 1983 respectively followed by 20% in 1984 prior to its being floated in 1985. Over the period 1979 to 1985 tourist arrivals to New Zealand increased by over 70%. The Yen stood at ¥153.6 to the NZ \$1 in 1983 subsequently falling to below ¥90 in 1987 (Government Printer 1989). In the five year period 1983 to 1988 Japanese tourism to New Zealand rose by 37% pa; in the same period German arrivals increased by 22% pa whilst Japanese and German arrivals in the United States increased at 20% pa and 21% pa respectively (Table 4.8). A further example of political decisions impacting on capital flows is provided by the Fijian coups of 1987. Following devaluation Japanese and Australian investment was attracted, this is illustrated by the Japanese purchase of the Fijian Regent of Fiji and interest in the Pacific Harbour Resort by Australian capital (Connellan 1988).

<b>To New Zealand</b>	<b>1983</b>	<b>1985</b>	<b>1983-85</b>	<b>1990</b>	<b>1985-90</b>	<b>1983-90</b>
From:						
Japan	32 481	50 264	54.7%	107 40	114.5%	33.1% pa
Germany	9 528	10 656	11.8%	29 992	181.5%	30.6% pa
<b>To United States</b>						
From:						
Japan	1 283	1496	16.6%	3 231	77.8%	21.7% pa
Germany	563	509	-9.6%	1 202	136.1%	29.1% pa

Table 4.8. Japanese and German tourist arrivals in New Zealand and United States 1983-1990

Source: WTO

Through time there has been an increasing tendency for tourist flows to become globalised as information and transport systems have developed and time-space convergence increased. Market size relates to domestic production and the relative strength of currencies, as an example the upswing of the Japanese and German markets can be traced to the value of the Yen and Deutschmark in relation to other currencies. The rising number of Japanese and German tourists, both in mass and independent forms being both a measure and confirmation of this.

Independent tourism, a characteristic of the last decade of the 20th has the effect of breaking down the uneven nature and impact of mass tourism as new destinations are sought by tourists. Independent tourism can, however, be seen as the fore-runner of a new wave of mass tourism as tour operators promote the development of new niche destinations. Examples of this are provided by the promotion of tours to the Alaska Fiords and Antarctica, transcontinental railway journeys promoted by television programmes, treks to the Himalayas and orchid hunting in Borneo. Indeed the conveyors of tourists, the airlines, sponsor 'holiday' programmes on television with the aim of promoting themselves in a competitive market. Independent and special interest tourism includes, eco-, heritage, urban, sports and other varieties of tourism. Special events are utilised to attract tourists and visitors to those areas which may have seasonality problems or which lie away from the main tourist trails, as will be discussed later with respect to New Zealand. It must be noted that although there is a steady rise in independent travel and tourism, mass tourism is by far the most important aspect of tourism for many destinations. Contrasts in levels of development due to the uneven distribution of mass tourism may, in the long term be ameliorated by the growth of

independent travel, or exploration, away from honeypot sites. This trend is noted in the work by Cooper (1981) who noted the relationship between places visited and length of stay in a destination indicating that the longer the stay the further people travelled to other places of interest. This is reinforced by the number of places visited by backpackers who stay for longer periods of time than inclusive package tourists to New Zealand and, by inference, to other places.

The place of tourism in society has also changed, tourism is increasingly seen as an important element of regional and national economic development.

Awareness of heritage has led to the development of tourist trails based on industry, literature and art which, in England, have provided some renewal of economic activity in those regions suffering economic decline (Squire 1994; Crang 1997). These can be put alongside the focus of attraction created by the making of film and television documentaries where set locations, for example Coronation Street, become attractions in their own right.

**CHAPTER 5**  
**A NEW ZEALAND PERSPECTIVE**  
**incorporation into the tourism complex**

**Introduction**

Chapters three and four discussed the changes that have taken place in the second half of the 20th century focusing on technological, organisational and social changes as tourism evolved from a producer to consumer driven phenomenon. This chapter focuses on the development of tourism in New Zealand as an illustration of the way in which a small country is incorporated into the international tourism complex. The development of tourism in New Zealand has been influenced by those factors that have controlled, or influenced, its development in overseas settings and at a global scale. New Zealand is not isolated from overseas trends but is integrated into the global business and industries that comprise tourism. In 1997 tourism was New Zealand's largest single foreign currency earner (Government Printer 1997).

The early history of tourism in New Zealand resembles that of the both Europe and North America in that the development of spas, resorts and natural scenery were seen as important. Rockell (1986) describes the transport of people by steamship from Auckland to the spa at Waiwera in the 1880s and makes reference to the importance of railways in the further development of spas. Railways were built to the North Island resorts of Rotorua and Te Aroha and, in the South Island, to Hanmer Springs. It was the recognition of the importance of a growing number of visitors that provided the stimulus for the creation of a Tourist and Health Resorts

Department in 1902 (NZTP 1976). The formation of this body marks New Zealand's tourism development as different from that of other countries where official recognition of the importance of the phenomenon was not made until later.

Being distant from generator regions visitor numbers were small and growth slow, New Zealand was essentially a destination for the élite classes of Britain, and in particular the nobility. The early recognition of the value of tourism to the country is illustrated by the institution in 1902 of a Government Department of Tourist and Health Resorts, the health connotation remained until 1954 when it was dropped with the formation of a separate Health Department. Although the place of tourism within government varied through time, it was generally linked with Commerce.

Later, in 1950 Information Services, National Publicity Services and the National Film Unit were combined to form the Publicity Division within the Department of Tourist and Health Resorts. Renamed in 1954 as the New Zealand Tourist and Publicity Department it incorporated the Information and Press Services, National Publicity Studio, National Film Unit and the Government Tourist Bureau. Following the stock market crash, and in line with the move to a market driven economy, in July 1990, the New Zealand Tourism and Publicity Department was renamed the New Zealand Tourist Department and restructured to focus its activities on developing and marketing New Zealand as an international destination.

Restructuring changed the Department's publicity and commercial operations into commercial sales offices, the National Film Unit and Communicate New Zealand.

Finally in 1991 the government split the functions of policy advice and marketing into two separate organisations, The Ministry of Tourism and the New Zealand Tourism Board. The former taking the function of policy advice and later, in 1994, re-

established as the Tourism Policy Group within the Ministry of Commerce (NZTB 1996). The latter was charged with marketing New Zealand as an international tourist destination.

The pattern of tourist development in New Zealand has been distinctly different from that of Europe. The lack of population and development of tourist attractions engendered a culture of active participation in a variety of sporting and adventure activities in contrast to the generally passive forms of leisure engaged in in Europe. This is illustrated by the role of sport, particularly rugby, in the country's cultural development (MacDonald 1996), and the opportunities for tramping, climbing, fishing, hunting and golf. Indeed early colonists deliberately introduced deer and other animals for the purpose of hunting (Dore 1992: 127). New Zealand is currently promoted as a clean, green destination, 100% pure. Such a message targets the wide market of crowded cities and countries of east Asia, North America and Europe that contrast with the open spaces of New Zealand. The growth of adventure activities such as bungy, jet-boating, heli-skiing and white and black water rafting attract the growing 18-35 year old market. In essence New Zealand is perceived as an adventure destination and Queenstown in particular, is regarded as the 'adventure capital of the world.' It is the focus on activity based tourism that Cloke and Perkins (1998) use as the basis of their contention that Urry's (1990b) thesis is not applicable to the development of tourism in New Zealand.

Underlining the importance of New Zealand as a tourist destination, and tourism as a foreign exchange earner, is the New Zealand Tourism Board's mission statement, *"To ensure that New Zealand is developed and marketed as a competitive tourism*

*destination to maximise the long term benefits to New Zealand.”* (NZTB 1990)

Confident in the growth of tourism the Board's target was that it should earn \$NZ 9 billion of foreign exchange and generate 185 000 full time equivalent jobs by the year 2000 from a targeted 3 million visitors per annum. However, early confidence based on previous growth was not met due to changes in the market place, the relative cost of visiting New Zealand and the maturing of existing markets which signalled a gradual change from mass to independent tourism. Based on previous arrival growth the targeted 3 million was over optimistic and consequently there was a change of emphasis from visitor numbers to the generation of income and jobs

Distance from major developed world markets has the effect of minimising the number of tourist arrivals due to cost and travel capacity constraints. Although arrival numbers have steadily increased through time (Appendix C) the total numbers are far below those of European and North American destinations. In terms of its share of world tourism arrivals New Zealand accounts for less than 0.3% (WTO 1998). When compared to the five leading destinations the ratio of tourists to resident population New Zealand is slightly below the figure for the United Kingdom but well above the figure for the United States. However, tourist arrivals in the leading destinations far exceed those of New Zealand (Table 5.1). Whilst the number of arrivals in New Zealand is small in world terms visitor expenditure per capita is higher than that recorded for visitors to the United States, equivalent figures for the other leading destinations place them outside the top fifty countries.

Destination country	Tourist arrivals (000) 1996	% share of arrivals world-wide	Estimated population (000) 1996	Tourist arrivals per 1000 population	Receipts per capita tourist arrival 1996 (US\$)
France	62 406	10.49	58 375	1 069.0	*
United States	46 489	7.82	265 284	175.2	1 503.0
Spain	40 541	6.82	39 270	1 032.4	*
Italy	32 853	5.52	57 380	572.6	*
United Kingdom	25 293	4.25	58 801	430.1	*
New Zealand	1 529	0.23	3 570	428.3	1 542.0

\* Not listed in top 50 destinations

Table 5.1 Tourist arrivals, resident population and tourist intensity for five leading destinations and New Zealand

Source: Tourist arrivals, WTO Yearbook of Tourism Statistics 1998

Population, United Nations 1999, *Demographic Yearbook 1997*, United Nations, New York

The location of New Zealand in the South West Pacific makes the country dependent on air travel. This poses constraints on the number of arrivals and also underlines the importance attached to the national carrier, Air New Zealand, entering into alliances with other carriers and accommodation providers in the country. These linkages do and will play an important role in the continued growth of tourist arrivals and the development of tourism in the country.

Patterns which characterise global tourism are discernible at the smaller national scale as is illustrated with reference to New Zealand (Garnham 1996a). New Zealand is tied into global alliances in airlines, rental cars, accommodation and finance. Domestic tourism operators also invest in offshore facilities within the South West Pacific, including Australia, similarly, New Zealand based investment companies have portfolios which are global in their distribution. The concentration of tourism activity on the Blue Riband route demonstrates the uneven nature of its spatial development (Forer and Pearce 1984; NZTB 1994). The move to less developed destinations at the global scale is reflected in an increasing share of

tourism by the second and third tier regions of New Zealand as illustrated by Oppermann (1993) in his study of German tourists to New Zealand. Although distanced from major tourist markets the country's major airline is engaged in alliances with carriers of other countries (Garnham 1997a). As will be developed later alliance partnerships are seen as important defensive mechanisms in maintaining a position in a globalised activity by destinations that suffer from relative geographic isolation (Barrett 1996). Hence the demand for, and consumption of what these destinations have to offer is essentially dependent upon airline alliances which provide ease of access through code sharing.

### **Regulation and restructuring**

Lovering (1989) records the move towards devolution of power in the United Kingdom and the rise of the 'new right' which fuelled strategies of decentralisation.

The tightening economic environment of the early to mid 1980s precipitated New Zealand into restructuring in 1984, the stock market crash of 1987 accelerated this move as a means of restoring competitiveness. In concert with other manufacturing and services tourism organisations and businesses underwent change as a result of the drive towards a market driven economy. National and regional tourism organisations in the public sector, and hotels and transport companies in the private sector undertook promotion based on a short term economic cycle characterised by short term niche marketing. Changes in the way in which labour was perceived as a cost of production eventuated in the view of labour as an external factor of production whereby a pool of permanent temporary and casual part timers was created for use as required. Thus new social divisions came into being, a factor which, in time, was to impact on tourism through

changes in demand and increasing segmentation.

The state of the global economy pressured New Zealand to deregulate and restructure in order to become more competitive. Deregulation of transport introduced increased competitiveness in air, land and sea transport. In addition deregulation led to the opening of the domestic economy to foreign investment, whilst also opening the way for overseas investment by New Zealand companies. Tourism has profited from foreign investment in accommodation and, more recently, in rail transport; in addition as will be discussed later local operators have established sites for their activities in overseas locations. The 1983 Air Services Licensing Act and its repeal by the amendment Act of 1986 enabled the introduction of competition to Air New Zealand's domestic service by Ansett New Zealand which concentrated on the tourist route: Auckland - Rotorua - Christchurch - Mt. Cook - Queenstown. Small private regional carriers focussed on servicing secondary and tertiary centres from the major Auckland, Wellington and Christchurch hubs as Air New Zealand rationalised its route network from point to point to a hub and spoke pattern similar to the situation which emerged in North America.

Delicensing of road transport introduced competition to the coach tour market plus rental car and taxi operation (Morrison 1997). The sale of New Zealand Rail has had the effect of improving both management and profitability of the service. Similarly the opening of competition on the Cook Strait service saw the introduction of fast ferries in 1995, although neither of the two initial companies met with success.

Devaluation of the New Zealand dollar in 1984 had the effect of increasing New Zealand's competitiveness in the international market. The 29% increase in arrivals between 1984 and 1985 may in part be attributed to this. In particular, the strength of the Yen and Deutschmark, relative to the New Zealand dollar, has been one factor underlying the increase of visitors from Japan and Germany. New Zealand's major long haul markets were Japan, South Korea, the UK and North America, with Australia the largest market segment.

### **Competition**

The use of IT for networking and creating new tourism packages increases flexibility in the operation of the industry bringing it into line with similar practices of operation in manufacturing where customisation is an important factor in product construction. As producer - consumer convergence takes place the travel agent's rôle changes more from that of *seller* to that of *counsellor* or adviser who works with the client to construct a personalised package which meets the client's requirements. This change has increased segmentation of the market as increasing numbers of niches are exploited. The ending of British Airways flights to and from New Zealand on 1st April 1995 provides an example of the way in which close communication with the customer is important. Through its code sharing agreement with Qantas, British Airways shares the Auckland - London route via Los Angeles, passengers were informed of the change by comprehensive advertising and travel agent news information, continuity is provided by means of total journey catering plans and coordination of in-flight entertainment programmes. In addition extra FFP rewards are being made to passengers using the service (Kennedy 1995). With the signing of a more liberal bi-lateral agreement between Qantas and Singapore Airlines it is

possible that there may be more trans-Tasman flights by the latter airline which in turn will impact on Air New Zealand operations so stimulating that company to be more competitive. Code sharing arrangements between Air New Zealand and United Airlines (Traveltrade 1997) will lead to increased passenger access between North American and Australian terminals as Air New Zealand seeks to maintain and improve its position as a major regional carrier.

Loyalty programmes are commercially driven marketing tools that in the first instance may confer a competitive advantage; later developments should be seen as counter measures or defensive mechanisms. Within the accommodation sector most chains and referral companies run loyalty schemes (Table 5.2). Such schemes may be long term as are frequent flyer programmes and the recently introduced Fly Buys scheme, or they may be short lived promotions such as that run by the James Cook Centre, Whitby's restaurant promotion which ran from October - November 1996. As a reward for eating in the restaurant eight times in the period the customer could enter a draw to win a \$32 000 prize, a 15 day cruise from Wellington to Bali on the QE2 with a return flight on Singapore Airlines.

Introduced in September 1996, Fly Buys a marketing concept, rewards customers who purchase from 15 member retailers, plus a further five who are pending, with Air New Zealand domestic air travel. The scheme covers the majority of household spending patterns from food and liquor to clothes, banking, insurance, electrical appliances and car tyres. Setting up in opposition to this programme is the rival Foodtown - Qantas deal whereby discounts on trans-Tasman travel is the reward for spending at Foodtown stores, this latter scheme, whilst different, is an example of a

counter measure by a competing retailer.

HOTEL/MOTEL GROUP	LOYALTY PROGRAMME
<b>AA Host</b>	Minimum of 5 nights, 12th night free AA membership gives a range of discounts on rental vehicles, accommodation and activities
<b>Pacifica Lodges and Inns</b>	The loyalty group Club 55 is aimed at people over 55 years of age with a \$10 night reduction, medical and travel insurance schemes are part of the programme. In addition the company has preferred card partners BNZ MasterCard, Farmers Card, Anchor Card, but accepts all major credit cards.
<b>Best Western Motels</b>	individual with free night accommodation after a specified number of stays during a year, executive and corporate memberships where rates are negotiable. Corporate card, 10% discounts
<b>Manor Inns</b>	Lord of the Manor privilege card gives the tenth night free
<b>Flag Inns</b>	Flag Inn InnClub for Business Travellers free membership, corporate rates and after a stay of seven nights the eighth night is free, the programme also includes group travel discounts.

Table 5.2 Selected accommodation sector loyalty programmes

Source: company directories

In addition to discounts motel chains form alliances with rental car companies, Manor Inns have an alliance with National Car Rental in New Zealand the Budget Motel chain has a similar agreement with McDonald's Rent-a-Car, the Australian Budget Motel chain allies with Network Rent a Car (Midgley 1995).

Deregulation and the opening of competition, has in New Zealand as elsewhere, led to a growth in the service sector. Increasing numbers of tourists from Europe and North America and from Asia expect the services they have at home which has led to the lengthening of shop opening hours, extension of liquor licensing, and a

growing number of restaurants, motels and hotels. The number of car rental firms increased as has the number of outlets for the hire of boats, cycles and other leisure equipment. Capitalising on scenic attractions and the increase in independent travellers there has been a rise in the number of escorted tours, guided walks and activities. Awareness of gardens as attractions has resulted in the introduction of garden safaris or tours.

### **New Zealand as an international tourist destination: the development of tourism**

Tourism has been an important contributor to New Zealand's foreign exchange earnings since the late 19th century when tourists came to the country attracted by the geysers and boiling mud at Rotorua, and the Pink and White terraces of Tarawera, where they were also entertained by local Maori. The collection of artefacts and their shipment back to England, together with stories and accounts of the natural wonders of the country were undoubtedly the key to its popularity among those who could afford the long and expensive journey. Thermal attractions were perceived as having medicinal, or curative properties, similar to the natural mineral springs of the earlier European spas which helps to explain the popularity of Rotorua as a spa town equipped with baths where visitors could take the waters (Rockel 1986). Indeed the interest in thermal areas was such that analyses of their mineral content was recorded in New Zealand Yearbooks from 1900 to 1912. Hence the connection between tourism and health resorts that had been recognised and fostered by the creation of the Tourist and Health Resorts Department in 1901. Maori have always played a role in the advertising of New Zealand and are included in illustrations in guide books, in one such example 16 out of the 54 photographs in

Gooding's *Picturesque New Zealand* (1913) picture either Maori or aspects of Maori life. The more recent use of the Koru on the tail of Air New Zealand aircraft and other stylised symbols keeps indigenous Maori culture in the forefront of advertising. Maori cultural groups play an important role in entertaining overseas, and domestic tourists, for example the Rotorua Sheraton advertises a nightly Maori feast and concert party (ITT Sheraton Directory 1997).

Winter sports, a clean green environment, a variety of activities including the "awesome foursome" in Queenstown, jet boating, white and black water rafting, and bungy jumping attract an increasing number of young independent travellers to New Zealand. The off season summer, ie northern hemisphere winter, and vice versa for skiing are important factors in tourism promotion. The backpacker market is a growing phenomenon related to the youth market, this segment stays for a longer period than other segments and although spending frugally on accommodation spends large sums on activities (Garnham 1993). Travelling singly or in groups, whether organised or not, backpacker expenditures are made in secondary as well as primary tourist destination regions.

### **Tourism generators for New Zealand**

New Zealand's geographical isolation from the major generating countries has led to its being seen as a typical long haul destination and therefore suited to inclusive mass tourism. Aircraft development in the late 1960s and through the 1970s brought northern hemisphere markets well within reach of New Zealand as a destination. The perception of time-distance changes with the introduction of faster, long range, high capacity aircraft such as the Boeing 747. Accordingly tourist

arrivals to New Zealand increased sharply in this period (Appendix C). New Zealand's position in the Asia/Pacific region places it in a growth area. The region experienced an annual percentage increase of tourist arrivals 1990-1994 of 11%, and an average annual increase of 8.9% in tourism receipts for the same period (Table 5.3).

REGION	TOURIST ARRIVALS annual average % change	TOURISM RECEIPTS annual average % change
Europe	3.1	4.7
Americas	3.2	8.3
Middle East	2.1	-7.9
South Asia	3.8	5.3
<b>East Asia/Pacific</b>	<b>8.9</b>	<b>11.0</b>
Africa	4.9	4.5
World	3.9	6.5

Table 5.3 World tourist activity trends 1990-1994

Source: WTO 1995

Australia is the closest and remains the largest market for New Zealand, but changes in relative rates of exchange and maturing markets witnessed a decline in European, mainly German, markets and a growth of the Asian market. Within the Asian market changes occur as they mature, the mass tourism package declining relative to the number of independent tourists. Table 5.4 identifies the changing composition of tourist arrivals in New Zealand 1982 -1996. In 1994 the purpose of visit was holiday 57%, VFR 22.4%, others including business 21%. Australia currently generates about 28% of arrivals with the majority coming for holidays and VFR whilst with closer economic relations (CER) becoming established there is an important business segment in this market. The importance of cross Tasman tourism is reflected in the development of accommodation referral which operated in

COUNTRY	1984	1986	1988	% change	1990	1992	% change	1994	1995	% change
				1984-1988			1988-1992			1992-1995
Australia	250 879	273 559	266 414	6.19%	341 713	363 642	6.41%	386 061	402 657	4.29%
Japan	4 188	62 656	93 789	2 139.47	107 840	128 962	19.58%	148 162	151 543	2.28%
Taiwan	2 664	4 649	8 421	50.26	12 845	25 080	48.78	57 540	64 971	11.43
Hong Kong	3 732	5 861	8 730	57.25	15 460	19 327	20.00	28 155	31 447	10.46
South Korea	1 028	1 141	2 473	58.43	4 184	12 757	67.20	61 583	104 389	41.00
Singapore	7 420	14 181	14 679	49.45	15 207	19 044	20.14	23 784	21 332	-11.49
United Kingdom	40 209	49 621	72 704	44.69	87 255	96 523	9.60	116 067	122 399	5.17
Germany	9 539	12 266	20 160	52.68	29 992	45 705	34.37	59 254	54 937	-7.85
<b>Total 8 markets</b>	<b>319 659</b>	<b>423 934</b>	<b>489 358</b>	<b>34.67</b>	<b>614 496</b>	<b>711 040</b>	<b>13.57</b>	<b>880 606</b>	<b>953 675</b>	<b>7.66</b>
<b>% arrivals</b>	<b>56.3</b>	<b>57.8</b>	<b>56.6</b>		<b>62.9</b>	<b>67.3</b>		<b>66.6</b>	<b>67.7</b>	
	567 611	733 424	864 892	34.37	976 010	1 055 681	7.54	1 322 565	1408 795	6.12

Table 5.4 Tourist arrivals by origin, years ending December 1984-1995  
Source: NZTB statistics, various years

both countries, notably Flag Inns, Best Western Motels and Budget Motels each of which produce directories with both countries in the same publication. In addition discounts available in one country are reciprocated in the other.

Traditionally the major market has been holiday and VFR from Britain and Europe, related to the European heritage of the population. The distance from this market, high cost of travel and few international tourists contributed to there being few major hotels. Prior to the 1970s New Zealand was a little known destination, improvements in air travel in the late 1960s and 1970s brought about a slow, but increasing, change to this situation. However, research in the UK, (fieldwork 1978) revealed that few travel agents had much idea of the country as a destination and the best that could be offered was a ten day to a fortnight add on to an Australian package, the lack of knowledge reflecting the lack of promotion.

New Zealand is marketed as a clean, green and friendly destination offering a range of different experiences. Market segments identified by the New Zealand Tourist Board (1997) include wealthy educated travellers, older package tour lovers, young male and female tourists, escapists, adventurers, expatriates and incentives. Promotion of New Zealand historically has been based on natural scenery, thermal areas and Maori culture. The latter element differentiates the country from other destinations such as Italy, Japan and the USA which have a range of similar scenery and volcanic activity but not in the same confined area and without the close juxtaposition of indigenous people. As markets mature and segment so promotion has changed to target such groups as young singles, young couples, young families, families with adolescents, older couples and families (NZTB 1995).

The spatial distribution of attractions within the destination leads to uneven development that is reinforced by the varying length of stay of different market segments. The typical Asian tourist on a five-day package tour visits a limited number of places, the 'honeypot' locations being Auckland, Waitomo, Rotorua, Christchurch and Queenstown; these centres are the focus of investment in hotels (Table 5.9). In contrast independent tourists staying as long as 5 weeks, or more, visit a wider range of places which leads to disparities in the spatial distribution of investment in services and facilities for tourists.

The New Zealand Tourism Board's marketing division has identified a number of market segments in the major market areas (Table 5. 5; Figure 5.1). Tours purchased overseas tend to patronise major hotel companies such as Novotel, Sheraton, Rydges, Quality and South Pacific. These companies are able to provide the necessary scale of accommodation and service which international visitors require, they are also accessible through international airline computer reservation systems (CRS) which enable them to be booked directly by an overseas travel agent. The major rental car companies have office locations in airport terminal buildings, consequently inbound independent tourists not only have their rental vehicle paid for before leaving, but are able to take possession of the car on arrival at the gateway airport in New Zealand.

### **Linkages into global systems**

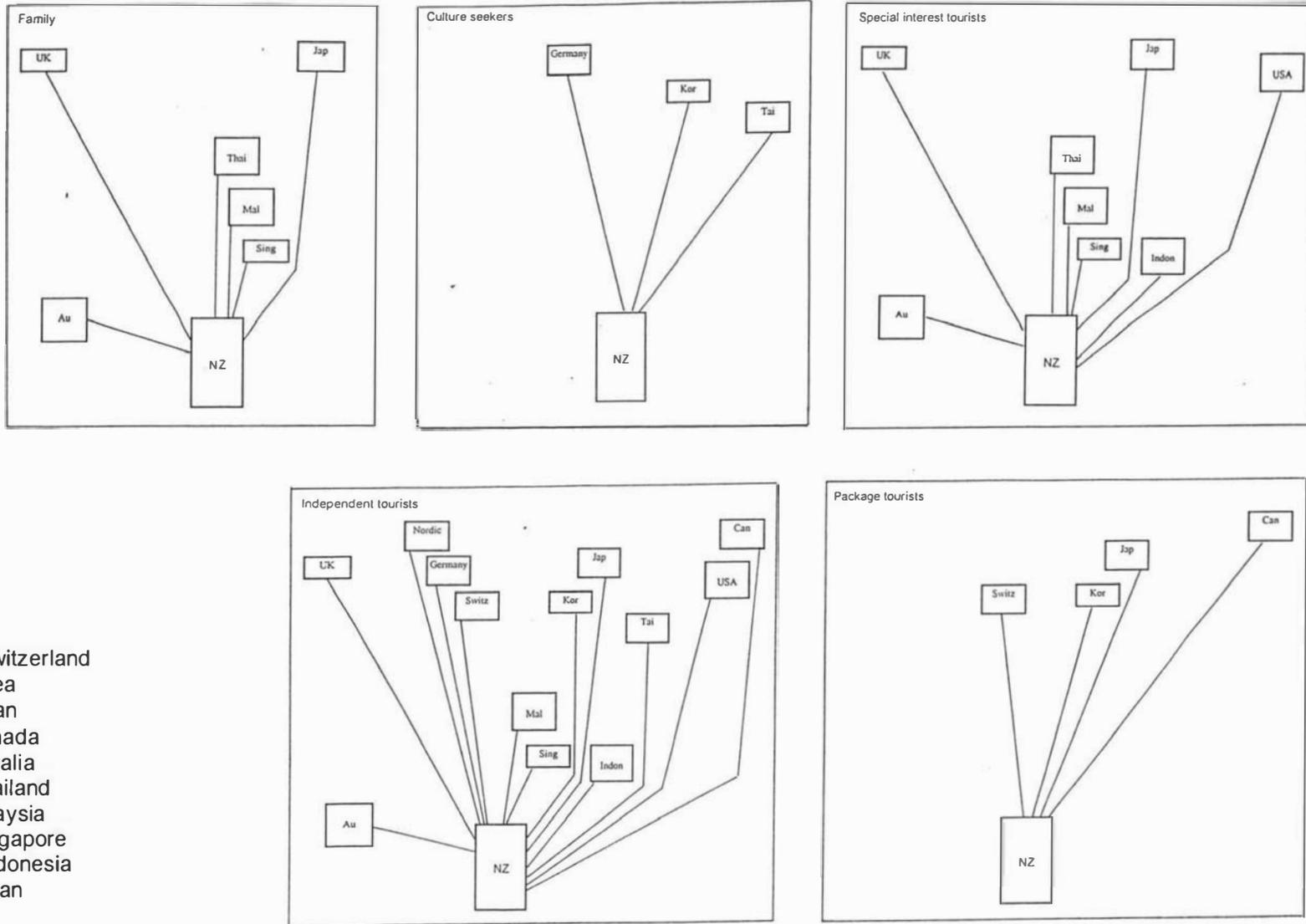
As noted above the geographical isolation of New Zealand from its major tourist markets emphasises the need for its integration into global systems of transport and accommodation. This has been achieved through the national carrier entering into

alliances with global carriers and by the inclusion of international operators in

MARKET	SEGMENTS
Australia	Broad form all potential Australian travellers 18-59 with high disposable income; Primary form- families; Secondary form - singles; VFR; Business; Special events; Skiing; Incentives; Conventions; Clubs
USA	Mature market; Baby boomers - older bracket; Baby boomers - younger bracket; Special interest travellers
Canada	Independent adventurers - younger and older brackets; Package travellers
UK	Young spirited travellers 20-35; older spirited travellers 50+; VFR; Special interest; Conference; Incentives
Germany	Culture seekers; Foreign adventurers
Nordic	Primary 18-35; Secondary 45+
Switzerland	Simple adventurers; Sophisticated independent holiday takers; Enthusiastic package holiday takers
Japan	mature package travellers; Honeymooners; Self assured females; Back packers; Repeaters; Family; Special interest groups
Korea	Wealthy educated travellers; Older package tour-lovers; Young male adventurers; Young female potential
Taiwan	Promising independent culture seekers; mature travellers; Youth; Escapists
Thailand	Family groups (school holidays); Family groups (non school holidays); Special interest travellers; Expatriates (American, British, European, Japanese)
Singapore	Family groups; Family FITs; Other FITs; Incentives; Special interest travellers
Malaysia	Family groups; Family FITs; Other FITs; Incentives; Special interest travellers
Indonesia	Group tours; FITs; Incentives; Special interest travellers

Table 5.5 Market segments identified by New Zealand Tourism Board  
Source: New Zealand Tourism Board marketing briefs 1996

accommodation and rental car business into Air New Zealand's frequent flyer programme. The pattern of tourism flows at the global level is reflected in New



Legend

- Switz: Switzerland
- Kor: Korea
- Jap: Japan
- Can: Canada
- Au: Australia
- Thai: Thailand
- Mal: Malaysia
- Sing: Singapore
- Indon: Indonesia
- Tai: Taiwan

Figure 5.1 Geographic distribution of market segments identified by the New Zealand Tourism Board  
 Source: New Zealand Tourism Board marketing briefs, 1996

Zealand in two ways. Firstly as part of the global system the country falls into a general North - South, or core to periphery mode in that exchange rates favour East Asian countries such as Japan, Korea and Taiwan, North America and some European countries, with New Zealand being seen as a cheap destination. Secondly, sunlust tourism favours New Zealand in that a southern hemisphere location provides summer and winter seasons opposite those of the northern hemisphere. In terms of the business-based tourism of the Triad, New Zealand has strong links with Asian, North American and European business. The ethnic origins of New Zealand's population is such that a large segment of tourist arrivals fall into the VFR category which lies within the coarser threefold classification discussed above. VFR and holiday tourism and can also be explained in terms of sunlust, wanderlust and North - South motivations.

***North – South: core to periphery tourism***

New Zealand is placed as both generator and destination in North to South, or core to periphery tourism. As a generator region New Zealand outbound tourists head to less developed Asian destinations and the island countries of the SW Pacific. As a destination New Zealand is marketed to the developed Asian nations of Korea and Japan, and also to the traditional North American and European generators. However, in addition to the advantage of exchange rates the travel cost to a long haul destination must also be taken into consideration. Hence marketing New Zealand as a destination has to rely on factors other than a simple exchange rate. Whilst the arrival of tourists from some northern hemisphere countries may therefore be described as being part of the core to periphery flow it is important to recognise those who arrive for business, holiday and visiting friends and relatives as

not necessarily fitting the North - South criteria. Thus although New Zealand's position as a destination may be enhanced by foreign exchange rates which have favoured German tourists and which have recently favoured Japan, Taiwan and Korea a wider marketing strategy needs to be adopted (NZTB 1996). The relatively strong increase of arrivals from this market area in the period 1984-1995 is indicated in Table 5.4.

### ***Sunlust tourism***

Described as a movement of tourists towards the sun, New Zealand's location in the southern hemisphere situates it in seasonal opposition to northern hemisphere countries. From this it would follow that northern visitors coming in the northern winter are sun seeking, similarly those New Zealanders who visit the northern hemisphere at mid year are also sunlust tourists. However, the other side of the coin occurs where the winter sports season that attracts New Zealanders to go overseas for the northern winter and European and North American visitors to New Zealand for similar reasons. Whilst sunlust tourism is important in terms of sporting arrangements it is of greater importance in terms of VFR tourism where reunification of northern and southern hemisphere families is significant. However, the ethnic origin of New Zealanders is a major attraction for tourists from the United Kingdom which accounts for the high percentage of holiday and VFR arrivals (Table 5.6) in contrast to the higher percentage of holiday arrivals from Japan and much lower percentage of VFR.

### ***Trade related tourism***

New Zealand's trade with Western Europe<sup>5</sup>, North America and Asia (the Triad) links

the country into business tourism with those nations as both destinations and generators. The geographical proximity of Australia, its similar ethnic background and the development of CER together with the development of more frequent air links explains the nature and importance of tourist travel between the two countries (Table 5.6). Business and leisure tourism between the two countries is of considerable importance in that Australia is the nearest and largest arrivals

Y/E DEC 1996	BUSINESS %	HOLIDAY %	VFR %
Australia	22.27	32.23	34.98
Japan	33.90	87.74	4.14
Taiwan	2.03	75.28	14.90
Hong Kong	8.49	61.28	22.61
South Korea	2.89	82.09	9.05
Singapore	12.66	68.24	10.06
United Kingdom	5.93	47.13	40.54
Germany	4.23	77.17	10.37
% all arrivals	68.98	67.78	69.76
Total arrivals	173 629	765 077	355 260

Table 5.6 Tourist arrivals by purpose of visit

Source: NZTB Monthly Tourist Arrival Statistics December 1997

generator for New Zealand, hence the relatively even distribution of arrivals by purpose of visit. Table 5.4 indicates the relative importance of business tourism to New Zealand over the period 1990 to 1995.

### ***Investment linkages***

Perlmutter and Heenan (1986) emphasising the necessity to cooperate to compete locally recognise the need for alliances through which wider markets can be accessed. In the case of New Zealand which is isolated from major world tourist markets linkages into global information, transport and accommodation systems firstly through overseas investment in New Zealand and secondly, through New Zealand companies investing in overseas locations provide the vehicle for such

alliances. A growing area of investment in tourism business is through financial institutions whose core business is not tourism. Representing this aspect of involvement in the New Zealand are the Singapore Shipping Company which has bought the Auckland Regent Hotel (Dey 1996b) and Brierleys who have interests in UK hotels as a part of their portfolio of investments (BIL 1996).

New Zealand, situated in the East Asia - Pacific region, shares, with other countries in the region, a growth economy in terms of tourism arrivals and receipts as Table 5.2 shows. As a country which has a relatively small GNP from which to develop tourist facilities for international visitors the country has become dependent on overseas investors. Hence all the major hotels and hotel management companies are overseas owned. Investment in New Zealand is seen as safe as tourist arrivals continue to rise, this is witnessed by interest and investment in casinos, retail outlets, restaurants, travel and tour agencies and financial institutions.

### **Overseas linkages into New Zealand**

As a source of outbound tourist traffic New Zealand has attracted investment from overseas companies such as Thomas Cook and Son, Flight Centre and Student Travel Association. The Student Travel Association founded at Melbourne University as Student Travel Services and subsequently bought by the Swiss banking company Callor & Co., currently has its head office in London (STApers.com). The company aims to have a world wide distribution network targeting an expanding 18-35 year niche market in university centres in Europe, Australia and New Zealand. With its unique advantage in the 18-35 year old market a factor which has enabled it to negotiate discounts for its clients (Table 5.7). Originating

from a university base the company is the sole distributor of the International Student Identity Card that gives it a strong competitive advantage over other agencies which target the same 18-35 age group.

<b>Discounts</b>	10% off Lonely Planet Travel Guide Commission free Amex cheques
<b>Inbound operator</b>	Kiwi Experience
<b>Outbound operators</b>	Travelplan Holidays,      Passport United, Sunlover Holidays,      Adventure World, Contiki Holidays,      Apac Vacations DTN Holidays & rental cars

Table 5.7 Student Travel Association discounts and linkages  
Source: Company profile 1995

New Zealand's location in a growth area is a factor which has, no doubt, influenced the decision of overseas companies to invest in the transport and accommodation infrastructure as illustrated by the Wisconsin Central Transportation Company's purchase of New Zealand Railways, the establishment of ITT Sheraton in Auckland and Rotorua, plus the recent opening of Novotel hotels in Auckland, Rotorua, Queenstown and Wellington. By investing during a downturn in trade Novotel staked claim to a position in Wellington with a view to establishing a position in the capital city. The acquisition of the Auckland Regent by the Singapore Shipping Company as a hedge against a slump in the shipping market demonstrates the confidence of that company in the growth of tourism in New Zealand.

### ***Transport***

Alliances between modes of transport are illustrated by airline FFPs and the integration of car rentals into such schemes, Hertz is a partner for British Airways

and Air New Zealand, Avis rental's Wizard Card logs clients into a worldwide data base with rapid access to rental vehicles; the company is aligned with Ansett's frequent flyer programme, Golden Wing, Air Canada Aeroplan, Thai International Royal Orchid plus, United Airlines and Sheraton Club International. In addition to the explicit transport linkages Avis have a cell phone rental arrangement with

PARTNER	1993	1994	1995	1996 <sup>1</sup>	1996 <sup>2</sup>	1997	1998 <sup>3</sup>
<b>Airlines</b>							
Air New Zealand domestic							x
Ansett Australia					x	x	x
American West						x	x
British Midland					x	x	x
Canadian Airlines					x		
Delta				X	x		
Lan Chile					x	x	x
Midwest Express					x		
NorthWest				X	x	x	x
SAS			x	X	x	x	x
United						x	x
Virgin Atlantic			x	X	x	x	x
<b>Hotel Companies</b>							
Southern Pacific	x	x	x	X	x	x	x
Pan Pacific	x	x	x	X	x	x	x
Thistle & Mt Charlotte		x	x	X	x	x	x
Select Hotels			x	X	x	x	x
Inter-Continental			x	X	x	x	x
<b>Rental cars</b>							
Hertz	x	x	x	X	x	x	x
Budget					x	x	x
Thrifty					x	x	x
Avis							x <sup>4</sup>
<b>Other Partners</b>							
American Express		x	x	X	x	x	x
Diners Club	x	x	x	X	x	x	x
NZ Duty Free	x	x	x	X			
Saks	x	x	x	X			
Telecom	x	x	x	X	x	x	x

Table 5.8. Changing profile of Air New Zealand Air Points Programme

Source: Personal communication with Air New Zealand Airpoints programme.

Notes; 1. Early 1996 2. Late 1996

3. February 1998

4. From June 1998

Ericsson Cellular and insurance is underwritten by MMI General Insurance, NZ.

Thus via a network of marketing agreements New Zealanders and tourists to New Zealand are linked into global systems. The extent of these networks is illustrated by the alliances operated by Air New Zealand (Figure 5.2).

As discussed with reference to British Airways in Chapter 4, FFPs as with other loyalty schemes are flexible commercial ventures that reflect the changing nature of tourist flows. Consequently partnerships are under constant review as companies counter moves made by competitors, the changes in Air New Zealand's Air Points programme (Table 5.8) illustrates how the company's programme has changed in recent years.

The purchase of 60 per cent of New Zealand Rail by the American company Wisconsin Central Transportation Corporation and Berkshire Partners, the remaining 40 per cent being held by merchant bankers Fay, Richwhite and Company Limited, and the planned, though unsuccessful attempt by a Chilean company to launch a fast ferry service across Cook Strait demonstrate the interest of overseas companies in New Zealand. Other overseas investment in New Zealand transport facilities is illustrated by the franchising of Hertz, Avis and Budget rental car operations to domestic businesses. Their marketing strategies are essentially dictated from offshore with Hertz (Thomas 1995) concentrating on selling to outbound customers. With the advantage of on airport office sites the 'big three,' Hertz, Avis and Budget, have a competitive edge over smaller domestic companies in terms of international tourist arrivals who can pick up a pre-paid for car on arrival. Other overseas rental car companies with a presence in New Zealand, but without

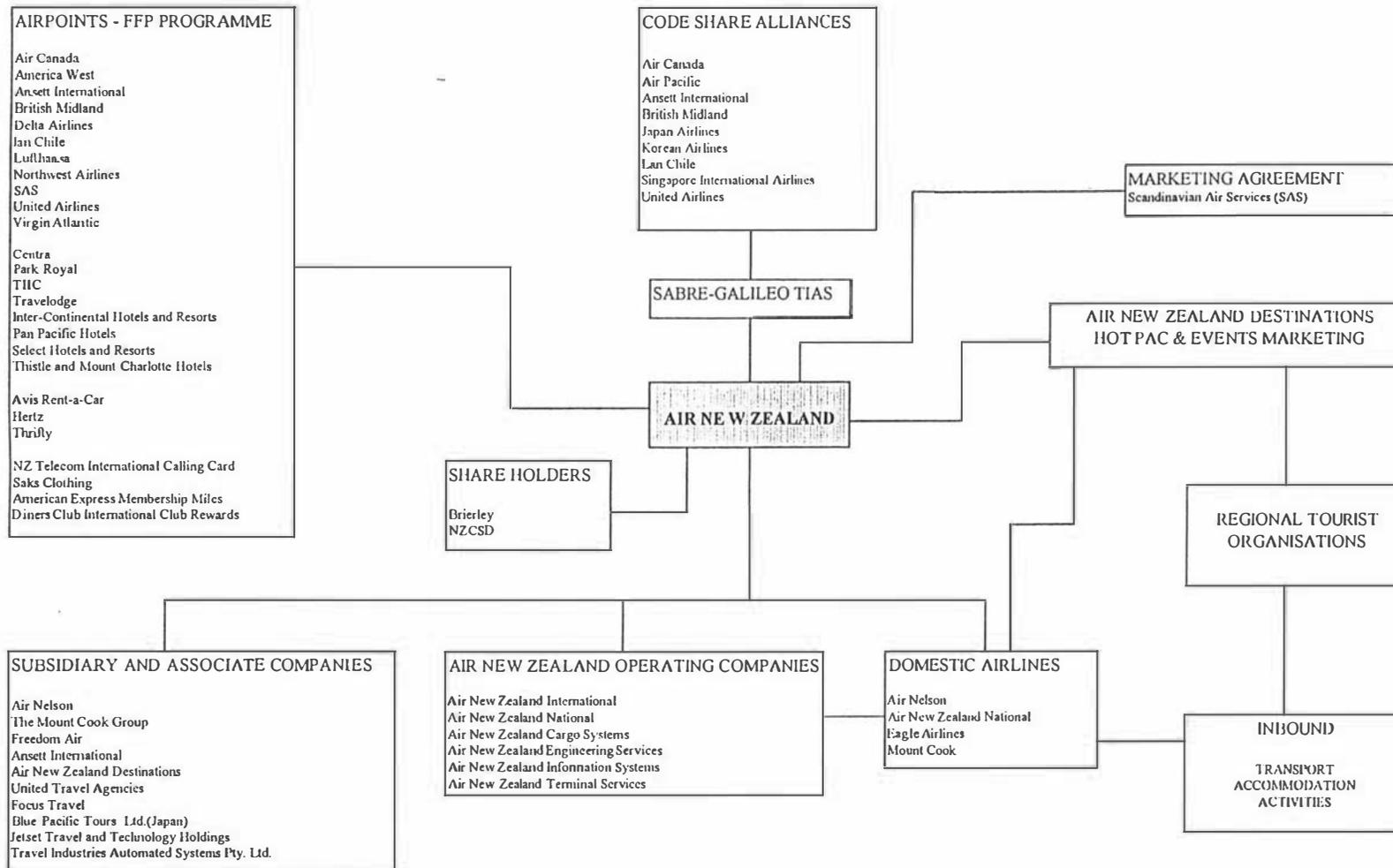


Figure 5.2 Air New Zealand alliances, liaisons and marketing arrangements

Source: Air New Zealand Annual Report 1996; Air new Zealand,

Barrett, L 1996, Alliances manager, Air New Zealand, personal communication; 1998, Press release, 4 February

office facilities at the major gateway airports are Pegasus and Thrifty. Local businesses are, however, able to sell to those independent tourists who wish to rent for short periods of time in particular destinations.

### ***Accommodation***

It is in the accommodation sector that overseas investment in New Zealand tourism is strongest. As a developing destination, once far removed from Europe, North America and recently east Asia in time and cost, New Zealand is coming increasingly closer to these countries as transport systems improve. As a small country, expansion in tourism accommodation depends on overseas investment in both ownership and management of hotels.

There are two major accommodation chains in New Zealand. City Developments Limited (CDL) is the largest with 23 Quality, Copthorne and Millenium Hotel properties. The brand name Quality is owned by the American company, Choice Hotels International, ranked third largest hotel company in 1995 with some quarter million rooms in 2 900 hotels in 38 countries, including New Zealand (*Hotels* 1996). The brand which is managed by CDL as a three star property is the second of four tiers: Clarion, Quality, Comfort and Sleep. The New Zealand Quality chain came into being with the purchase of the Dominion Breweries' chain of hotels and has since expanded (Garvie 1993; Stuart 1994). CDL hotels, a Singaporean based hotel management company, is essentially a regional company with global contacts through agencies in Europe, Asia and North America and was ranked 20th largest hotel management company with 46 properties in 1995 (*Hotels* 1996). The attractiveness of the South Island to overseas tourists is such that CDL have a high

profile in the South Island with the opening of five star Millenium Hotels in Christchurch and Queenstown plus expansion into the West coast through the acquisition of Quality Hotel Kings in Greymouth (CDL 1996). In recognising the growing importance of the West Coast region to circular tours and an absence of international standard accommodation plus the company's desire to consolidate its position as the major hotel company it has expanded from 13 to 23 properties between 1993 and 1996. CDL properties, Quality and Millenium, provide three and five star accommodation, the 1997 purchase of the Copthorne brand and its imminent introduction to New Zealand with the conversion of the Quality Hotel Plimmer Towers, Wellington, provides the company with a four star property which gives the company a wider range of accommodation than any other in the country (Kennedy 1997b).

The second largest operator in New Zealand is the Australian based Southern Pacific Hotel Company with 17 Centra, ParkRoyal, Travelodge and THC brands. Southern Pacific Hotels was ranked 40th largest chain hotel company, with 77 hotels in 1995, is essentially a regional company operating in Australia and the Pacific Basin (*Hotels* 1996). Globally the company has an alliance with Forte Hotels in Europe and gains distribution through Utell International, the Delton Reservation Centre and airline reservation systems. The distribution of CDL and SPHC hotels in New Zealand is shown on the map Figure 5.3. Other major hotel operators in New Zealand are ITT Sheraton, Rydges, Hyatt and Novotel, the latter is part of Group Accor a major international tourism operator which is currently, 1997, expanding its interests in the South Pacific arena with four Novotels in New Zealand and plans for further properties. Novotel is, in 1997, the largest and fastest growing international

hotel group in the Asia Pacific region with 116 hotels in 16 countries (Kennedy 1997a; Groupe Accor Annual Report 1996).

LOCATION	1993-4 NO. HOTELS	1993-4 NO. HOTEL ROOMS	1994-5 NO. HOTELS	1994-5 NO. HOTEL ROOMS	1995-6 NO. HOTELS	1995-6 NO. HOTEL ROOMS
Auckland	16	2 999	16	3 000	17	3 160
Rotorua	6	922	6	947	7	975
Wellington	13	1 519	13	1 512	11	1 364
Christchurch	14	1 743	15	1 766	15	2 021
Queenstown	9	978	10	1 065	10	1 203
Dunedin	5	375	7	464	6	457
Six main centres	63	8 536	67	8 754	66	9 180
% main centres	68.5	80.7	68.4	80.2	66.7	78.7
Other centres	29	2 037	31	2 166	33	2 476
Total New Zealand	92	10 572	98	10 920	99	11 656

Table 5.9 New Zealand first class hotel supply by location 1993-4 to 1995-6  
Source: Ernst & Young Hotel Survey, 1994; 1995; 1996

A recent entry into the New Zealand hotel market is the Asian hotel operator KYZ which, in 1996 purchased the Auckland Regent which it renamed the Stamford Plaza, as a member of an 8 000 room chain the Stamford Plaza will benefit from increased distribution in Asia where KYZ is second to CDL in hotel operation (Dey 1996a). On the demise of the Holiday Inn Corporation, Bass Plc acquired the company which had a property in Queenstown, now a Novotel, whilst Harrahs the casino operator became part of US based Promus Companies.

In addition to the CDL and Southern Pacific hotel chains New Zealand is linked into the international market in accommodation via international referral agencies such

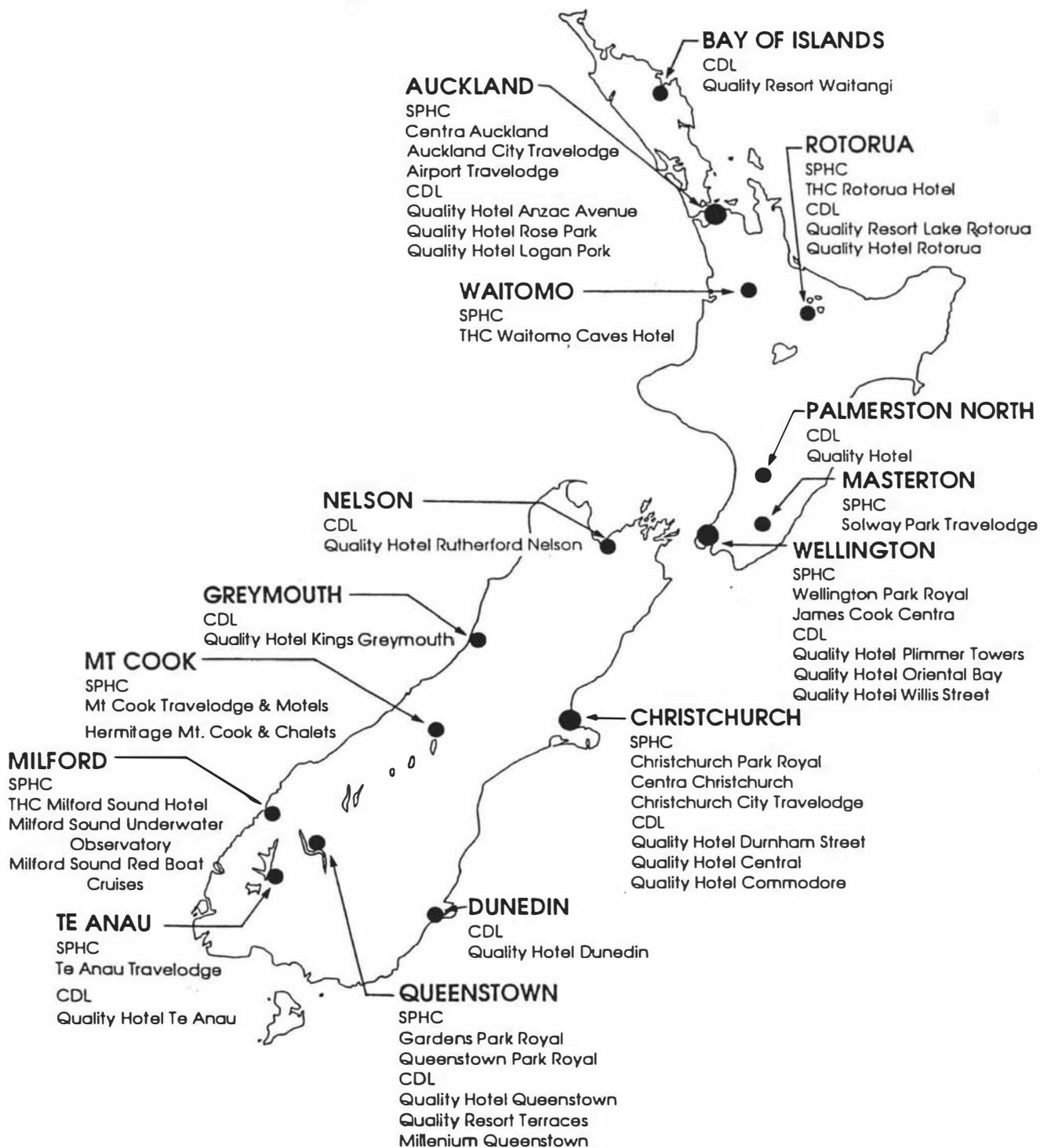
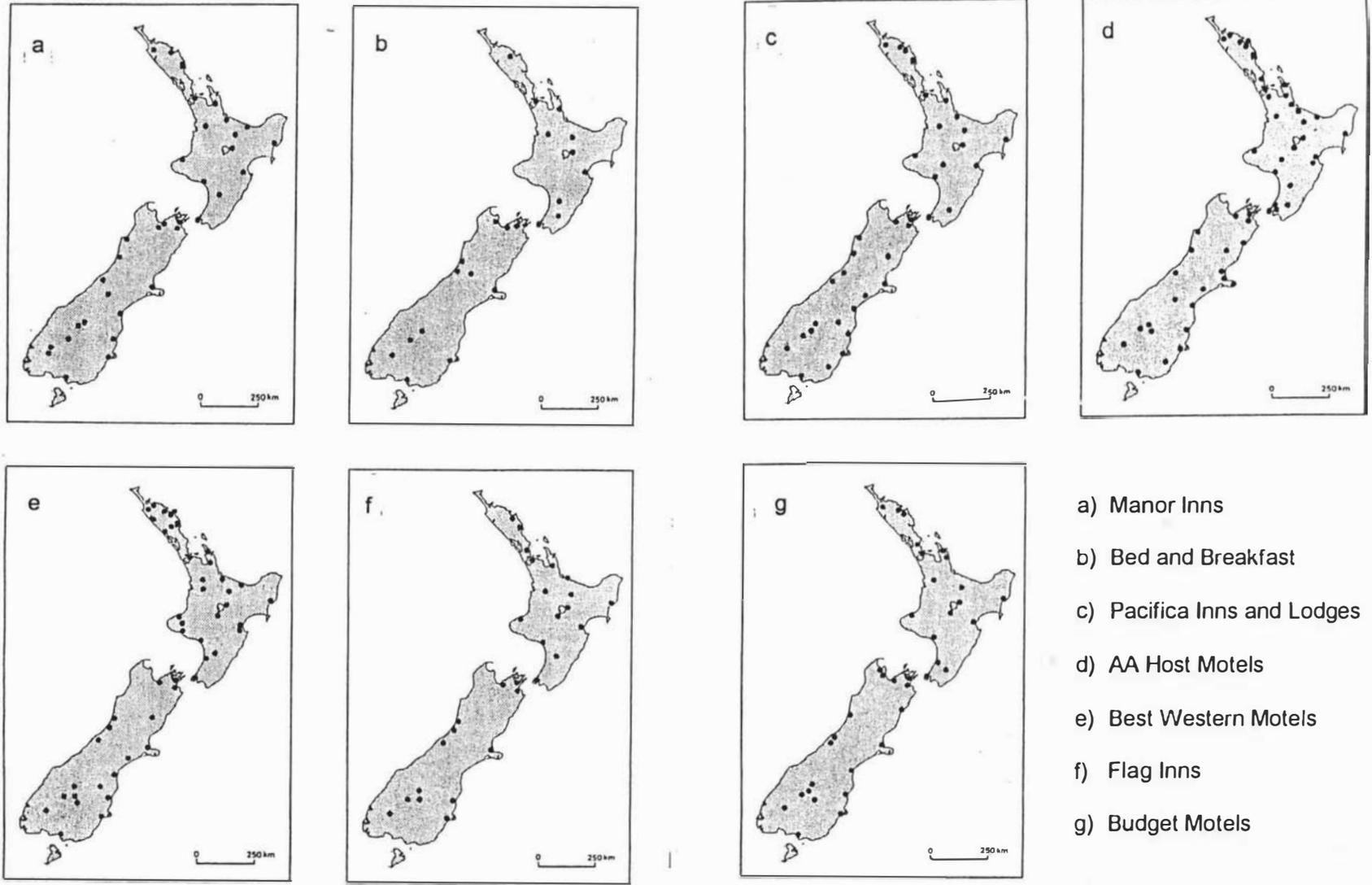


Figure 5.3 Distribution of CDL and South Pacific Hotel Company properties in New Zealand  
 Source: Company Annual Reports 1996

as Holiday Inn, Flag Inn, Pacifica Lodges and Inns, and Best Western. In addition, and in a different market, segment but part of the system of international referrals and linkages is the International Youth Hostels Association (IYHA) which provides referrals for members, and others, to hostels in the New Zealand chain and which recognises membership of people from other countries. The New Zealand network of hostels is paralleled by the backpacker network of independent hostels which have challenged the YHA hostels in terms of costs and facilities. Whilst Youth Hostels generally provide a higher standard of accommodation than backpacker hostels and cater for a slightly different market they have had to change their rules to cater for a changing market.

Although there is little overseas investment in the ownership of New Zealand motels there are a number of international referral chains to which New Zealand motels subscribe. The major motel referral agencies operating in New Zealand and the number of subscribing properties are listed in Table 5.10. The spatial distribution of motel chain properties, illustrated in the maps, Figure 5.4 demonstrates the focus of attention on the major tourist destinations. The distribution of bed and breakfast accommodation (Figure 5.4b) is a reflection of the independent nature of many suppliers, the ease of entry and exit, and the fact that many providers had come in for social rather than economic reasons. A further factor is the cost of subscribing to a referral agency for entry into a directory (Fieldwork 1993-7). This finding is supported by Oppermann's (1996) findings with respect to farm tourism. Motels which provide the major accommodation available nationwide and in major destinations are directly challenged by the rise of homestays, bed and breakfast and farmstay accommodation which has undergone phenomenal growth since the late



- a) Manor Inns
- b) Bed and Breakfast
- c) Pacifica Inns and Lodges
- d) AA Host Motels
- e) Best Western Motels
- f) Flag Inns
- g) Budget Motels

Figure 5.4 Distribution of referral chain motel properties  
 Source: Company directories 1997

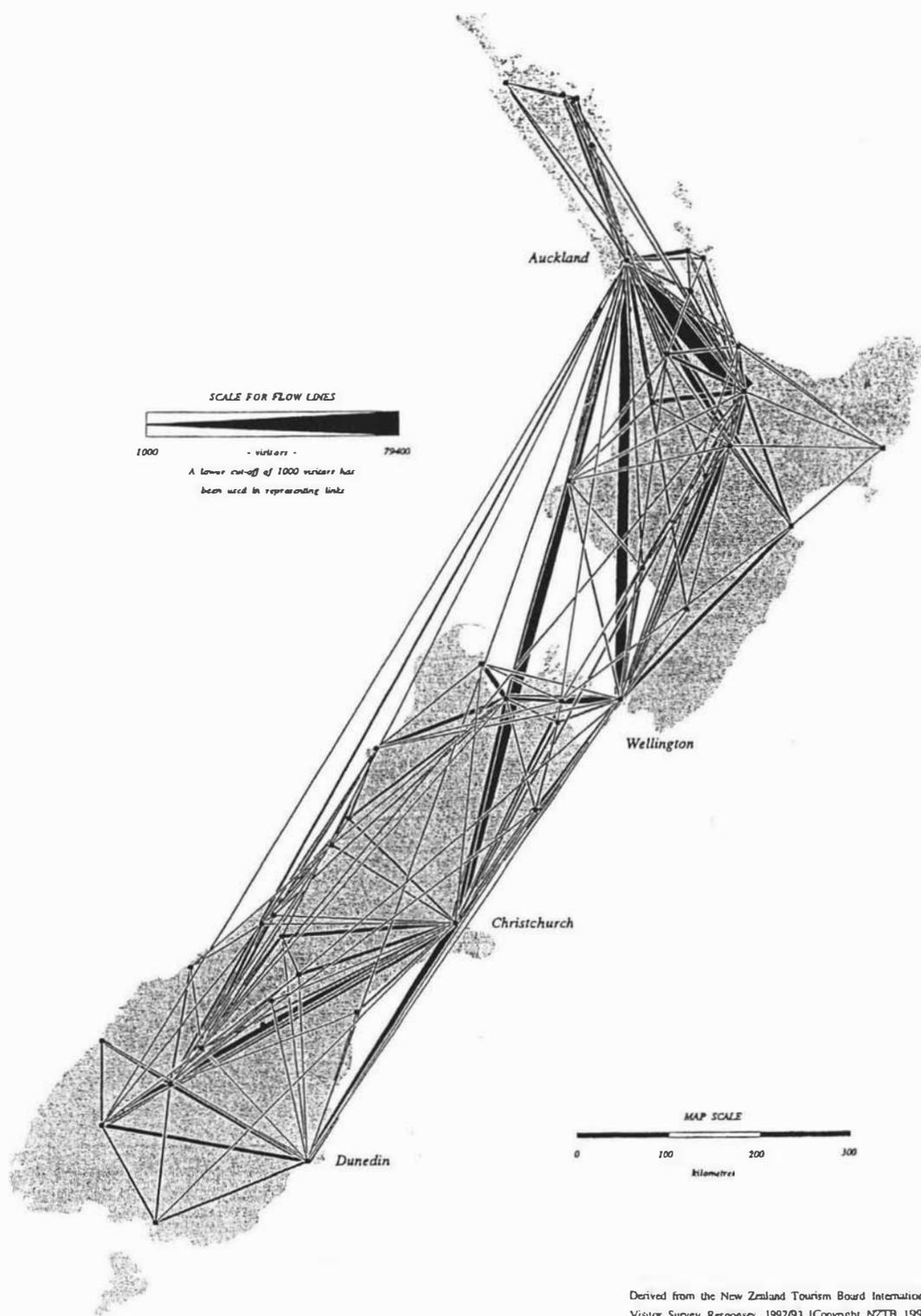


Figure 5.5 Travel patterns of free independent travellers  
Source: NZTB International Visitor Flows 1994

1980s. This is especially the case in the rural areas of second tier destination regions where there is a lack of motel accommodation (Ombler 1997). The widespread distribution of backpacker hostels also reflects ease of entry but also the widening pattern of FIT travel (Figure 5.5) which represents a wider distribution of the tourist dollar (NZTB).

REFERRAL CHAIN	North Island	South Island	Total
<b>Pacifica Lodges &amp; Inns</b>	41	33	74
<b>Best Western</b>	51	30	81
<b>Flag Inns</b>	35	25	60
<b>Budget Motel Chain</b>	40	38	78
<b>Int'l Youth Hostel Assoc</b>	29	30	59

Table 5.10 Selected international accommodation referral chains  
Source: company directories 1997/8

### Financial institutions

New Zealand is linked into global financial markets. Travel and health insurance is generally underwritten by overseas insurance companies including Sun Alliance, Guardian Royal Exchange, American Home Assurance Company and Cigna. As examples the Uni-Care policy is underwritten by the American Home Assurance Company, world wide travel insurance sold by the Travel For Less agency is underwritten by QBE Insurance (International) Limited and Budget Travelcare by Commercial Union Insurance (Pers. comm). Foreign exchange facilities are provided by a number of overseas interests, notably Thomas Cook and Son, American Express and recently the British company Travelex firstly in Auckland, later expanding into Rotorua, Christchurch and Queenstown.

### **New Zealand linkages to overseas**

As a major regional airline Air New Zealand is the national carrier and is integrated into the international arena through its frequent flier programme, code sharing and marketing alliances which are seen as a means of capturing the local and gaining a share of the international market. Seen as a defensive mechanism (Barrett 1996) against other airlines the scheme is maintained with the addition of new partners as the market changes. Table 5.8, above, illustrates changes in Air New Zealand's alliances between 1993 and 1998.

Outbound tourists may use Air New Zealand's wholesalers Holiday Shoppe and Hotpac or, the Australian operator Jetset, in which the airline has a 50% holding. Similarly inbound tourists may utilise the Hotpac packages which integrate a variety of transport, accommodation and activities. The diagram, Figure 5.2 provides an illustration of the way in which such an organisation demonstrates spatial integration in the wider field of tourism.

Air New Zealand's acquisition of a 50% interest in Ansett Australia as a strategic plan to strengthen its position in the regional market through increased efficiencies and the ability to develop alliances with other airlines is aimed at increasing its competitiveness and profitability. The injection of capital into Ansett Australia will increase its competitiveness in that market which in turn will increase its attractiveness in terms of future alliances. Alliances that include code sharing with other airlines are a necessity which Air New Zealand will have to seriously consider if it is to maintain its position in the highly competitive air travel market (Rich 1995). In this context the proposed alliance between British Airways, Qantas Australia and

American Airlines presents a considerable challenge to New Zealand's national carrier in addition to the implications such an alliance has for other carriers (Garnham 1997a). A code sharing agreement between Air New Zealand and United Airlines is proposed as a counter measure, such an alliance is seen as safeguarding the position of the American partner whilst strengthening Air New Zealand as a regional carrier in the Pacific (Air New Zealand 1996; Schouten 1996).

In international terms New Zealand is a small market, therefore in order to ensure sustainability and growth it is almost essential for operators to invest offshore as Shotover Jet, which operates in Fiji and is negotiating to operate in Mexico which represents as a step toward the company's stated aim of five offshore jet boat ventures by 2000 (Shotover Jet 1996).

Sydney is the Australian base of the New Zealand backpacker bus company, Kiwi Experience, which operating as Oz Experience has established a high profile bus run for back packers, between Sydney and Cairns (Warren 1994). This has been followed by the establishment of a wider network of routes incorporating air and rail links where necessary. The Helicopter Line which commenced operations in 1984 changed its name to Tourist Holdings Limited, which more clearly describes its activities, has invested in tourist operations as illustrated in Table 5.11. As part of its operations the company has expanded within the Pacific basin as an inbound tour operator, Southern World Vacations, Newman's Holidays and Horizon Holidays, with offices in Japan, Singapore, Sydney, Fiji and Los Angeles. The attractiveness of investment in tourism is demonstrated by ITT's ownership of the Sheraton brand and purchase of CIGA Hotels of Italy, and the Japanese company EIE investing in

hotels and golf course in Australia and Fiji. The portfolio of Brierley Investments Limited (BIL) includes a 70% holding in the UK hotel company Mount Charlotte's Thistle Hotels. In addition, as noted previously BIL has a major shareholding in Air New Zealand thus tying the company into transport and accommodation in terms of investment. In addition to the direct investment in transport BIL is indirectly involved with the accommodation industry through its 50% share holding in Sealord Products whose fish products are sold under contract to hotels in Australia and restaurants in west coast North America (BIL 1995).

<b>Helicopters</b>	1986 42 machines 1989 purchased Mechanics Bay helipad, Auckland 1991 helicopter fleet reduced to 11 machines 1992 acquired surveillance and rescue work helicopter operation from Airwork
<b>Tourist activities</b>	Treble Cone Ski field 1986 54% interest in the ski field 1996 major upgrade including 6 seater detachable chairlift Kelly Tarlton's 1990 operation purchased 1994 Antarctic Encounter constructed at Kelly Tarlton's Milford Track Guided Walk Milford Sound Red Boat Cruises
<b>Transport interests</b>	1988 acquired the Maui and Mt Cook campervan fleets 1990 acquired Newmans campervan fleet 1993 acquired Sunseeker campervan operation in Australia 1993 acquired Southern World Vacations, New Zealand, Australia and Fiji tour coaches 1993 acquired "Newmans Holidays" brand from Corporate Investments Touring coaches and campervans
<b>Accommodation</b>	Hospitality* 1992 50% interest in Te Anau Hotel & Milford Sound Hotel from SPHC 1995 purchase of Rotorua Hotel, Waitomo Caves and Hotel & Mt Cook Hotel complex from SPHC, (Rotorua Hotel sold 1996)
<b>Tour operator</b>	Tour Operator 1994 acquired Travelmarvel, Australia (inbound touring interests sold in 1996)
<b>Investment</b>	Sun Alliance Insurance have an investment in the company

Table 5.11 Tourist Holdings Limited activities

Source: THL annual reports 1994, 1995

Note: \* Hotel properties managed by Southern Pacific Hotel Corporation

## Internal linkages

Operating under the broad umbrella of the New Zealand Tourism Board regional tourist organisations (RTOs) market internally to the domestic tourist and via the NZTB to the international tourist. Visitor Information Network (VIN) centres which provide a wide range of information for the visitor and tourist. In addition to information on local attractions, activities, events and accommodation centres also carry information on other regions and New Zealand in general. RTOs working with a budget which varies from region to region in a range from \$100 000 to \$2.2 mn (NZTIA 1997) are charged with research, development, promotion and marketing of local activities, attractions, events and accommodation. The variable size, in terms of funding, spatial area and population of RTOs has led to the development of macro regions whereby adjacent regions cooperate in terms of promotion and marketing.

Within the New Zealand tourism environment linkages exist between tour operators and travel agencies; independent car rental firms liaise within a loose but unified rental company, coach tour operators recognise regular stopping points, souvenir outlets and hotels. At the operator level Air New Zealand through its Destinations Limited and tour operator Hotpac (Figure 5.6) provide an integrated system of holiday and events booking and organisation connecting travel, accommodation and sight seeing. The backpacker transport company Kiwi Experience started by the entrepreneurial skill and vision of a group of young transport workers who saw the backpacker market as a profitable niche has grown to be the market leader in the field of independent youth travel. Marketing alliances between Kiwi Experience, as transport provider and coordinator of activities, has established a well-trodden

pathway to the major destinations and diversions to other regions although there are notable exceptions.

HOTEL/MOTEL CHAIN	NORTH ISLAND	SOUTH ISLAND	TOTAL
AA Host	47	32	79
Fed. B & B Hotels	13	13	26
VIP Backpackers	45	24	69
Budget Backpacker Hostels	105	90	195
Kiwi Country Motor Inns	23	15	38
Kiwi Stay	27	13	40
Golden Chain	18	23	41
Pacifica Inns & Lodges	41	33	74
Int'l Youth Hostels Assoc	29	30	59
Best Western	51	30	81
Flag Inns (1994)	30	18	48
Budget Motel Chain	40	38	78
CDL	12	11	23
SPHC	8	9	17
<b>TOTAL</b>	<b>55.2%</b>	<b>44.8%</b>	<b>880</b>

Table 5.12 Distribution of hotel/motel chain properties in New Zealand  
Source: company directories 1997-8

Working in with a network of activities in a broad association with the Adventure Tourism Council Kiwi Experience are able to access and maintain a high standard of activities for young, adventure seeking, independent tourists. Whilst hostels are not part of their organisation they are an important part of the operation in that this is the preferred accommodation for this segment of the FIT market.

Therefore, as part of the service, back packers are, as a matter of routine, dropped off and picked up at selected hostels. If a hostel wishes to be associated with Kiwi Experience then a commission and fee for marketing is paid. The activities which attract the young FIT are essentially high risk therefore reliability is essential. A high standard is required of operators and if accepted Kiwi Experience arranges

discounts for tourists they carry. Wherever possible, local operators are used and inspections made before services are contracted. If approached by a local operator who wished to use the company name a 10% commission would be payable, higher if marketing was undertaken. Links with other operators are minimal, the name is franchised, sold as an option, or an operating fee of 10% to 30% is charged to cover commission (10%) or marketing (30%). Kiwi Experience sets guidelines for

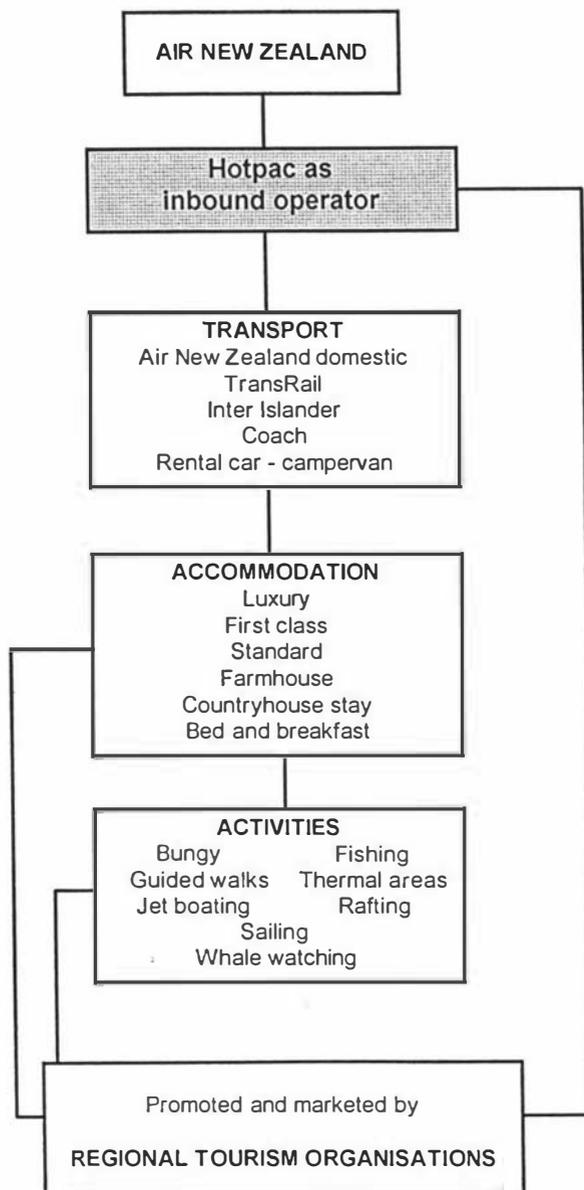


Figure 5.6 Air NZ Hotpac liaisons and linkages  
Source: Air New Zealand Hotpac packages

operators to come up to, the agreement is based on cooperative marketing. The New Zealand Tourism Board's marketing of New Zealand as having a clean green environment, as a destination which prides itself on its natural scenic attractions determines, to degree, the routes taken by the company's service (Figure 5.7a) duplicate the International Visitor Flows as mapped by the New Zealand Tourism Board, (Figure 5.7b). The routes taken by Kiwi Experience and the Magic Bus companies follow closely the major tourist trail through the central North Island and through to Christchurch and Queenstown in the South Island so reinforcing the unevenness of tourism development in the country.

With marketing undertaken through in-coach brochures and, most importantly, by word of mouth between backpackers the company works in alliance with the YHA and the VIP backpacker marketing chain. The Kiwi Backpacker paper started as a means of advertising the Kiwi Experience's services and raised revenue through advertising hostels and activities. Marketed to appeal to this niche market, the paper included articles of interest to backpackers including news of people and places. Since its publication however, the paper has been sold off and subsequently went out of publication for a short time before being revived from a Christchurch base. In addition to promotion through hostels and activities Regional Tourist Organisations and the Visitor Information Network carry brochures as do travel agents such as Budget Travel and Travel for Less, both of which cater for the same niche market.

In addition to accommodation chains that operate in both North and South Islands other properties exist solely in one island.<sup>5</sup> An example of this is Scenic Circle

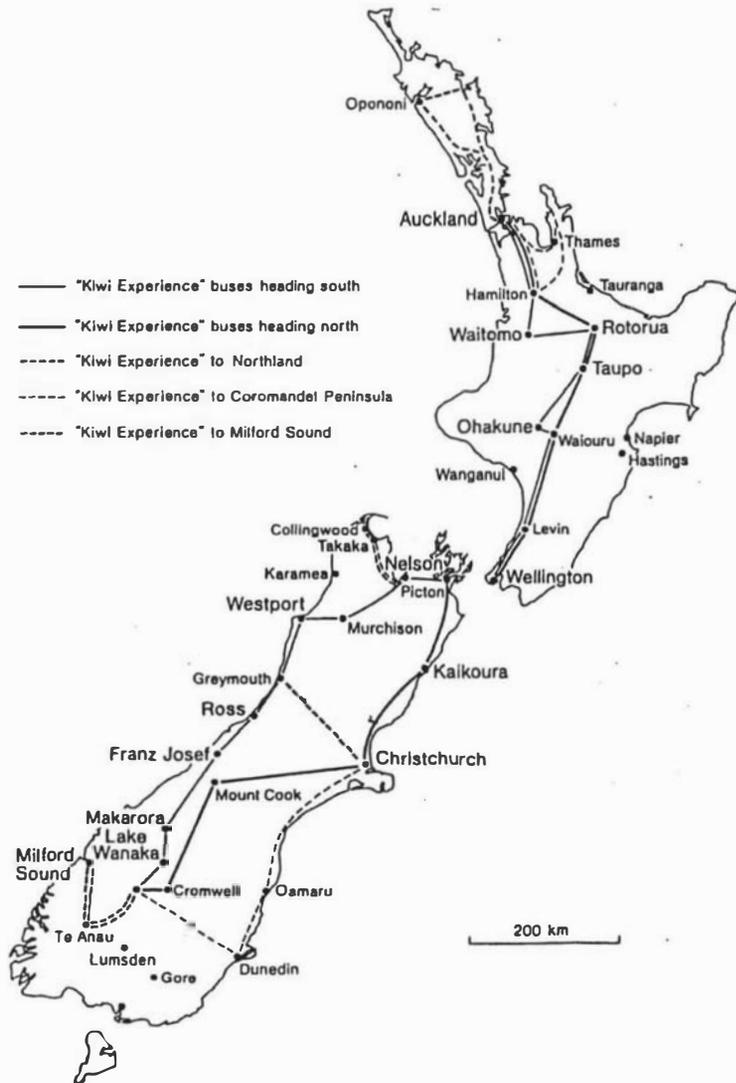


Figure 5.7a Kiwi Experience bus routes  
Source: Kiwi Experience brochures 1996

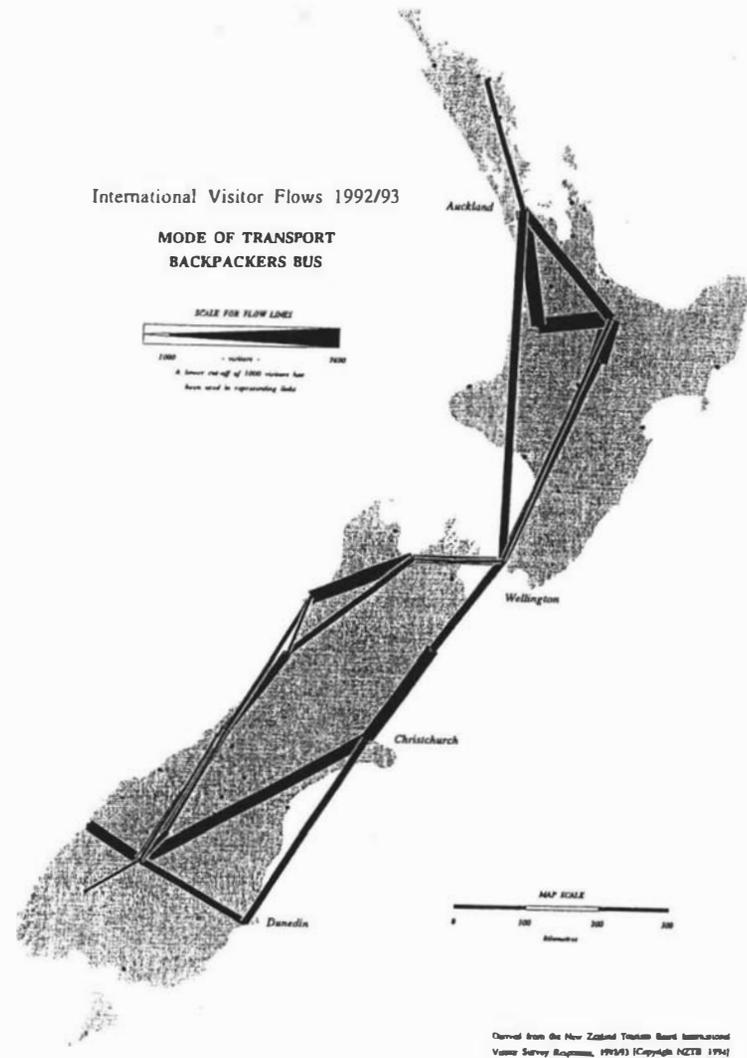


Figure 5.7b Backpacker travel patterns  
Source: NZTB International Visitor Flows 1994

Hotels Limited that owns and manages five hotels and manages a further three in the South Island. Located in the gateway city of Christchurch, and Queenstown, Dunedin, Fox Glacier and Franz Josef these properties are ideally suited to circuit touring. Domestic referral systems operated by agencies which charge a subscription, and which may exact a quality standard, integrate independent motels into chains. The distribution of accommodation belonging to referral chains in New Zealand recorded in their directories for 1995-6 (Table 5.13) indicates in general a concentration on the North Island compared to the South

REGION	MOTELS	%
North Island	1059	69.3
South Island	469	30.7
TOTAL	1528	100.0

Table 5.13 Regional distribution of motel accommodation in New Zealand  
Source: Jasons Motels and Motor Lodges 1996

Island. This may be explained by the location of the country's major gateway airport in Auckland, the greater population of the North Island and hence greater amount of domestic tourism.

### **The importance of alliances**

As a small geographically isolated tourist destination tourism operators in New Zealand must enter into alliances with each other and into overseas networks in order to generate sustainable business. For the country to continue to play a role in international tourism it is critical that operators form alliances with overseas operators. This is well illustrated Air New Zealand entering into a number of tactical alliances after the withdrawal of British Airways services and that company's alliance

with Qantas. Air New Zealand's eventual entry into the STAR alliance with Ansett Australia, Air Canada, Lufthansa, SAS, Thai, United Airlines and Varig confirms its position as a major carrier, further members of the alliance include Mexicana and All Nippon Airways (STAR Alliance 1999). In addition to the major alliance Air New Zealand has alliances with Singapore International Airline that strengthens linkages with south and east Asian countries. The benefits that accrue from alliance membership range from cost efficiencies for the company, greater market exposure through access to partner company routes and destinations to improved levels of service to travellers. From a development perspective alliances open a window on a process that builds on the synergies to be gained by allying transport with accommodation through partner frequent flyer programmes.

### **Services**

The supply of specialist services is generally lacking in New Zealand, however, two niches which are being successfully exploited are specialist travel health and foreign exchange bureaux. A specialist travel health clinic opened in Auckland, provides vaccinations and advice on health for travellers, medical kits are assembled and available through Air New Zealand travel offices. The concept which is new to New Zealand is widely developed in Australia and in US and UK and is one for which there is a growing demand, by removing pressure from general practitioners it provides the tourist with ready access to specialist medical advice. It represents a niche market for entrepreneurial exploitation (Kennedy 1996c). Whilst travel agents supply information, and sell travel insurance they have been slow to enter into the sale of foreign exchange, however, with the advent of automatic teller machines which accept the Visa card it is likely that agents will be encouraged to provide this

service. According to a report in *Traveltrade* (1997) the commission on transactions makes such a service highly desirable.

### Patterns of domestic tourism Tourist flows

Domestic tourism tends to reflect the international route but differs in the form of accommodation patronised. Motels which expanded after the widespread adoption of the motor vehicle provided relatively cheap accommodation for those families who wished to engage in touring holidays but who did not want to camp.

Consequently there is a wide distribution of hotels, motels and hostels as illustrated by the listing given in *Jasons Guide* 1995 (Table 5.14; Figure 5.8). The three

<b>NORTH ISLAND REGION</b>	<b>MOTELS</b>	<b>% N. ISLAND</b>
Northland	170	16.05
Auckland	135	12.75
Coromandel	82	7.74
Bay of Plenty	81	7.74
Rotorua/Taupo	176	16.62
Waikato/King Country	93	8.78
Taranaki	47	4.44
Wanganui	25	2.36
Manawatu/Horowhenua	78	7.36
East Coast	27	2.54
Hawke's Bay	53	5.00
Wairarapa	12	1.13
Wellington	80	7.55
<b>SOUTH ISLAND REGION</b>	<b>MOTELS</b>	<b>% S. ISLAND</b>
Marlborough	56	11.94
Nelson	59	12.57
Canterbury	173	36.88
Westland	61	13.00
Central Otago	94	20.04
Dunedin/Coastal Otago	62	13.21
Southland	58	12.36

Table 5.14. Regional distribution of motel units 1996  
Source: *Jasons Motels and Motor Lodges* 1996

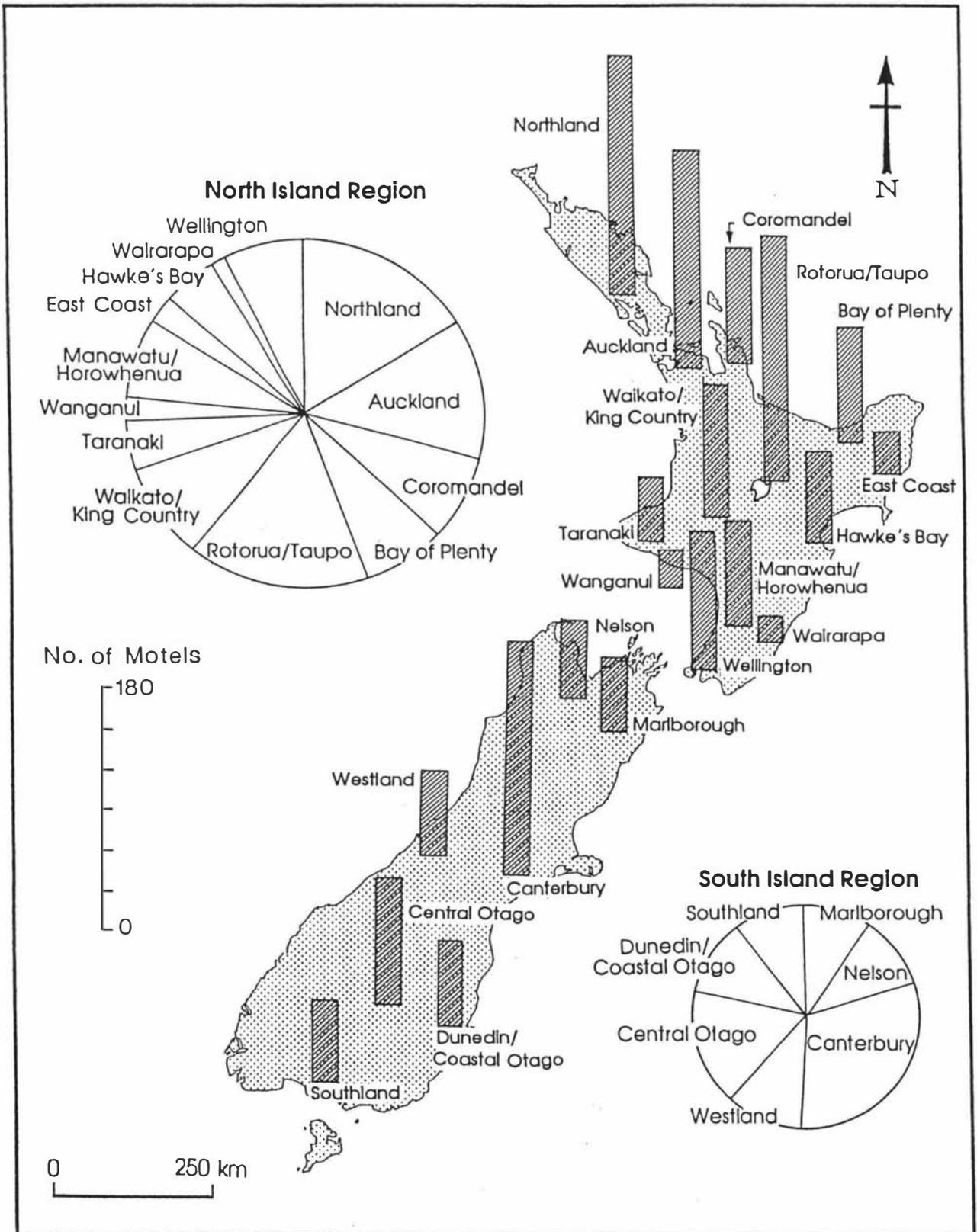


Figure 5.8 Regional distribution of motels  
 Source: *Jasons Motels and Motor Lodges* 1996

patterns of global tourism identified in Chapter 4 can also be identified in New Zealand. As in the case of a global wanderlust pattern this may be related to those 'touring' holidays related to camping and/or motel use in addition to the domestic and international FIT segment.

### ***North - South or core to periphery***

Tourism flows within New Zealand mirror those of other countries and global patterns in general. Core to periphery is represented by the urban exodus at weekends and for the long summer holiday when families traditionally went to the beach, lakes or mountains. The counterflow of rural to urban parallels similar patterns in overseas countries, although on a smaller scale.

### ***Sunlust tourism***

Sunlust movements are represented by a general movement equatorwards towards the sun, thus the areas and coastal margins of Northland, Coromandel, East Coast and Nelson - Marlborough echo the European and North American pattern of temporary migration to warmer, sunnier climates. The location of 44% of North Island motels in Northland, Auckland, Coromandel, and the Bay of Plenty provides a simple measure of sunlust tourism. Conversely there is a winter tourism flow for skiing and winter sports to the mountains of the South Island and central North Island.

### ***Wanderlust tourism***

A third pattern, which again echoes similar overseas movements, can be labelled as wanderlust tourism. Reflecting an etymology of the term tour, this form is best

described as the circular tour, popular with overseas visitors whose packaged tour enables them to see as much of the country as possible in a short time. New Zealanders themselves also engage in this with the typical circular tour of the South Island and to a lesser extent, of the North Island. Evidence for this pattern in the South Island is provided by a geography that determines the road pattern and distribution of scenic and cultural heritage attractions. These in turn are reflected in the distribution of accommodation as illustrated in the maps of motel/hotel distribution and the routes taken by backpackers' bus routes (Figure 5.7b).

### ***Business tourism***

As stated above business tourism links the major urban centres from which goods and services are distributed to secondary and tertiary centres. The general pattern of travel and accommodation is mid week from Tuesday to Thursday. It follows that from Friday through to Monday motels and other accommodation that depends on the travelling sales representative is generally under utilised. It is at weekends that motels in particular, rely on sports events and meetings, and family groups to maintain their income. In alliance with Air New Zealand hotel operators offer weekend packages at discounted rates at times that coincide with significant events.

### **Transport**

A variety of marketing agreements are entered into by smaller coach operators as illustrated by the White Star Company which in New Plymouth and Wanganui have an arrangement with Avis rental cars for the use of office space and use as collection and delivery points. In addition, the requirement for drivers to take a break has led to a cooperative agreement with MacDonalḁs in Wanganui and

Palmerston North whereby messages can be passed on and passengers assured of fast service and clean rest rooms. The company also has a 'phone transfer service whereby potential passengers in Wellington and Palmerston North have their local calls transferred to New Plymouth for bookings (Pers comm). 'C Tours', a recently formed New Plymouth company plying between that city and Auckland have a similar agreement with a café in Otorohanga whereby passengers receive a 'free' drink at the stop, a value added service to the passenger which is not replicated by other tour operators (Stonnell 1995). Put under competitive pressure by other carriers on the New Plymouth to Auckland route this small company maintains its market niche through customer service, picking up and dropping off at passengers' gates in New Plymouth, and also in a faster turn round in Auckland. Diversification into organised tours to domestic and international destinations as a further means of maintaining their operation is also undertaken (Stonnell 1997).

Many smaller centres have a variety of car rental outlets each working in isolation. Organised from a Christchurch head office New Zealand Rent a Car, for example is a cooperative marketing association whereby a selection of outlets are coordinated into a nationwide system of car hire (Midgley 1995). A less extensive network is that of Southern Cross Rental Cars which also has its head office in Christchurch (Figure 5.9). Delicensing of road transport has opened opportunities for entrepreneurial activity in many places, for example there has been an increase in the numbers of taxi operations and also in mini-bus shuttle services such as the one operating from Picton to Christchurch (fieldwork 1996).

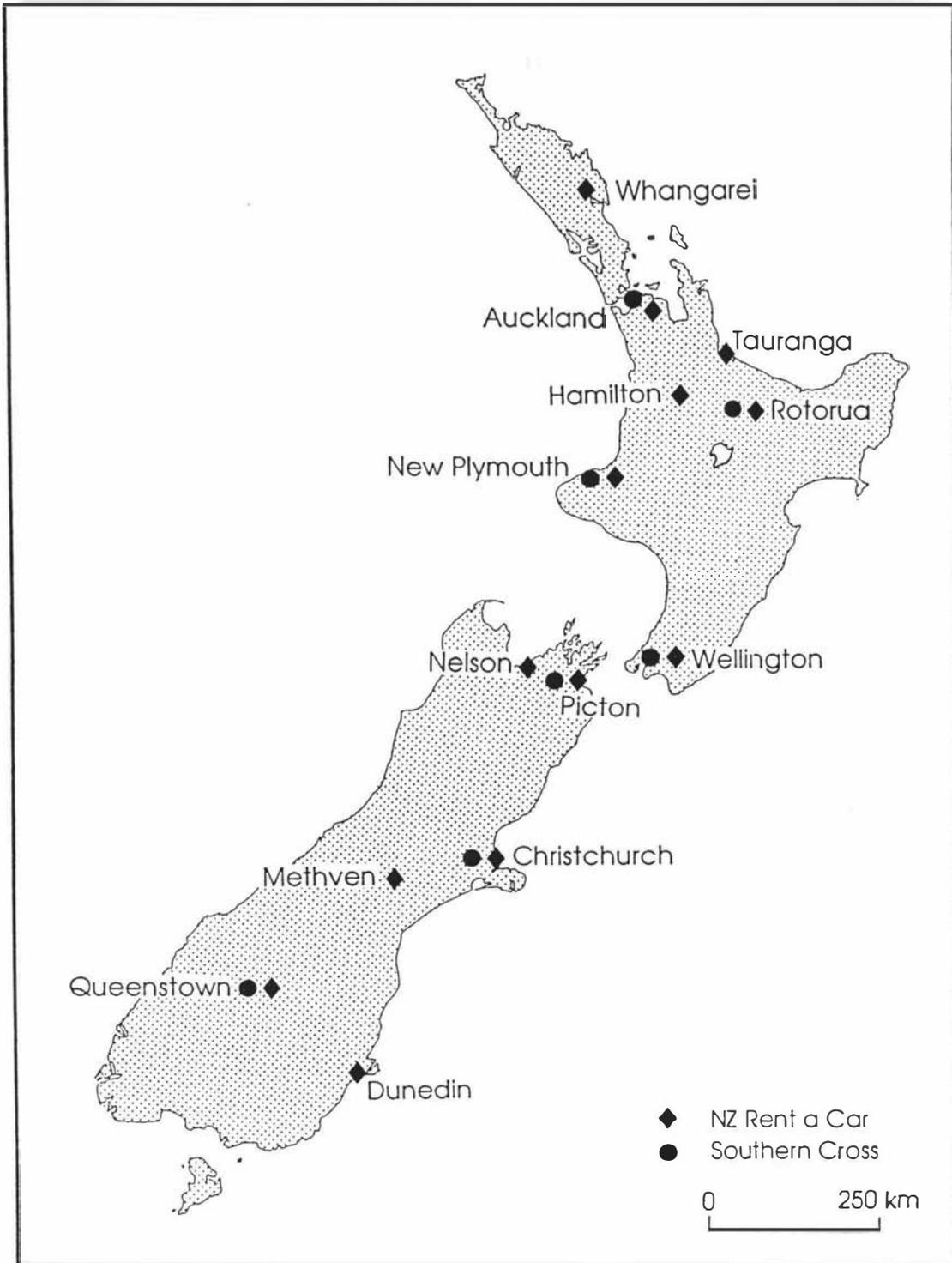


Figure 5.9 Rental car offices, NZ Rent a Car and Southern Cross

Source: Personal communication, NZ Rent a Car and Southern Cross 1995

The location of accommodation in New Zealand reflects the same principles as overseas destinations. The earliest hotels in New Zealand were sited in town and city centres reflecting the location of railway and road transport terminals.

International visitors to New Zealand came by sea that gave rise to port located properties. Railway and port located hotels are a feature of the major gateway ports of Auckland, Wellington, Christchurch, Lyttleton and Dunedin; in addition smaller ports such as New Plymouth, Nelson, Napier and Westport also demonstrate similar features. As air travel replaced sea travel so new sites for accommodation were

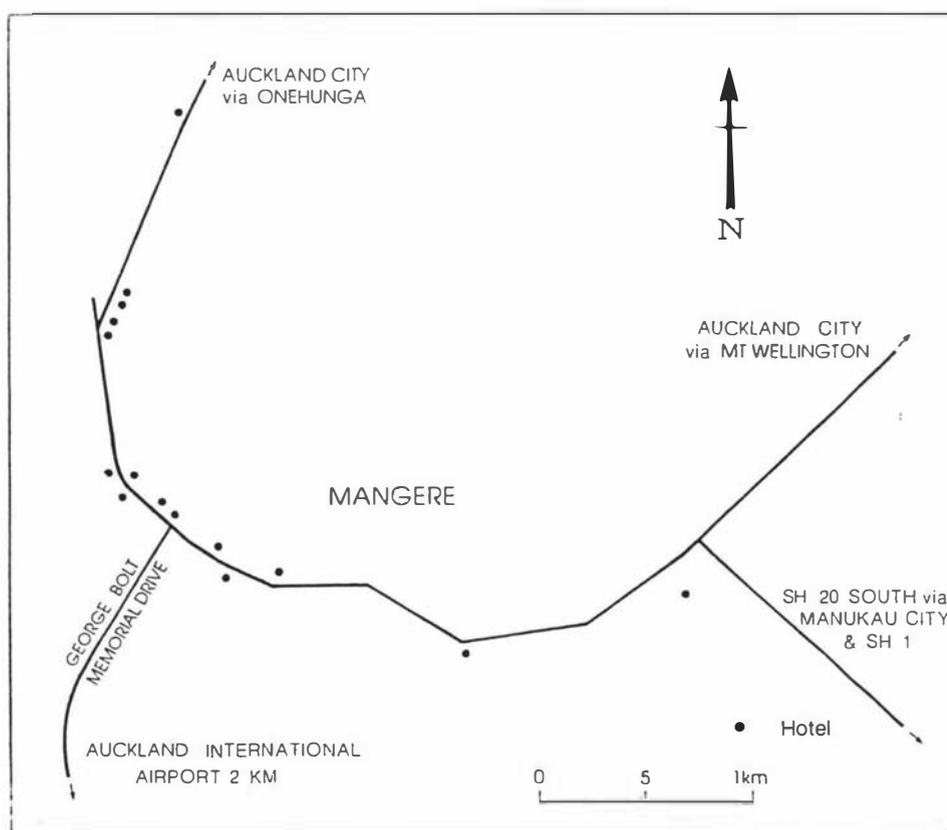


Figure 5.10 Location of motels and hotels in vicinity of Auckland International Airport  
Source: Department of Survey and land Information, InfoMap Manukau north (#271-15)

developed, Auckland airport as the major international gateway is therefore the focus of location for a number of motels and hotels (Figure 5.10). As road travel replaced rail travel so the older inner city hotels lost custom to suburban hotels and

motels located with respect to the road network and attractions.

### **Accommodation**

The development and expansion of motel accommodation is illustrated by the maps (Figure 5.11) of New Plymouth. However, the relatively small size of New Zealand urban centres has played a part in the maintenance of city centre hotels. In the main centres, Auckland Wellington Christchurch and Dunedin the once important large hotels have been given a new lease of life through their conversion to backpacker hostels, for example in Wellington the Salvation Army's People's Palace, is now Trekkers, a large hotel/motel backpacker hotel. In Christchurch the Backpackers Inn the Square is a similar conversion of an old established hotel in Cathedral Square to a hostel conveniently placed in the city centre. In secondary urban centres a similar trend is visible as for example the opening in late 1997 of a backpacker facility in a central city hotel in New Plymouth. These developments reflect the inertia associated with the costs of demolition and site redevelopment plus the necessity to match the facilities provided in the newer hotel properties.

### **Uneven development**

Uneven development is a feature of tourism development and a necessary characteristic of capitalist economies. New Zealand as both generator and destination provides an illustration of this in terms of socio economic groups that are not represented in the tourist cohort internationally and in the domestic market.

Overseas investment in tourism development, especially in the accommodation sector is tightly focused on a small number of places as has been discussed above.

Domestic investment tends to replicate overseas patterns, hence there are regions

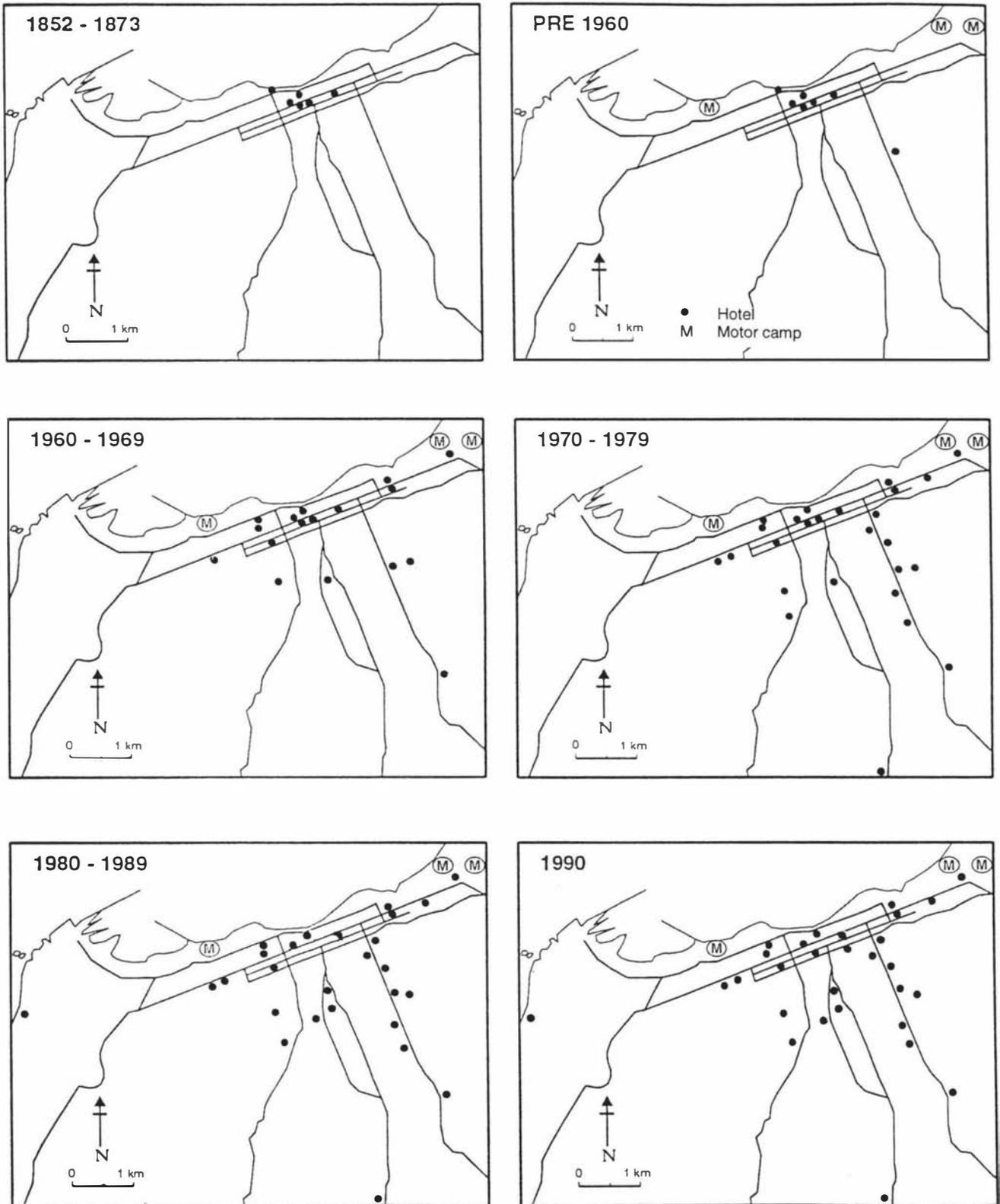


Figure 5.11 Distribution and growth of commercial accommodation in New Plymouth 1852-1990

Source: Fieldwork 1993-94

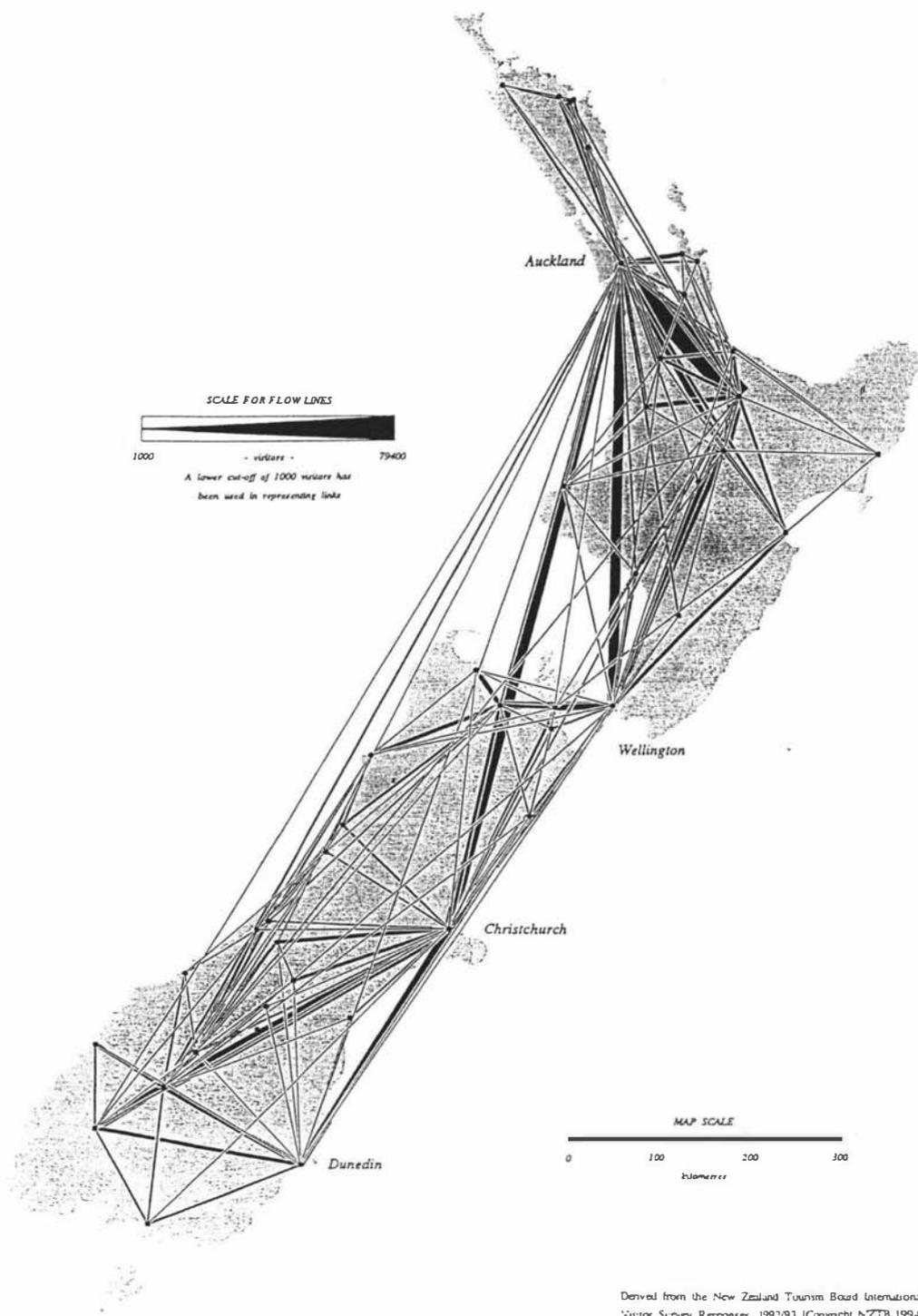
that are less developed in terms of activities and accommodation. Time-space convergence within New Zealand has been speeded by improved regularity, reliability and increased speed of travel by rail and air (Pawson 1992). Continual improvements to the state highway network together with improvements in motor vehicles have reduced driving time between places. Higher speeds which reduce time-distance between places attracts a greater number of vehicles to the major urban centres causing considerable peak hour traffic congestion and also placing pressure on car parking facilities. The advent of fibre optic cabling and competition in the telecommunications and radio plus an increasing use of electronic mail has led to time-space compression. The overall affect of improvements in transport and communication has been to break down isolation and offer a potential means for reducing uneven development by giving access to previously isolated places and, in consequence, attracting more visitors to those places. This is demonstrated by the dispersal of FITs in contrast to the inclusive package tourists. However, the opposite impact where improved access encourages migration from isolated areas, moreover, the job loss from the primary sector is not replaced by new jobs generated by tourism (Kriesel 1997). In this sense uneven development is heightened by the increased concentration of activity in those already congested locations in the main urban centres.

Using the spatial distribution of accommodation as a marker of uneven development concentration in a small number of areas becomes apparent (Table 5.12; Figure 5.4). The focus of attention on the major destinations is reinforced (Figure 5.7a) by the routes taken by backpacker buses and (Figure 5.12) organised coach tours.

Areas such as Taranaki, on the west coast of the North Island, are characterised by a low number of motels and hotels and a high degree of second income participation in tourism activities. The result is an under developed infrastructure and a fragmented marketing system. Cooperation between smaller operators is generally lacking and, with the exception of a small number of events that are coordinated by the regional tourism organisation, not well marketed (NZTB 1995, fieldwork 1993-5). Similarly, there is a lack of cooperation and coordination between operators in the Manawatu where, like Taranaki, there are problems of a political nature.

Taranaki is perceived as being isolated from the main stream of North Island travel and hence depends on the domestic market, the annual Rhododendron Festival is a major international event held when the internationally recognised Pukeiti Rhododendron Gardens are in flower. The town of Stratford is developing event tourism based on its Shakespearean connections and supported by the refurbishing of the town's clock tower with a mock Tudor cladding and street furniture reflecting that of Stratford-on-Avon in England (fieldwork 1996-7). The Manawatu located centrally between Wellington and the central volcanic region is essentially a transit region and concentrates its activities on the conference market for which it is well placed with university, polytechnic and crown research institutes in the immediate hinterland of Palmerston North.

In contrast the Auckland - Bay of Plenty - Central North Island region is well developed in terms of accommodation, attractions include the natural environments of sun, sand, sea, thermal activity, and Maōri culture together with the a range of



Derived from the New Zealand Tourism Board International Visitor Survey Responses, 1992/93 [Copyright NZTB 1994]

Figure 5.12 International tourist travel by coach  
Source: NZTB International Visitor Flows 1994

horticultural and pastoral activities. In the South Island a similar set of attractions plus alpine environments have led to the popularity and development of the Nelson - Marlborough and Queenstown Lakes regions. Auckland and Rotorua dominate the North Island urban scene and Christchurch and Dunedin the South Island. The capital, Wellington is not a major gateway city rather a transit point between North and South islands and did not, until the mid 1980s engage in development as a tourist destination *per se*. Currently, 1998, the establishment of a macro region embracing Nelson - Marlborough, the Wairarapa, Kapiti Coast and Porirua has been established with the goal of attracting visitors to a multi-faceted region based on the capital city.

The mainstream of holiday and VFR tourists who come on inclusive and semi-inclusive packages follow the main tourist route from Auckland through Rotorua and Christchurch to Queenstown. The backpacker travelling with Kiwi Experience follows a parallel route as this traveller generally wishes to see the scenic areas portrayed as typical of the country. Thus it can be said that the promotional machine is, to a large degree, responsible for the crowding that is a feature of the main centres. Variations on levels of regional development in tourism are reinforced by the activities of operators such as Kiwi Experience that parallels the main tourist highway through the country (Figure 5.7a). Coach tour companies also reinforce development patterns that tend to favour those regions perceived to be attractive and in consequence where accommodation is available. Investment in accommodation, facilities and promotion has additionally reinforced the advantages these regions have in contrast to those regions that are not on the tourist highway.

The major tourist destination regions may be identified in terms of the numbers of motels/hotels (Table 5.12) and evidence from the domestic and international visitor surveys carried out by the New Zealand Tourism Board, reinforced by flow maps of international visitors which identify nodes (Figure 5.7b). A measure of the value of carriers such as Kiwi Experience to Waitomo, Rotorua, Taupo and Queenstown is not to be underestimated, for example it is estimated that the company brings 12 - 15 000 tourists per annum to Rotorua on a regular basis, a not inconsiderable input into the economy (Warren 1994).

Marketing, and hence mass tourism, focuses on the major destinations via the gateway city of Auckland to Rotorua, Wellington, Christchurch, Dunedin and Queenstown. It is in these centres that most of the overseas-owned first class hotels are located. In destination areas it is proximity to attractions that is a key location factor thus the thermal attractions of Rotorua at Whakarewarewa attract the siting of hotels and motels along Fenton Street. The natural scenic attractions of Queenstown are access to the lake shore, and sites with a scenic view are in highest demand, consequently these are the sites of the major hotels (Figure 5.13).

The two major tourist destinations of New Zealand, Rotorua and Queenstown have developed in different ways. Pearce (1989) discusses catalytic and integrated development of resorts, the former development is characterised as an initial investment at a 'bait' which in Rotorua was provided by thermal activity and the Pink and White Terraces prior to their destruction by the 1886 Tarawera volcanic eruption. The development of the thermal baths in Rotorua and the promotion of the town as a resort under the Tourism and Health Resorts Department of 1902

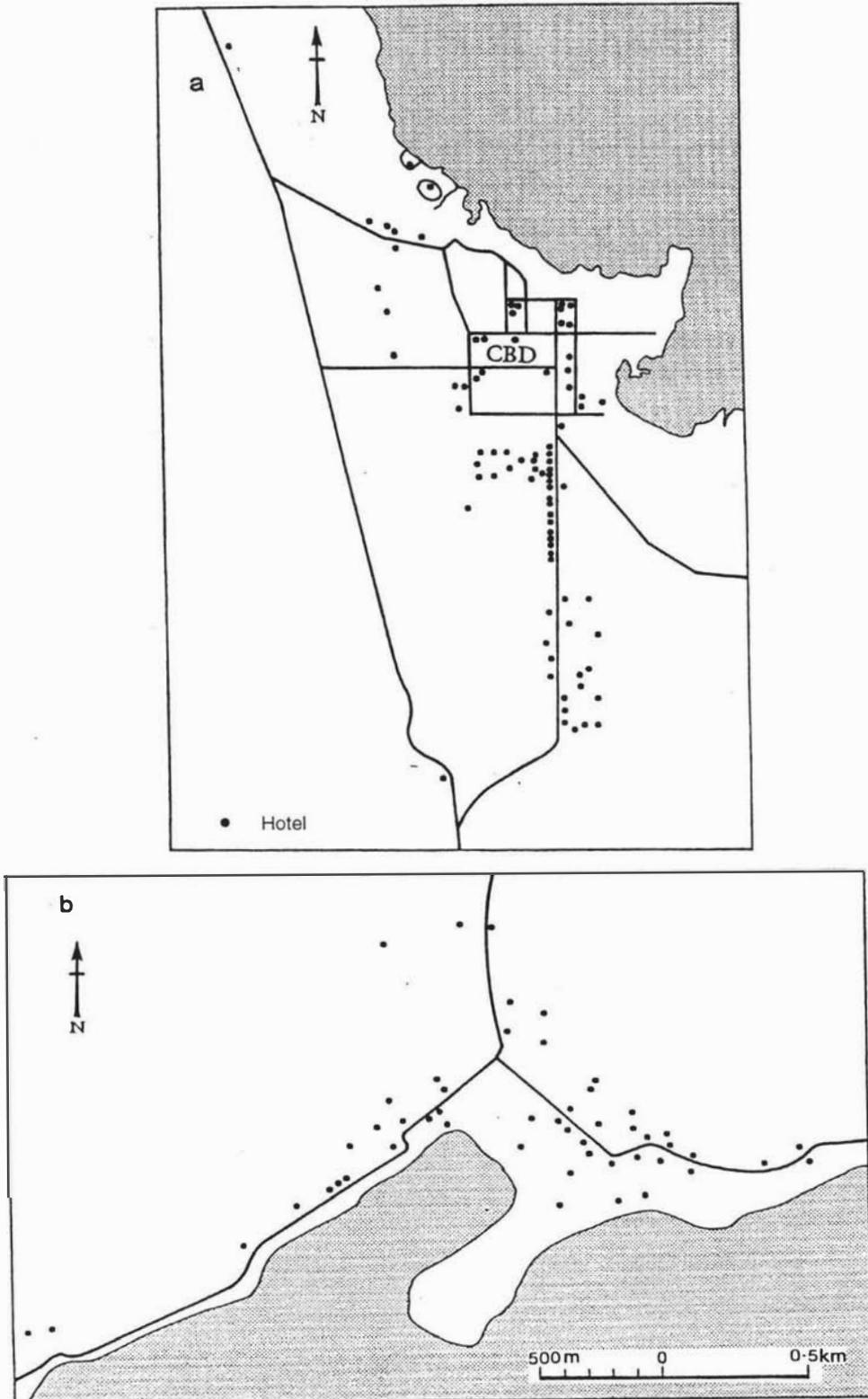


Figure 5.13 Distribution of motels in (a) Rotorua and (b) Queenstown  
 Source: Department of Survey and Land Information, InfoMaps; Rotorua (#271-29, 1990);  
 Queenstown (#271-28, 1987) NZMS

subsequently enhanced the town's importance as a tourist destination. Currently thermal activity is the major attraction of the city and region, steady growth through existing routes is reinforced as major hotels and transport companies are locked into patterns of demand which reproduce growth and further investment characterised by the opening of new hotels (Munday 1994). The initial investment precipitated other investment in cycles of growth, each representing an expansion of the local economy in the form of cumulative causation. Integrative development where a definitive plan guides overall development and to which there is an ultimate, planned, limit is not developed on a large scale in New Zealand. However, the Millbrook development near Queenstown is one small scale example of integrative development.

Pearce's (1980) study of the development of tourism at Mt Cook provides an example of where the deliberate investment in accommodation and integration of transport led to what has become established as a major domestic and international tourist destination. As an integrated development the Mt Cook destination illustrates the harnessing of private enterprise which perceived the potential of the location for tourism development. State involvement came through the hotel's acquisition by the Tourist Department which in turn passed its administration to the Mt Cook National Park Board and thence to the Tourist Hotel Corporation. The hotel managed by the Tourist hotel Corporation between 1957 and 1990 is presently managed by the South Pacific Hotel Company for Tourism Holdings Ltd. (THL 1996) who acquired the complex in 1995 together with the Rotorua Hotel, and Waitomo Caves and Hotel. As Pearce (1980:83) states, *"The development of Mount Cook has involved from the very beginning a partnership, albeit at times reluctant, in which private*

*enterprise initiatives have been supported by varying degrees of central government assistance."* Both Rotorua and Queenstown cater for winter and summer visitors, the former through thermal attraction and the latter through winter skiing and a range of summer outdoor activities. Both destinations rank high on the international visitor itinerary, a factor that is of some concern in a changing market place. A New Zealand Tourist Report (NZTB 1995b) noted that as the number of short stay visitors increased costs rose and occupancy and yield rates fell. This follows an earlier report (NZTB 1994) stating that the percentage of bednights spent in the main centres was declining. In the period 1989/1990 some 43 per cent of nights were not spent in the main centres, the 1992/3 figure of 46 per cent of nights not spent in the main centres indicates that there are implications for secondary regions that border those primary destinations. An increase in independent tourism in both holiday and VFR segments is undoubtedly a contributory factor to this situation. However, the growth of independent tourism whilst good for secondary destinations causes problems for chain hotel operators who seek high yield tourists who come in pre-booked organised groups.

Whilst an increasing number of bednights spent in secondary regions is significant it leads to a number of problems, for example the maintenance of a roading infrastructure to service secondary regions which demands a higher input from Transit New Zealand. The discernible trend among Australian and European tourists towards independent travel (NZTB 1995a) and away from inclusive tours no doubt prompted CDL Hotels Ltd., to invest in hotels off the main tourist route as secondary regions are brought into the main stream.

Changes in the composition of tourist arrivals indicates that primary destinations such as Queenstown and Rotorua may well face difficulties in the future as the number of short stay visitors increase. This is indicated by the Ernst & Young hotel survey of 1996 that recorded occupancy rate drops as a result of short stay visitors to Queenstown, contributing to this decline had been the increase in the number of hotel rooms (Kennedy 1996).

Increasing numbers of independent tourists have implications for tourism to the regions in terms of accommodation development, road maintenance and the development of attractions and activities. Seasonal variations in visitor numbers is a characteristic of tourism to secondary regions and results in accommodation and tourist activities being essentially second income occupations with a resultant lack of attention to detail, quality of service and promotion. This could militate against regions and destinations as poor services are advertised through word of mouth. To gain maximum distribution some backpacker hostels subscribe to the two directories, the *VIP Backpacker* and the *Budget Backpacker*. In addition to listing hostels they are also graded (*Budget Backpacker Guide* 1997). With the exception of the Youth Hostels Association the publishers of hostel directories do not act as referral agencies but provide the necessary details to satisfy the needs of this segment. In addition to directories an important factor in the choice of backpacker accommodation is word of mouth information and personal recommendation, the nature of this sector of the market is constant growth and accordingly the main problem the guides suffer from is keeping up to date as new hostels open regularly as entrepreneurs see this niche market expanding.

The Best Western referral chain and other marketing associations operate through a board of directors who may include motel operators with a paid secretary and office set up (Herbert 1993). The associations charge a membership fee, include the property in a directory, and may operate a central referral system, as do Flag Inns, alternatively 'free' booking ahead may be done by 'phone or fax for each consecutive night. Discounts may be given after a specified length of stay in the chain and in order to maintain their competitive advantage a quality control check may be instituted which guarantees a standard of accommodation or service, in addition member properties may be required to accredited by Qualmark. Loyalty programmes aim to provide rewards for guests who patronise the chain and are a means of gaining a marketing edge. However, it is essentially the initiators of such schemes who gain the advantage; as the number of schemes increase so joining one becomes a defensive mechanism.

### **Sports, events and heritage tourism**

As drivers of a profit motivated business, sports events and heritage are recognised as increasingly important aspects of tourism development in that they attract both international and domestic visitors to both primary and secondary urban centres of the country. Examples of these are provided by cycle racing tours of New Zealand which, although small in comparison to European and American events, nevertheless contribute to local and regional incomes as well as providing promotional outlets for those products associated with the sport. The international motor racing circuits of Pukekohe and Manfeild and New Zealand's Wellington street race held in late November, are the foci of considerable tourist attention with particular events attracting large audiences. Comment and letters to the newspaper

(*Evening Post* 1996; *Dominion* 1997) record both advantages and disadvantages to the retail sector and public of the city. Rugby football has occupied a central position in New Zealand's social development since its introduction in 1886. The core of this attention is focussed on the inter-provincial challenge trophy, the Ranfurly Shield, which stimulates pride in the local team whilst, at the same time challenges for the trophy bring in large crowds of supporters, (Garnham 1996b). The Shield is presently (1999) held in the Auckland region of the North Island but on those occasions when it has been held elsewhere the infusion of money into those regions has been considerable. It was estimated that one Shield game resulted in a gross increase in profit in excess of \$600 000 (NPDC 1996). International sporting events in addition to rugby include yachting, golf, surf lifesaving and triathlons all of which link New Zealand into the wider global sports tourism framework.

Festivals of the arts, the largest being held in Wellington and New Plymouth in alternating years attract both domestic and international artists and tourists to their respective venues. As a means of attracting visitors, including tourists, Wellington is promoting the development of café society and retail shopping facilities.

Promotional material on television and in newspapers aimed at attracting weekend visitors to the capital is widely supported by the hotel sector although problems exist in coordinating shop opening hours at weekends.

An increasing awareness of heritage is developing; evidence is seen in the emergence of antique and craft shops that are to found along the main roads of the country, often making use of a previous building. The 'Crafty Fox' in Oakura, Taranāki utilises a deconsecrated church as an antique/gift shop and a disused and

refurbished railway carriage as a restaurant. A similar use for a church is found at Manakau in the Horowhenua south of Levin. Pioneer and settler museums such as the Tawhiti Museum near Hawera in south Taranaki provide the visitor with a glimpse of Maori and early colonial settlement in the region (fieldwork 1990-7). In addition to static displays is the formation of the Heritage Trails Trust which has as its aim the documentation and formation of trails linking aspects and features of cultural heritage which can be explored by the visitor (Gill, Pers. comm. 1993).

## **Conclusion**

Although tourism development in New Zealand mirrors the general patterns that have developed through time in other areas of the world there are a number of differences which distinguish the country from the major tourist destinations of Europe and North America. Despite its distance from major markets New Zealand's air transport system is linked into the wider global pattern through code sharing and reciprocal FFP agreements with other airlines and partner companies. Likewise the major car rental companies are linked into the global networks of the parent company. Travel insurance sold by travel agencies is generally underwritten by either North American, or UK based companies, similarly foreign exchange is obtained through Thomas Cook and Son, Travelex or American Express. In the accommodation industry there are two major chain companies, CDL and the Southern Pacific Hotel Company, in addition Accor Asia-Pacific has established a presence in the country with the establishment of the Novotel brand. Unlike the North American pattern there is no branded motel chain although referral agencies such as those discussed above play an important role in encouraging loyalty with their consortia. The patterns of liaisons and linkages that occur within and between

operators in the wider tourism business and the rest of the economic and social environment are represented in New Zealand to the extent that the country is in effect the world in microcosm.

The historical development of tourism in New Zealand echoes that of Europe and North America where the elites of society, those with discretionary time and money, could engage in travel for leisure. In this light the 1920 visit to Rotorua by HRH the Prince of Wales endowed the resort with a royal patronage which gave it a certain prestige in the eyes of other tourists (Watkins 1987). The earliest tourists to visit New Zealand were those from England and Europe who could afford to make a visit the total time of which was usually in excess of six months considering the modes of travel available at the time. As travel became less arduous, faster and cheaper so the tourist cohort visiting New Zealand gradually changed, as did the numbers which rose from fewer than 5 000 at the turn of the century to over a million by the 1990s (Appendix C).

Whilst the social and cultural impacts of increasing tourist arrivals in New Zealand are, in overall terms minimal, there are signs of reaction to continued growth and pressure of numbers in Rotorua and Queenstown in particular. Otago based research (Kearsley 1996) into over crowding in the back country and on major tracks has produced evidence of displeasure among overseas and domestic trampers at the number of people encountered in what has loosely been envisaged as wilderness.

The question of sustainable growth and the sustainability of the resource base is a

problem faced by the wider tourism business in other countries. Cheng (1990), McKercher (1993) and Pleumaron (1994) express concern over the impacts of tourism on cultural and natural resources hence increased interest and investment in tourism development must be accompanied by strategies that address the question of sustainability. This is particularly the case where there has been development and growth over a long period of time and there is the possibility of a declining and over stretched infrastructure. In Queenstown and Rotorua increasing numbers of tourists in relatively confined urban environments risk backlash reactions from those residents who are faced with exclusion from what they consider their territory. Environmental impacts on restricted space such as Waitomo and on the major walking tracks of New Zealand threatens sustainability of attractions which draw tourists to the country in general and to particular destinations.

From the increasing tourist intensity, measured in tourists per 1000 head of population, (Appendix C), and the distribution of hotels (Table 5.12 and Figure 5.4), it can be construed that those centres of attraction such as Queenstown and Rotorua will inevitably be put under greater social pressure from tourists than other places. This is supported by Doorne's research (1995-6) into crowding at Waitomo Caves and further evidenced by hearsay comments expressed by local populations in major tourist attraction centres including Christchurch, Queenstown and Rotorua.

The 1987 United Nations report, "Our Common Future" (Hinrichsen 1987) established three goals for society:

- to ensure that all society's needs are met

- to ensure that all members of society have their needs met
- to ensure that all development is sustainable over time in social, economic and environmental terms.

The Resource Management Act, 1991, (RMA) has its ideological origins in the 1987 UN report focusing on sustainable management of resource use, ecological systems and environmental quality. In keeping with the philosophy of devolving power and authority to the local level the Act demands that territorial authorities develop policies and strategic plans to meet its requirements. The reaction of local authorities to the Act and its implementation therefore varies according to the expertise of those members and staff of local authorities who have the responsibility of drafting local legislation. Whilst sustainability is applied to the natural and built environments it is necessary to apply the principle to the socio-cultural environment, crowding not only produces negative reactions from tourists but also from host populations. In trading on a clean, green environment to attract tourists to New Zealand it is essential that the principles of sustainability are put into practice in order to maintain the resource that the market demands. In its focus on management of resources the RMA establishes a protocol for development which requires that environmental impact assessments are undertaken and local communities consulted. The nature of the Act is such that many aspects of tourism development are affected by it, however, the requirement to consult must be seen as an important aspect of the legislation in that it is by these means that local communities can become involved at the planning stage. As moves towards the development of rural, heritage and eco tourism advance it is vital that the communities of interest are involved and are given ownership of such

developments. There are lessons to be learnt from Banff (Cheng 1990) where tourism development has continued without local community involvement with the result that relations between host and guest communities have reached the point of breakdown. Carrying capacity must be calculated in terms of both physical and social contexts if potential problems are to be avoided and the resources sustained for future populations of hosts and guests. The area of sustainable tourism development and management is one that offers and demands opportunities for further research in tourism development.

The development of tourism in New Zealand reflects what has taken place in the wider global arena, the trend to globalisation has not bypassed the country but rather New Zealand is party to it through the investment activities of both onshore and offshore companies in communication, transport and accommodation, finance and insurance. As a microcosm of the globalised tourism business New Zealand provides the observer with an example of those parts of the business which are commendable and, unfortunately, those which are not. Its future development depends on the successful management of resources and the attraction of a steady flow of visitors who, through their expenditures enable the business to profit and grow.

## CHAPTER 6

### CONCLUSION

#### Introduction

This thesis has discussed the evolution of tourism from an individual and largely independent form of travel to one comprising the transport and accommodation of large numbers of tourists to a global distribution of destinations. Independent tourism continued to be an aspect of the phenomenon through the latter half of the 19th century, and into the early 20th century. The relative importance of independent tourism diminished with the development and growth of mass tourism based on new and more efficient modes of transport, hotel development, and improved means of communication and data handling. It was the facilities and services provided for mass tourism that ironically enabled new forms of independent tourism to arise in the latter part of the 20th century.

Changes in tourism from independent to mass tourism and back to an independent form are underlain by changes in organisation. Changes in society and improvements in technology, latterly information technology, led to newly evolving forms of consumer led independent tourism. It is argued that current changes, and trends, in tourism are the result of changes in the balance of power between producers and consumers.

#### Geography and Tourism

Tourism as the subject of geographical study provides an example of a process that encourages change, concentration and dispersal of activities through time

and space. Leiper's tourist space (Figure 1.2) infers that tourists and tourism impacts can be spatially defined, that they do not involve whole generator or destination regions. It can be argued that increasing segmentation of tourist demand draws those places that are peripheral to the activities of mass tourism into contact with the phenomenon as 'new' tourists venture away from mainstream tourist destinations and resorts. Butler identifies the existence of a critical stage at which the number of tourist arrivals cease to increase as the point at which decisions about rejuvenation have to be made. In this respect Cloke and Perkins (1998) examine the re-imagining of Queenstown as a centre for adventure activities targeting the youthful independent tourist. They identify the re-creation of a spectacular landscape as the setting for exciting and challenging physical activities. These include bungy jumping, white water rafting and jet boating; in relating to the landscape the promoters of these activities are revisiting the very factor which attracted tourists to town and region in the initial phases of its development. In a similar fashion a number of New Zealand places, both major metropolitan cities and secondary urban centres, are undergoing rounds of re-imagining that include the restoration of historic buildings and precincts. The incentive for re-imagining or rejuvenating the destination essentially rests in the hands of operators who have a vested interest the success of the local economy. As Boyle (1997: 1977) puts it, *'It is only when land and property owners are significantly dependent upon the success of a local economy that they will have an interest in forming a movement to secure local growth.'*

Traditional geographic approaches to tourism have focused on the phenomenon in isolation from other aspects of economic development. Research has been

carried out into the motivations for travel, tourist flows, patterns of development and the various impacts of tourism on host regions including economic multiplier analysis to ascertain the value of tourism to host economies. With the exception of McGee (1998) and Rimmer (1998) in relation to the emergence of Asia-Pacific as a sub global region there has been little attempt to integrate tourism into the wider economic environment of either generator or destination region.

The general non-incorporation of tourism into economic geography may be explained by its interdisciplinary nature and situation at the nexus between production and consumption. Indeed, in bridging production - consumption differences tourism provides an important avenue to understanding the nature of uneven development.

### **The Approach**

An historico-geographical approach to tourism using a phased model as a vehicle shows that the phenomenon has developed from an activity restricted in its social and economic domain to one that encompasses ever widening social and economic environments. Change has been from a position where few but the élites of society were able to travel for leisure to one where there are few societies are either directly or indirectly untouched by it. Turning points identified by the model relate to technological and organisational developments. These are:

- The application of steam power to transport systems and the co-ordination of travel and accommodation
- Mass production of the motor vehicle, the rise of independent travel and emergence of the motel industry

- Air travel superseding sea travel and the emergence of mass tourism
- Restructuring and the emergence of IT as a fundamental vehicle for alliance formation
- The emergence of alternative forms of tourism

The strength of a phased model in the analysis of tourism through time rests in its ability to identify broad turning points in the evolution of the phenomenon. The key developments identified above enable two general trends of development to be recognised. Firstly, one of extensive spatial integration enabled by technological advances in sea and land transport that in turn presented opportunities for investment and development in what was necessarily an uneven pattern. Secondly, the latter half of the 20th century is characterised by an increase in economic integration of tourism activity as industrial recovery involving economic cooperation followed the end of World War Two in 1945. The growth of air transport and hotel accommodation to service the requirements of the mainly American business traveller stimulated strategic and tactical alliance formation between these services. The convergent nature of alliances influenced the business of transporting and accommodating travellers. Their existence tends to advantage those places where they have a presence and disadvantage those places where they do not. Uneven development of tourism therefore can, in part, be traced to the development of international strategic alliances between major producers. Information technology that underpins alliances enhancing convergence of production also facilitates the development of alternative and independent tourism that represents divergence of consumption. Importantly the evolving structure and organisation of tourism is integrative of a disparate set of

rooms and rental cars integrating what nevertheless are three discrete industries. The entry of credit card companies into airline frequent flyer programmes, together with rental cars, hotels and retail outlets provides further illustration of convergence within the production side of the tourism business. The introduction of credit card finance into tourism has wider implications in that tourism related services are brought under the same economic umbrella as other sales of goods. The long term effects of this trend will inevitably lead to a wider distribution of tourism development as time-space convergence and compression bring peripheral areas into closer contact with tourist activities. Concentration of control in large national and multinational corporates in tourism can be explained in terms of market forces and political economy where mergers and takeovers remove smaller companies from competition. As stated above, these in turn act to emphasise the uneven nature of tourism development. The concentration of control and the power of attraction lead to cycles of economic development that reinforce the uneven distribution of tourism development.

The argument that tourism is not 'one industry' is supported by the observation that there is no value-added chain and that different actors provide a range of discrete services. But, if the tourism product is regarded as the 'tourist experience' alliance formation including reciprocal FFP agreements is an important factor in the drive to establish uniform standards across a range of service providers. The concept of a bonded travel agent selling seats on an airline that is aligned through FFPs in a network that includes airport facilities, hotel accommodation, rental car, and financial services furthers the argument that, from the production side, tourism is indeed 'one' industry. From the viewpoint of mass

tourism it is the standardisation of service quality across the whole package that suggests that tourism is in the process of becoming industrialised. Albeit through a process enforced by the major actors' concern for providing a higher quality of service than their competitors.

Spatially the fundamental essence of capitalism in which tourism is situated will continue to maintain degrees of uneven development as a necessary aspect of generator-destination economies. Thus as new attractions and destinations arise, older ones will suffer relative decline as they are bypassed by tourists who seek different, or new, experiences. The problem of declining visitor numbers is met by developing new attractions and by re-imaging to attract new cohorts of tourists. In turn this raises issues of sustainable management of the resources on which tourism is based. Consequently there is the need for older destinations, resorts in Butler's (1980) model, to consider the need for re-imaging or rejuvenation. Di Benedetto and Bojanic (1993) emphasise the importance of both internal and external factors in attempting to forecast and plan for future growth. This point is well illustrated by Cloke and Perkins (1998) who show how Queenstown, a New Zealand centre for adventure tourism activities, is refocusing to gain economic benefits from changing demands as a means of extending the resort life cycle.

### **Changes in patterns of consumption - divergence of demand**

The integration, and concentration, of producers contrasts sharply with the increasingly divergent demands of consumers. Divergence of demand results

from social change, rising standards of education, increasing availability of information and greater knowledge of places and exposure to travel. As a fashion industry (Lane 1997) destinations and activities undergo shifts in status or positional value that eventuate in different places acquiring new values as Britton (1991: 454) and Franklin (1994) recognise. It follows that those activities and places deemed to be more 'exotic' are imbued with higher value than those which have greater popularity and which are part of the mass tourism circuit.

The extent to which independent tourism can be said to be consumer led is debatable as access to information is controlled by those who promote it. In the context of mass tourism the packages promoted and sold are those assembled by tour operators. Those tourists who wish to 'do their own thing' may well utilise the offices of the agent to book transport to a destination where they arrange their own itinerary, but they are still held captive by agents acting for the provider of transport. Until relatively recently the agent's control of information was such that independent tourism reflected the reorganisation of existing services that were tailored to meet the tourist's demand. Development of the Internet and its use as a means of distribution by airlines, hotels and the operators of activities freed the tourist from the need to consult an agent. Although it is now possible to arrange one's own tour itinerary without resort to a third party the tourist's choice is constrained by the information made available by the technology.

Changes in demand have changed the role of the travel agent from that of a seller of ready-made packages to one of counselling, or giving advice to the tourist. By satisfying the demand and offering a service designed to meet future demands the

agent aims to exert some control over the direction demand is perceived to be taking. Hence the nature of the relationship between producer and consumer are critical in determining the way in which tourism develops. In turn the demand for a widening range of activities and destinations impacts on uneven development.

### **Uneven development**

Concentration of production through airline alliances and the marketing programmes of hotels and hotel consortia in destinations compound uneven development by attracting further numbers of visitors, and thus increasing the attractiveness of a destination to further investment. This militates against the development of potential destinations that are not deemed as attractive in terms of transport services and investment in accommodation facilities. In addition, the power of the major operators provides them with advantages of distribution and economies of scale in contrast to smaller operators and less developed areas; established destinations and resorts also have considerable power in attracting additional activities as they seek to maintain their positions.

On the production side resource exploitation and development rests on the economics of demand, accessibility and cost. It follows that those resources that are in high demand, are most easily accessible and lowest in terms of cost will be exploited first. The infrastructure put in place to enable development caters for the necessary workforce, in addition modes of transport and forms of accommodation catering essentially for business travellers may also be used by those who travel for leisure purposes. Colonial investment in overseas resource development may provide the infrastructure to cater for tourist development at a

later date as discussed by Britton (1980) with respect to Fiji. In the case of mass tourism to the Mediterranean coasts of Spain, Italy and North Africa road, rail and air transport make access to constructed resorts possible although concentrating development on a relatively small number of destinations. In the case of Italy (Table 4.5) entries in the *Hotel and Travel Index* (1992) at first sight demonstrate uneven development. However, the cost involved in being listed essentially determines that the listed hotels are essentially restricted to chain hotel companies and major independents located in the major destinations. What the listing does illustrate is the way in which the major companies are able to capture a wider market than smaller and unlisted companies.

Warde's (1990: 2) phrase '*places package pleasure*' provides one key to understanding tourism's uneven development. Places as sites for investment and sights to be seen are marked or signed as worthy of recognition by developers on the one hand and sightseers on the other. The mere advertising of a place focuses attention on it and consequently it gains positional value as Britton (1991: 454) and Franklin (1994) recognise. Thus places which are marked as worthy of recognition undergo development whilst those not marked do not. Factors that trigger development are either natural, constructed or both; the important factor being the perception of attractiveness by those people who wish to commodify the place. Hence a consumption side approach provides a different set of factors that underlie uneven development.

## **Conclusion**

Despite, or perhaps because of, increasing electronic communication the growth of business travel and the conference industry has led to the promotion of meetings, incentives, conventions and event tourism. Short-term visitation including business and leisure provides the accommodation industry with opportunities for promoting weekend breaks. The introduction of professional sport has much to do with the emergence of sports tourism which is gathering speed as world wide television coverage of professional sport encourages its followers to travel round the world in support of players and teams. Other relatively new areas of interest include the promotion of wine and food festivals, rural and heritage tourism included in which is the development and promotion of museums and art galleries.

Notwithstanding the broad trends of concentration and divergence sustainability demands that the tourism business continually seek new and alternative means of maintaining and increasing visitor numbers. Consequently there is the need for older destinations and/or resorts to consider the need for rejuvenation or re-imagining to maintain economic viability.

## **Post scriptum**

Since the substantive chapters of this thesis were written a number of changes which were foreshadowed have come about. The code share alliance and reciprocal FFP arrangements between Air New Zealand and Lufthansa (Coates 1997) ultimately led to membership of the Star Alliance enhancing Air New Zealand's access into the European market. Following 'observer' status Air New

Zealand and Ansett Australia became full members of the alliance in March 1999 (STAR Alliance 1999). With the emergence of the One World alliance (One World) and STAR these developments in the international air transport industry will undoubtedly evolve into a system dominated by, or organised around a small number of alliances each operating at a global scale.

The CDL chain continues to strengthen its position in the accommodation sector with the acquisition of the Pahia and Christchurch Autolodge Hotels as Quality Hotels and the Masterton Solway Park as a Copthorne Hotel. The entrance of the French Groupe Accor onto the New Zealand accommodation scene will no doubt be strengthened by the opening of a Novotel in Hamilton and it is forecast that an Ibis hotel chain will be established in mid-2000. The ongoing process of branding hotels under the New Zealand Qualmark continues to be rejected by Novotel, South Pacific Hotels and the CDL group but has been accepted by Flag International and is being discussed by the Dynasty Hotel chain.

Information technology that permits flexibility in the assemblage of tourism packages also threatens the relationship between principals and agents. The Student Travel Association aims at increasing its independence of tour operators by using IT to negotiate directly with suppliers of transport, accommodation and activities (Traveltrade 1998). Flexibility in the tourism business is further exemplified by the restructuring of the NZTB following the 1998 downturn of Asian economies. A redirection of the marketing thrust away from the Asian market to the traditional North American and European markets is aimed at maintaining tourism numbers. In addition, with the weakening of the New Zealand dollar,

stress has been put marketing the country as a 'quality' destination rather than a 'cheap' one. Whilst this raises the question of what a 'quality' destination is it also poses the question of what a 'quality' tourist is, and in turn the implications for vested interests in places and services.

## **APPENDIX A**

### **METHODOLOGY**

This appendix sets out the methodology used in this thesis has been based. To identify the pattern of globalisation and uneven development of tourism involved extensive research through a wide range of secondary source material in order to build an overall picture or setting. The first stage was a review of the tourism, geography, history and business literature related to tourism development and the globalisation of economic activities. This contrasts with intensive primary research through qualitative interviews that provide detail and aid interpretation. Secondary sources used to provide information on the patterns of tourism development included both text and journal articles for example Ogilvie (1933), Burkhart and Medlik (1974), Towner (1985), Boniface and Cooper (1988), Squire (1988), Mansfeld (1990), Azaruddin (1994). A different set of source material provided information on the processes of tourism development and globalisation, for example Benson (1975), Davis (1978), Lane (1986), Mansfeld (1990), Wilkins (1990), Bote Gomez and Sinclair (1991), Pleumaron (1994), Boyle (1997), Mockler (1997b), Dicken (1998). Primary research was conducted through interviews and communications with key players of selected primary and secondary providers of the tourism product. This was aimed at gathering factual material and the need to elicit information on the motives and processes through which international companies expanded the geographical extent of their operations. Further, information was sought on the relationships between head offices and branches, and the integration of tourism operators into the economy of the local area in which they were located.

## Secondary research

It has been argued that secondary research prior to the collection of data may contaminate primary research findings through leading the researcher to seek what was expected (Glesne and Peshkin 1992: 17). In the case of this thesis the importance of secondary data and information lay in the necessity of establishing the spatial and temporal development of tourism. Hence the major purpose was to gather background information on the broad environment on which the objectives of the research were based. In order to explore the nature of the historical development of tourism as an economic activity I relied on texts that provided accounts of tourism development from different perspectives. Disciplinary and inter-disciplinary approaches provide information about the development of tourism *per se* and the wider economic and social settings in which the phenomenon is situated. For a discussion of the historical development of tourism through changes in the tourist cohort at a global scale Turner and Ash (1975), Towner (1985) and Feifer (1985) provided a basis for further research. Pudney (1956) and Swinglehurst (1982) discuss tourism development through accounts of Thomas Cook and Son, one of the first travel firms to come into existence. Studies by Gilbert (1949), Nash (1979) and Soane (1993) are illustrate the development of particular destinations through time and which relate to the wider historical development of tourism. To establish the roles of the major players or providers of tourism, namely transport and accommodation, and to demonstrate the development of integration of the complex of different activities it was necessary to access a wider literature. This was provided, in part, by references to the historical development of transport (Davies 1964; Rae 1971; Simmons 1991; Debbage 1994), the development of accommodation (Lundberg

1969; Dev and Klein 1993) and the emergence of multinational corporations particularly those involving airline and hotel companies (Dunning and McQueen 1982a; Ohmae 1989). The emergence of multinational companies is supported by secondary providers of banking, finance and insurance, hence the necessity to trace their evolution (HMSO 1980; Foreman-Peck 1983; Hamilton 1986). At the macro scale the growth of international finance is relevant to the development of tourism as multinational companies such as Club Méditerranée and Hilton International move capital across increasingly transparent boundaries. At a micro scale the individual international tourist's requirement for access to foreign currency through cash and credit card facilities prompted research into credit card companies, such as Amex (Smith 1994) and Diners, and foreign exchange providers for example Thomas Cook and Son and Travelex. Internationalisation and globalisation of business and tourism are dependent on communications, hence the need to access a relevant literature (Mowlana 1986; Warf 1989; Mowlana and Smith 1990; Inkpen 1994). A theoretical underpinning of integration and globalisation was sought through reference to Benson's (1975) interpretation through political economy and Dunning and McQueen's (1982b) eclectic theory that proposes that there is no one single interpretation or theory that adequately explains the ways in which integration and globalisation take place.

Secondary sources on the globalisation of tourism fall into two broad categories. Most texts offer generalised, descriptive coverage of the processes of globalisation of tourist flows and accommodation, research published in the tourism journals such as the *Cornell Hotel and Restaurant Administration Quarterly* are highly focused on particular companies. There is a lack of an

holistic approach incorporating travel and accommodation, attractions and facilities, and services such as communications, insurance and finance.

Secondary information is by its very nature fragmentary; in order to gain information on tourism as a globalising phenomenon based on a disparate set of actors and agents it was necessary to (a) access a wide range of secondary sources and (b) undertake primary research into a number of key organisations.

### **Primary research**

As a phenomenon for geographic inquiry tourism intersects with the traditional specialisms of geographic study including economic geography, transport and trade, urban geography and the use of landscape. Human geographers were interested in tourism because of its spatiality, its use of and impacts on the physical environment. Research methodologies used by geographers have changed through time; during the 1960s and early 1970s quantitative methodologies including model building held sway. Early social science research into tourism focused on explaining the growth and development of tourism in quantitative terms and descriptive statistics that provided little understanding of the why, when and where questions. It was the lack of interpretation offered by quantitative methods that prompted the adoption of a more qualitative approach. From the late 1970s onwards geographical research into tourism centred on attention to the number of people travelling for leisure and business as a necessary aspect of tourism planning. The information needed to answer the why, when and where questions is not easily gathered through questionnaires that comprise closed questions. To gather this information and to understand people's decision making processes requires open-ended questions, hence the adoption of

a qualitative technique that provided a more appropriate tool with which to elicit the information to answer these questions.

Although quantitative methodologies are in relative decline among human geographers they are important in economic geography where, in tourism, it is still necessary to know how many visitors there are, what impacts they have and what future trends may be. Model building plays a part in the discussion of tourism development and its physical, economic and social impacts but does not provide answers to questions of how and why tourism has evolved as it has done (Chorley and Haggett 1967; Mathieson and Wall 1982; Pearce 1987; Leiper 1990). Whilst tracking the global expansion of hotel companies and transport and communications services requires quantitative techniques to interpret the policies and strategies that underpin these changes requires a different approach. Interviews to gather this information must therefore combine closed and open-ended questions.

The methodology adopted was one developed in previous research over a period of years prior to the commencement of the thesis, firstly in fieldwork research for undergraduate and postgraduate reports and dissertation, between 1965-1970; secondly through the collection of information related to the teaching of high school geography. In outline it coincides with the work by Healey and Rawlinson (1993) and was undertaken from a positivist - qualitative approach (Schoenberger 1991; Davidson and Tolich 1999: 26-27). The technique of using a mix of questions to gather hard and soft data through closed and open-ended questions is supported by Davidson and Tolich (1999: 21) who note that there is 'no such thing as one best research method.' In, for example, the interview conducted with

Farrell (1994) the use of two types of question enabled the collection of factual data information on the opening of hotels and company growth and also information on plans for company expansion.

As Healey and Rawlinson (1993:342) state, information not available elsewhere can only be acquired through interviewing representatives of different businesses. The problem of identifying appropriate subjects was solved in three ways. Initially the appropriate subjects were found through personal contacts in Taranaki. Personal friends and acquaintances, people whom I had known for several years and who were prepared to make time to be interviewed. Furthermore, these first people made recommendations for further contact in their particular industries at the national level. A second approach was taken for those companies with which I had no direct contact; a telephone call to the organisation was sufficient to identify the appropriate person and arrange a suitable time for the interview. The 'phone call was followed up by letter outlining the purpose of the research and the information sought. Thirdly, international actors with no physical presence in New Zealand were approached by mail for historical data and information on their global operations. The initial inquiry was made to the international marketing director/vice president and with few exceptions the information sought was generally made available by return of post.

Globalisation impacts on organisations at different levels, changes in management and marketing policies implemented by head offices have implications for individual operators at are felt at the local level. Markusen (1994) traces changes in the focus of research in economic geography noting the change in emphasis

from region and industry to firm and individual establishment. Integrative research in economic geography has concentrated on manufacturing industry and producer services; however, there has been little if any work of a similar nature undertaken in the area of tourism research. By starting research at the level of the individual establishment and working through to the New Zealand head office I was able to link local and regional scales. Working from the top down through written communication, annual reports and tourism providers' websites at the global scale linkages could be made between global and local levels.

The use of a mix of secondary and primary data and information, opens a different window on globalisation of the phenomenon through linking development at different scales, international, regional/national and local (Table A.1). Markusen's (1994) suggestion that the study of firms, and especially the individual establishment, provides a useful means of understanding the nature of the economic geography of regions, and with respect to tourism, its embeddedness at different spatial scales. For example, interviews with accommodation operators in Taranaki revealed that purchases of services, food and beverages were made locally wherever possible. The exceptions to this were the purchase of major items of furniture by commercial hotels, and those items where a better price could be obtained through bulk purchasing, generally from within the region. At a different scale chain hotel operators generally sourced their supplies from within the wider New Zealand economy, the exceptions being a variety of imported foods and beverages. Commencing at the global level the development of tourism is examined by primary research through communication with international companies in transport and accommodation. New Zealand forms the basis of a

discussion demonstrating the integration of a country into the global system and how local areas and individual operators fit into the larger picture (Chapter 5).

Following Markusen integration in tourism is usefully analysed at three scales or levels; a global or macro scale, a national or regional meso scale, and a local or individual operator micro scale.

Table A.1. Research scales and methodology

Spatial scale	Tourism actor	Data sources	Research methods
<b>Global/ international</b>	QANTAS	Website, press releases, annual reports	Secondary sources Written enquiries
	British Airways	Website, press releases, annual reports	Written communications
	Club Méditerranée Group Accor - Novotel Hilton International Hotels Hyatt Hotels Utell International		Written communications,  Telephone interview
	Air New Zealand Hertz	Websites, press releases and annual reports	Qualitative head office interviews
<b>National/Regional New Zealand</b>	Air New Zealand	Website, press releases and annual reports	Qualitative head office interviews
	CDL Hotels Novotel Hotels	Annual reports	Interview – marketing manager, Auckland
	South Pacific Hotel Company		Interview – international marketing manager
	Hertz		Head office interview (bottom up)
	NZ Rent-a-Car		Head office interview (top down)
	Travellex	Press releases	Telephone interview
<b>Local Establishment New Plymouth</b>	Hertz NZ Rent-a-Car C Tours Devon Hotel Quality Hotels, New Plymouth and Palmerston North Thomas Cook and Son	Press article Company brochures	Face-to-face qualitative interviews with <ul style="list-style-type: none"> <li>• Director (bottom up)</li> <li>• Manager (top down)</li> <li>• Owner-operator</li> <li>• Owner-manager</li> <li>• Manager</li> <li>• Branch Manager</li> </ul>

Source: based on Markusen (1994).

Material produced in company annual reports is generally designed to meet the legal requirements of company law, consequently balance sheets and lists of investors may be so condensed as to make it difficult to extract the information required. To elicit the required information demanded either an interview and/or a monitoring of press releases and reports. Corporate websites however, reflect

what the organisation wishes to be known about itself and, in general, were found to be more useful than annual reports. However, they are not inclusive of all the information sought, neither are they regularly updated nor easy to navigate. In the hotel industry websites exist as a means of marketing and promotion of services and an online booking facility; however, constant change with respect to changes in alliances between airlines makes tracking this aspect of development and integration relatively straight forward. The caveat that exists in this case is that both partner companies do not list all codeshare arrangements. Websites, as with their print counterparts are therefore are only as useful as the information they contain.

Comments on the conducting of interviews by Healey and Rawlinson (1993) and Schoenberger (1991) mention personal presentation in order to be identified as 'one of them,' as a means of reducing tension and encouraging the objectivity that is required in eliciting factual data from the representatives of corporate bodies. McDowell (1992) raises the issue of gender relations in interviewing, it is perhaps more critical to be concerned with the rapport between interviewer and subject which, as Schoenberger (1991) intimates, relies on the role and purpose of the interview which should be objective. A further point remarked on by Stringer (1997) is the necessity for the interviewer to be well prepared in order that the interview can flow smoothly without recourse being made to notes and lists of questions. The majority of people I interviewed were males of a similar age to myself, perhaps it was because of this I found little difficulty in striking a rapport with them. Where the subjects were female the objective nature of the interview, concerned with gaining factual information rather than opinion, did not appear in

hindsight to have been affected by issues of gender relations. Although the literature makes reference to gender issues in qualitative research from the point of view of my research they were of little importance in terms of the information being sought. In part the extensive preparatory reading on the organisation and sector may also have helped reduce tension.

The interview commenced with an overview of the research I was undertaking, the goals I had set and how the company research added to my understanding of the global nature of tourism. To engender a positive interview it appeared to me to be obvious to commence with an open-ended question to allow the subjects to engage in a discussion about a business and subject with which they were familiar. This approach I subsequently found was supported by the findings reported by Healey and Rawlinson (1993: 350) and Davidson and Tolich (1999: 138-139). I found that this approach placed the subject in a relaxed frame of mind that allowed the interview to proceed with further open-ended questions and prompts where necessary. The interviews were not rushed but paced with time for reflection before opening new fields of discussion. The majority of subjects were interested in the broad area of tourism development and were only too willing to make material available, often going well beyond the bounds of the inquiry. In conclusion the subjects were thanked for their time and help in the research process, as a courtesy a follow-up letter of thanks was written within the week. A mixture of tape recording and note taking was used to record the information obtained, as soon as possible after the interview the notes were transcribed into draft form for insertion into the thesis.

The rationale for interviewing at the local level first was based on personal

contacts in travel agencies and the transport industry and the requirement to obtain data at the local level. The reason for starting at the local level with personal contacts was ease of contact and for the convenience of follow-up interviewing to check on detail that was omitted in the initial round and thus improve the interview format. My local contacts were able to recommend people who would be able to provide the information that was sought to provide an oversight of the national organisation and insight into the global picture. In this way access was gained to information at three levels of an organisation's operation, local, national and global. The approach at the local level provided the opportunity to work from the bottom up, as opposed to the top down. The advantages of this were the ease of accessing information from personal contacts and the time saved in identifying the appropriate person at a higher level. It also provided for a more intimate insight into the workings of national and international organisations that perhaps would not have been available if the primary research had concentrated on head offices.

Whilst adopting an interviewing process of bottom up provided information on an international car rental company the opposite approach was taken with a national company. A top down approach was taken because I had no local contact but was aware that the company was in its infancy due to a general lack of promotional material. The managing director of this business was interviewed with the aim of establishing the process through which the company was expanding. As a 'second tier' player in the business this company provided a different perspective from that of the 'first tier' operators in the rental car industry such as Hertz and Avis. Following discussions with the head office the process through

which expansion was being undertaken was validated through subsequent interviews with provincial branch representatives who independently confirmed the information provided by the national office.

Interviewing at different levels within an industry sector provides opportunities to assess the impacts of international and national planning on the local level and to validate information gained from the different levels of the organisation. However, it is important to note that the view of a firm from different levels produces information that can be contradictory. The potential problem of bias that arises from referrals within an organisation is difficult to overcome. It is perhaps most likely to occur when referral is made top down rather than bottom up as head office personnel presumably would like their views substantiated by referral to those whom they see as 'reliable' employees. Consequently it is necessary to separate opinion from fact when analysing and interpreting information from different levels within an organisation.

The impacts of head office policies are felt at the local level, hence interviewing at two levels makes it possible to understand the both the reasons for, and results of, changes in policy. In terms of organisation, policy setting and implementation the goals of the organisation may appear clear to the head office but it is the individual franchisee or operator, who is probably unaware of the larger picture and who feels the direct impact of changes in corporate policy. In one particular case a change in marketing policy set in place by an overseas headquarters had a drastic affect on a provincial franchisee.

National or head office interviews elicited facts not generally available elsewhere, especially information concerning company expansion through management contracts and franchising. Illustrative of this latter case was the initial interview with the marketing manager of the Auckland Novotel. This took place shortly after the company had taken over the management contract of the hotel, the first Novotel to be established in New Zealand that provided an opportunity to discuss plans for future expansion. A suggestion that the lack of a motel chain in New Zealand might provide a niche for exploitation did not elicit a response as such but it is interesting to note that the parent company Accor Pacific is to open an Ibis branded hotel in Wellington in early 2000.

In order to demonstrate the ways in which New Zealand's tourism businesses are integrated into the global economy the major sources of secondary information were essentially confined to company annual reports that listed international connections. To obtain more detailed information it was necessary to interview representatives of companies either in a face-to-face situation or via mail or 'phone. To keep abreast of changes in airline alliances that linked New Zealand into the global economy I kept a constant watch on airline web sites and established connections with Air New Zealand and QANTAS whereby I received business sections of the major newspapers allowed me to keep up to date on latest changes that were relevant to tourism, for example the opening of Travelex, initially in Auckland and later in other centres, and changes in hotel ownership and management.

Table A.2 Comparative methodologies

Steps in interview process	Healey & Rawlinson 1993	Garnham 1993-5	Stringer 1997	Observations
<b>Subject selection and contact</b>	Fishing method Difficulty of finding the 'right' person	Personal contacts and recommendations Directed fishing method through use of annual reports No problems of identification	Fishing method Third party recommendation Wrong person sometimes identified	Fishing method important in all cases Third party also useful Careful research needed to identify appropriate person
<b>Pre visit preparation</b>	Question outline sent prior to interview	Statement of aims, objectives and questions supplied in advance of research Interview place time and approximate duration confirmed by 'phone	Statement of aims, objectives and questions supplied in advance of research	Prior knowledge of what is required of the interviewee is a common courtesy. It is also very helpful in setting the scene
	Punctual attendance Appropriate attire	Punctual attendance Appropriate attire		An important factor in creating a productive relationship and meeting
<b>Introduction</b>		General introductory discussion of backgrounds	Subjects suspicious of interviewer	Need to put the subject at ease
<b>The interview</b>	Controlled conditions Closed questions Standardised methods	Open-ended questions and appropriate prompts in a conversational mode Use of qualitative and quantitative questions Flexible approach engenders confidence between actors	Non-standardised methods Question sheets not a good idea Use of qualitative and quantitative questions	Open-ended questions from a well informed interviewer most effective method Mix of question type is profitable Flexibility is important
<b>Recording</b>		Taped and Written notes	Taped not acceptable in Asian case Written notes better Reliant on memory	Written notes preferred, written up soon after
<b>Conclusion and follow-up</b>	Conclusion and thanks Letter of appreciation sent within the week	Conclusion and thanks Letter of appreciation sent within the week	No comment	Normal courtesies
<b>Gender issues</b>		Not apparent	Problems identified	

## Sources:

Healey, M. J. and Rawlinson, M. B. 1993, Interviewing business owners and managers: a review of methods and techniques, *Geoforum* 24 (3) 339-355

Stringer, C. 1997, Qualitative interview-based individual and company research: some issues in the study of New Zealand-Northeast Asia interactions, pp 388-391, *Proceedings Institute of Australian Geographers and New Zealand Geographical Society Conference*, Hobart, January 28-31, 1997

notice of all press releases as they occurred. Similarly a constant watch on the

The interviewing methodology I adopted relates closely to that discussed by

Healey and Rawlinson, Schoenberger and Stringer (Table A.2). A sound

understanding of the business enables the interviewer to be flexible in the interviewing process and be able to prompt for detail. A mix of closed and open-ended questions, the seeking of both quantitative and qualitative data demonstrates an interest in, and understanding of the business. Schoenberger (1991) suggests that to ensure reliability of information respondents should be encouraged to answer and express their ideas in their own language. The sounder the preparation the easier it is for the interviewer to present a professional and objective image and strike a rapport with the subject and hence gain useful and reliable information, rather than be dismissed as 'just somebody asking questions.'

The key points that emerge from my experience and a perusal of the literature on conducting interviews in the corporate sector are set out below:

- A careful and thorough preparation that enables the research to clearly identify the most appropriate subject for interview.
- Pre-interview letters setting out the purpose of the research and an outline of the key questions to be covered in the interview.
- Punctuality in attendance and appropriateness of personal presentation, that is, dress for the part.
- Introduce yourself with a succinct outline of your problem as it relates to the subject's business.
- Strike a rapport with the subject with an initial open-ended question about the business.
- Be an attentive and active listener.
- Make frequent eye contact with the subject and be aware of body language.

- Adopt a relaxed unhurried pace to guide the subject through the interview, in particular provide time for reflection before moving on.
- Follow up the interview with a letter of thanks, and if appropriate or requested a draft of the interview for comment.

## **Conclusion**

In summary, the research on which this thesis is based comprises an extensive literature search and review amplified by primary research that fleshes out the detail as it applies to the globalisation of individual firms and the New Zealand context. The interviewing methodology and techniques adopted for the primary research reflects the variety of comments made on interviewing in the corporate arena by a number of researchers. The use of a mix of closed and open-end questions was found to be an effective means of gathering the data and information required. Additionally it is noted that the advantages to interviewing from bottom up rest in the fact that operators at the local level are probably more likely to refer the researcher on to the appropriate head office personnel. In contrast head office personnel are probably keener to refer the researcher to those who support the corporate view. The implication of this is the need for the researcher to be aware of the possibility of conflicting information. Of particular importance, given this situation, is the need for the researcher to be thoroughly prepared prior to the interview; this not only reduces the perceived knowledge gap between the two parties but also smoothes the path of the interview.

## APPENDIX B

## World tourist arrivals and receipts 1950 - 1997

YEARS	Arrivals of tourists from abroad (Same-day visitors excluded)			Receipts from international tourism (International transport excluded)		
	TOTAL Thousands	% change over previous year	Index 1950 = 100	TOTAL US\$ Million	% change over previous year	Index 1950 = 100
1950	25,282	-	100.00	2,100	-	100.00
1960	69,320	10.61	274.19	6,867	12.58	327.00
1961	75,323	8.66	297.93	7,284	6.07	346.86
1962	81,381	8.04	321.89	8,029	10.23	382.33
1963	90,071	10.68	356.27	8,887	10.69	423.19
1964	104,601	16.13	413.74	10,073	13.35	479.67
1965	112,863	7.90	446.42	11,604	15.20	552.57
1966	119,980	6.31	474.57	13,340	14.96	635.24
1967	129,782	8.17	513.34	14,458	8.38	688.48
1968	131,201	1.09	518.95	14,990	3.68	713.81
1969	143,511	9.38	567.64	16,800	12.07	800.00
1970	165,787	15.52	655.75	17,900	6.55	852.38
1971	178,853	7.88	707.43	20,850	16.48	992.86
1972	189,129	5.75	748.08	24,621	18.09	1,172.43
1973	198,906	5.17	786.75	31,054	26.13	1,478.76
1974	205,667	3.40	813.49	33,822	8.91	1,610.57
1975	222,290	8.08	879.24	40,702	20.34	1,938.19
1976	228,873	2.96	905.28	44,436	9.17	2,116.00
1977	249,264	8.91	985.93	55,637	25.21	2,649.38
1978	267,076	7.15	1,056.39	68,845	23.74	3,278.33
1979	283,089	6.00	1,119.73	83,340	21.05	3,968.57
1980	285,328	0.79	1,128.58	105,313	26.37	5,014.90
1981	286,363	0.36	1,132.68	107,459	2.04	5,117.10
1982	285,282	-0.38	1,128.40	100,913	-6.09	4,805.38
1983	288,960	1.29	1,142.95	102,473	1.55	4,879.67
1984	315,863	9.31	1,249.36	112,707	9.99	5,367.00
1985	326,697	3.43	1,292.21	117,879	4.59	5,613.29
1986	338,393	3.58	1,338.47	143,186	21.47	6,818.38
1987	363,256	7.35	1,436.82	176,312	23.13	8,395.81
1988	394,252	8.53	1,559.42	203,839	15.61	9,706.62
1989	425,975	8.05	1,684.89	220,767	8.30	10,512.71
1990	457,647	7.44	1,810.17	268,310	21.54	12,776.67
1991	463,286	1.23	1,832.47	276,815	3.17	13,181.67
1992	502,311	8.42	1,986.83	313,523	13.26	14,929.67
1993	518,074	3.14	2,049.18	321,124	2.42	15,291.62
1994	549,611	6.09	2,173.92	352,645	9.82	16,792.62
1995	563,605	2.55	2,229.27	401,475	13.85	19,117.86
1996	594,827	5.54	2,352.77	433,863	8.07	20,660.14
1997	612,835	3.03	2,424.00	443,770	2.28	21,131.90

Totals for 1980 to 1996 are revised figures

Totals for 1997 are preliminary estimates

Source: World Tourism Organization (WTO)

## APPENDIX C

New Zealand: Tourist arrivals, resident population and tourist intensity 1902/3  
to 1998

YEAR ENDING December	TOURIST ARRIVALS	RESIDENT POPULATION	TOURISTS PER 1000 POPULATION
1903-4	5 233	875 648	5.9
1921	9 525	1 292 717	7.4
1922	10 022	1 318 884	7.6
1923	11 618	1 343 021	8.6
1924	11 425	1 370 403	8.3
1925	12 118	1 401 230	8.6
1926	13 442	1 429 555	9.4
1927	13 078	1 450 090	9.0
1928	13 642	1 466 952	9.3
1929	12 988	1 485 564	8.7
1930	11 203	1 506 809	7.4
1931	7 615	1 522 762	5.0
1932	7 283	1 534 735	4.7
1933	7 930	1 547 124	3.2
1934	9 799	1 558 373	6.3
1935	11 173	1 569 689	7.1
1936	12 806	1 584 617	8.1
1937	14 786	1 601 758	9.2
1938	16 647	1 618 313	10.3
1939	16 823	1 641 639	10.2
1940	10 499	1 633 645	6.4
1941	6 038	1 631 276	3.7
1942	3 315	1 636 403	2.0
1943	1 385	1 642 041	0.8
1944	1 828	1 676 293	1.1
1945	2 803	1 728 441	1.6
1946	5 206	1 784 334	2.9
1947	9 193	1 823 074	5.0
1948	11 477	1 861 923	6.1
1949	11 719	1 892 042	6.2
1950	14 716	1 927 629	7.6
1951	16 434	1 970 522	8.3
1952	17 150	2 024 556	8.5
1953	18 665	2 074 781	9.0
1954	19 506	2 118 434	9.2
1955	21 946	2 164 734	10.1
1956	23 679	2 209 132	10.7
1957	27 979	2 262 814	12.4
1958	29 772	2 315 900	12.8
1959	31 173	2 359 746	13.2

1960	36 557	2 403 567	15.2
1961	40 924	2 463 241	16.6
1962	51 688	2 520 267	20.5
1963	58 885	2 574 588	22.9
1964	69 704	2 627 488	26.5
1965	82 035	2 663 843	30.8
1966	98 016	2 712 250	36.1
1967	112 871	2 747 093	41.0
1968	123 188	2 776 266	44.4
1969	131 902	2 808 590	46.9
1970	154 991	2 857 860	54.2
1971	190 869	2 899 067	65.8
1972	227 580	2 960 996	76.8
1973	254 644	3 026 930	84.1
1974	318 244	3 094 700	102.8
1975	361 194	3 148 400	114.7
1976	384 586	3 163 400	121.6
1977	380 222	3 166 400	120.1
1978	390 940	3 165 200	123.5
1979	418 744	3 163 900	132.3
1980	445 195	3 176 400	140.2
1981	463 456	3 194 500	145.1
1982	472 581	3 226 800	146.4
1983	487 658	3 264 800	149.3
1984	518 441	3 293 000	157.4
1985	669 558	3 303 100	202.7
1986	733 424	3 313 500	221.4
1987	844 313	3 342 100	252.6
1988	864 892	3 345 200	258.6
1989	901 078	3 369 800	267.4
1990	933 431	3 410 400	273.7
1991	967 062	3 449 700	280.3
1992	999 714	3 485 400	286.8
1993	1 086 557	3 524 800	308.2
1994	1 213 318	3 577 200	339.2
1995	1 343 003	3 642 500	368.7
1996*	1 441 838	3 703 000	389.4
1997	1 551 341	3 760 700	412.5
1998	1 464 766	3 789 100	386.6

Note:

\*1996 – 1998 figures for years ending 30 June

Sources: Compiled from *New Zealand Yearbook*, various years

*Key Statistics*, Statistics New Zealand, various months

## REFERENCES

- Ackerman, E. A. 1963, Where is a research frontier? *Annals of the Association of American Geographers*, 53 (4) 429-440
- Adler J. 1989, Origins of sight seeing, *Annals of Tourism Research*, 16 (1) 7-29
- AFP 1997, IMF defends trade policy, *The Dominion*, 26 April: 16
- Akehurst, G., Bland, N., Nevin, M. 1993, Tourism policies in the European Community member states, *International Journal of Hospitality Management*, 12 (1) 33-66
- Aldcroft, D. H. 1970, *The Inter-War Economy: Britain 1919-1939*, Batsford, London
- Allpass, J. and Agergaard, E. 1982, The City Centre: for Whom? *Ekistics*, 49 (4) 451-459
- Anderson, F. 1998, Club Med gets back to basics, *The National Business Review*, 6 March: 75
- Arbel, A. and Pizam, A. 1977, Urban Hotel Location, some Determinants of, *Journal of Travel Research*, 15 (3) 18-22
- Archdale, G. 1993, Computer reservation systems and public tourist offices, *Tourism Management*, 14 (1) 3-14
- Arnesen, D. W.; Fleenor, C. P. and Toh, R. S. 1997, The ethical dimensions of airline frequent flyer programs, *Business Horizons*, 40 (1) 47-56
- Ascher, F. 1985, Transnational tourist transport corporations, In Ascher: *Tourism: transnational corporation and cultural identities*, Unesco, Paris.
- Coates, G. 1997, BA cargo sales now under Qantas, *Aviation Report*, 4 August:

- Azaruddin, O. 1994, Tourist Industry in Tioman Island, *Malaysian Journal of Tropical Geography* 25 (2) 59-67
- Bailey, E., Graham, D. R., and Kaplan D. P. 1985, *Deregulating the airlines*, M.I.T. Press, Mass
- Baker, S. 1989, New Mexico looks like a fiesta for investors, *Business Week* 28 Ag: 42-43
- Baum, T. and Mudambi, R. 1994, A Ricardian analysis of the fully inclusive tour industry, *Service Industries Journal*, 14 (1) 85-93
- Beckman, F. 1988, Amadeus - historical consequences and European communication, *Partner of the World*, Federal Republic of Germany, 91-93
- Bell C.A. 1993, Agreements with Chain Hotel Companies, *Cornell Hotel and Restaurant Administration Quarterly*, 34 (1) 27-33
- Bell, D. 1973, *The coming of Post Industrial Society: a venture in social forecasting*, Basic Books: NY
- Bell, D. 1979, Thinking ahead: communications technology for better or for worse, *Harvard Business Review*, May-June 20-45
- Bennett, M. 1995, Travels into the future, *Geographical Magazine*, Feb: 18-19
- Bennett, M.M. 1993 Information technology and travel agency, a customer service perspective, *Tourism Management*, 14 (4) 259-266
- Benson J.K. 1975, The internationalisation network as a political economy, *Administrative Science Quarterly* 20 229-249
- Berry, B. J. L. and Meltzer, J. (Eds) 1967, *Goals for Urban America*, Prentice Hall, New Jersey.
- Bevilacqua, E. and Casti, E. 1989, The structure and impact of international tourism in the Veneto region, Italy, *GeoJournal* 19 (3) 285-287

- Binns, T. 1991, The Gambia: tourism versus rural development, *Geographical Review* 5 (2) 26-28
- Blacklock, M. 1994, City flies into the black, *Flight International*, 19-25 Oct: 40
- Bloomberg, 1996, Hilton to build cheap hotels, *The Dominion*, Wellington, 13 January
- Bocock, R. 1993 *Consumption*, Routledge, London
- Boniface, B. G. and Cooper, C. P. 1988, *The Geography of Travel and Tourism*, Oxford, Heinemann
- Bonini, A. 1993, Tourism in Italy, pp. 302-323; In Pompl, W. A. and Lavery, P. (Eds) 1993, *Tourism in Europe: structures and developments*, CAB, Oxford
- Bote Gomez, V. and Sinclair, M. T. 1991, Integration in the tourism industry, In: Sinclair, M. T. and Stabler, M. (eds), *The Tourism Industry*, CAB Oxford
- Boyle, M. 1997, Civic boosterism in the politics of local economic development - 'institutional positions' and 'strategic orientations' in the consumption of hallmark events, *Environment and Planning A*, 29 (11) 1975-1997
- Brandt, W. 1982, *North-South: a programme for survival*, *The Report of the Independent Commission on International Development Issues*, Pan World Affairs, London (Otherwise called the Brandt Report)
- Brash, D. 1995, Foreign investment in New Zealand: does it threaten our prosperity or sovereignty? *Reserve bank Bulletin* 58 (4) 249-254
- British Airways Executive Club Programme 1994;
- Britton S. G. 1980, *The Spatial Organisation of Tourism in a Neo Colonial Economy: a Fiji Case Study*, *Pacific Viewpoint* 21 (2) 144-165

Britton S. G. 1982, International tourism and multinational corporations in the Pacific: the case of Fiji. In Taylor and Thrift 1982, *The Geography of Multinationals*, Croom Helm, London.

Britton S. G. 1991, Tourism, Capital and Place: Towards a Critical Geography of Tourism, *Env. & Planning D. Society and Space* 9 (3) 451-478

Bruce M. 1987, New Technology and the future of tourism, *Tourism Management* 8 (2) 115-120

Brundtland Report 1987, Hinrichsen, D. *Our Common Future*, Earthscan Books, London

Budget Backpacker guide 1997

Buhalis, D. 1997, *The application of science and technology on tourism for 2005: scenario with consequences for planners*, Proceedings of Seminar, Indonesian Tourism towards the year 2005, Jakarta, 1997

Burkhardt A.J. and Medlik S. 1974, *Tourism past, present and future*, Heinemann, London

Butler, R.W. 1980, The concept of a tourist cycle of evolution: implications for management of resources, *Canadian Geographer* 24 (1) 5-12

Buttimer, A. 1983 *The Practice of Geography*, London, Longman

Button, K. 1993, International interdependencies between the deregulation of domestic service industries: a case study of aviation in North America, *Service Industries Journal* 13 (3) 5-73

Bywater, M. 1990, Japanese investment in South Pacific tourism, *EIU Travel and Tourism Analyst*, No 3. 51-64

Cantwell, J. 1989, The changing form of multinational enterprise expansion in the twentieth century, in eds. Teichova, A.; Lévy-Leboyer, M. and Nussbaum, H. 1989,

*Historical Studies in International Corporate Business*, Cambridge University Press, Cambridge

Capello, R. 1994, Towards new industrial and spatial systems: the role of new technologies, *Papers in regional Science*, 73 (2) 189-208

Cater, E. 1995, Consuming spaces: global tourism; in: Allen, J and Hamnett, C. (eds) 1995, *A Shrinking World? Global Unevenness and Inequality*, Open University, Oxford

Cater, E. 1995, Environmental contradictions in sustainable tourism, *The Geographical Journal* 161 (1) 21-28

Caves, R. E. Frankell, J. A. Jones, R.W. 1990, *World trade and payments: an introduction*, HarperCollins, New York

Cheng, J. 1990, Tourism: How Much is Too Much? Lessons for Canmore from Banff, *Canadian Geographer* 24 (1) 72-80

Chorley, R. J. and Haggett, P. 1967, *Models in Geography*, Methuen, London

Chorley, R. J. and Kennedy, B. A. 1974, *Physical Geography: a Systems Approach*, Prentice-Hall, Englewood Cliffs

CHRAQ, 1985, Some hospitality industry milestones, *Cornell Hotel and Restaurant Administration Quarterly* 26 (1) 32-86

CHRAQ, 1985, A burst of tiers, *Cornell Hotel and Restaurant Administration Quarterly* 27 (6) 34-38

Christaller W. 1964, Some considerations of tourism location in Europe: the peripheral regions - under-developed countries - recreation areas, *Regional Science Association Papers* 12 95-105

CIGA Company annual reports, 1992-4

- Clarke, G. L. 1993, Global interdependence and regional development: business linkages and corporate governance in a world of financial risk, *Transactions of the Institute of British Geographers*, New Series 18 (3) 309-325
- Clawson, M. and Knetsch, J. L. 1966, *Economics of Outdoor Education*, Resources for the Future, Johns Hopkins Press, Baltimore
- Cloke, P., Philo, C. and Sadler, D. 1991, *Approaching Human Geography*, London, Paul Chapman
- Cloke, P. and Perkins, H. 1998, "Cracking the canyon with the awesome foursome": representations of adventure tourism in New Zealand, *Environment and Planning D: Society and Space*, 16 (2) 185-218
- Clout, H. 1971, Second homes in the Auvergne, *Geographical Review* 61 (4) 530-553
- Coates, G. 1997, SIA weds Lufthansa, Swissair out, *Aviation Report*, 15 (10) 10
- Cohen, E. 1974, Who is a Tourist? A Conceptual Clarification, *Sociological Review* 22 (4) 527-555
- Cohen, E. 1979, A phenomenology of tourist experiences, *Sociology*, 13 (2) 179-201
- Cohen, E. Pilgrimage and Tourism: convergence and divergence, In Morinis, A. (Ed) 1992, *Sacred Journeys: the anthology of pilgrimage*, Greenwood, Westport, CT.
- Collier, A. 1991, *Principles of tourism: a New Zealand perspective*, Longman, Auckland
- Connellan, I. 1988, Japan's stake in Fiji's future, *Pacific Islands Monthly*, July: 40-43

- Coo, W. 1985, *Scenic Rail Guide to Western Canada*, Greey de Pencier Books, Toronto
- Cooke, P. and Morgan, K. 1993, The network paradigm: new departures in corporate and regional development, *Environment and Planning D. Society and Space*, 11 (5) 543-564
- Cooke, P. and Wells, P. 1992, Globalisation and its management in computing and communications; In Cooke et al. *Towards global localisation* London UCL,
- Cosgrove, D. 1990, Environmental thought and action: pre-modern and post-modern, *Transactions of the Institute of British Geographers*, NS 15 (3) 344-358
- Coventry, N. 1997, Forex earnings dip! *Inside Tourism*, 25 July :1
- Cowie, L. W. 1965, *Social and Economic History from 1900*, Hamish Hamilton, London
- Craig, D. 1994, Aussie group sets up shop in NZ to grab hotel, tourism chances, *National Business Review*, 22 Sept: 77
- Craik, J. 1987, A crown of thorns in paradise: tourism on Queensland's Great Barrier Reef, pp. 135-158 in *Who from Their Labours Rest? Conflict and Practice, in Rural Tourism*, Bouquet, M. and Winter, M (eds) Avebury, Aldershot
- Crang, M. 1994, On the heritage trail: maps of and journeys to olde Englande, *Environment and Planning D, Society and Space*, 12 (3) 341-355
- Crang, M. 1997, Picturing practices: research through the tourist gaze, *Progress in Human Geography* 21 (3) 359-373
- Crichton, S. (1997) Qantas sale of Air NZ stake gives no surprise, *Dominion* 20 March: 14
- Dann, G.M.S. (1977) Anomie, ego-enhancement and tourism, *Annals of Tourism Research* 4 (4) 184-194

Davidson, C. and Tolich, M. 1999, *Social Science Research in New Zealand*, Longman, Auckland.

Davies, A. 1996, Virgin cracks insurance market, *The Independent*, 1 November: 31

Davis, D. 1978, Development and the tourist industry in Third World countries, *Society and Leisure*, 1 (2) 301-324

Davis, H. D. and Simmons, J. A. 1982, World Bank Experience with Tourism Projects, *Tourism Management* 3 (4) 212 - 217

Dearden, P. 1991, Tourism and sustainable development in Northern Thailand, *Geographical Review* 81 (4) 400-413

Debbage, K.G. 1994, The international airline industry: globalisation, regulation and strategic alliances, *Journal of Transport Geography*, 2 (3) 190-203

de Kadt, E. 1979, *Tourism: passport to development*, Oxford University Press, Oxford

Department of Survey and Land Information,

*InfoMap Manukau North* (#271-15 1992)

*InfoMap Queenstown* (#271-28 1987)

*InfoMap Rotorua* (#271- 29 1990)

Dev, C. and Klein, S. 1993, Strategic alliances in the hotel industry, *Cornell Hotel and Restaurant Administration Quarterly*, 34 (1) 42-45

Dey, 1996a, New Stamford Plaza owner wary of xenophobic trend, *National Business Review*, 10 May: 28

Dey B. 1996b, Stamford Plaza joins major chain, *National Business Review* Oct: 62

d'Hautesserre, A-M. 1997, Disneyland Paris: A Permanent Economic growth Pole in the Francilian Landscape, *Progress in Tourism and Hospitality Research* 3. 17-33

- di Benedetto, C. A. and Bojanic, D. C. 1993, Tourism area life cycle extensions, *Annals of Tourism Research*, 20 (3) 557-570
- Dicken, P. 1986, *Global shift: industrial change in a turbulent world*, (1st ed), Paul Chapman Publishing, London
- Dicken, P. 1992, *Global shift: the internationalisation of economic activity*, (2nd ed), Paul Chapman Publishing, London
- Dicken, P. 1998, *Global shift: transforming the world economy*, (3rd ed), Paul Chapman Publishing, London
- Dicken, P. and Thrift, N. 1992, The organisation of production and the production of organisation: why business enterprises matter in the study of geographical industrialisation, *Transactions of the Institute of British Geographers*, NS 17 (3) 279-291
- Dicken, P. 1993, The changing organisation of the global economy. In: Johnston R. J. (ed) 1993, *The Challenge for geography. A changing world: a changing discipline*, Blackwell, Oxford
- Dieke, P.U.C. 1991, Policies for Tourism Development in Kenya, *Annals of Tourism Research*, 18 (2) 269 - 294
- Dogan, H.Z. 1989, Forms of adjustment, socio-cultural impacts of tourism, *Annals of Tourism Research* 16 (2) 216-236
- Dominion*, 1997, \$3.5 m benefit from street race, 14 March: 3
- DPA 1997, Hitler's skull to go on display in Russia, *The Dominion*, Wellington, 30 July: 6
- Doorne, S. M. 1994, *The backpacker tourist industry*, unpublished M.A. thesis, Victoria University of Wellington

- Duncan, S. S. 1989, Uneven development and the difference that space makes, *Geoforum* 20 (2) 131-139
- Dunning, J. H. and McQueen, M. 1982a, Multinational Corporations in the International Hotel Industry, *Annals of Tourism Research* 9 (1) 69 - 90
- Dunning J.H. & McQueen M. 1982b, The eclectic paradigm of multinational enterprise and the international hotel industry, in Rugman A. E. (ed), *New Theories of the Multinational Enterprise*, London, Croom Helm
- Dunning, J.H. and McQueen, M. 1982c, Multinational Corporations in the International Hotel Industry, *Annals of Tourism Research* 9 (1) 69 - 90
- Dunning, J. H. 1988, The eclectic paradigm of international production. A restatement and some possible extensions.
- Eagle, J. A. 1989, *The Canadian Pacific Railway and the development of Western Canada: 1896-1914*, McGill-Queens University Press, Montreal
- Economist 1990, High speed travel in Europe: the next flight from platform three, *The Economist*, 3 February: 19-22
- Ernst & Young, *Annual Hotel Survey*, 1994
- Evening Post* 1996, Letters to the Editor, 25 and 27 November
- Feifer, M. 1985, *Going Places*, Macmillan, London
- Flag Hotels, Company Directory 1998
- Forer, P.C. 1974, Space through time, In, Crips, E. L. (ed) *Space time concepts in urban and regional models*, London papers in Regional Science, 22-45, Pion, London
- Forer, P.C. & Pearce, D.G. 1984, Spatial Patterns of Package Tourism in New Zealand, *New Zealand Geographer* 40 (1) 34- 42

- Foreman-Peck, J. (1983) *A history of the world economy*, Harvester Wheatsheaf, New York
- Foster, N and Botterill, D. 1995, Hotels and the businesswoman: a supply-side analysis of consumer dissatisfaction, *Tourism Management*, 16 (5) 389
- Franklin, H. 1994, Inferior Goods, *Pacific Viewpoint* 35 (1) 39-56
- Garner, B. J. 1967, Models of Urban Geography and Settlement Location, In Chorley, R. J. and Haggett, P. *Models in Geography*, Methuen, London
- Garnham, R. W. 1993, *A backpacking geography of New Zealand*, Proceedings of the Seventeenth Conference of the New Zealand Geographical Society, Victoria University of Wellington August 30 - September 2, 1993
- Garnham, R. W. 1994, *Alliances and liaisons in tourism: Concepts and implications*, Proceedings of the Tourism Down Under Conference, Massey University, Palmerston North, 6-9 December
- Garnham, R. W. 1996a, *Alliances and liaisons in tourism: Concepts and implications*, *Tourism Economics*, 2 (1) 61-77
- Garnham, R. W. 1996b, *Ranfurly Shield Rugby: An investigation into the impacts of a sporting event on a provincial city, the case of New Plymouth, Taranaki, New Zealand*, *Festival Management and Event Tourism*, 4 (3/4) 145-149
- Garnham, R. W. 1997a, *Alliances Revisited*, Proceedings of the Tourism Research Building a Better Industry Conference, Sydney 6 -9 July
- Garnham, R. W. 1997b, *Putting the rural into tourism in Taranaki*, Paper presented to the Regional and Urban Development Conference, Victoria University of Wellington, Wellington 8-12 December
- Garvey, M. 1993, General Manager Quality Hotel, New Plymouth, personal communication

- Gertler, M. 1988, The limits of flexibility: comments on the post-Fordist vision of production and its geography, *Transactions of the Institute of British Geographers*, NS 13, 419-432
- Gilbert, E. W. 1949, The growth of Brighton, *The Geographical Journal*, 114 (1) 30-52
- Getz, D. 1994, *In pursuit of the quality tourist*, Tourism Down Under Conference, Massey University, Palmerston North, 6-9 December
- Glesne, C and Peshkin, A. 1992, *Becoming qualitative researchers: an introduction*, Longman, New York
- Glick, T. F. 1985, History and philosophy of geography, *Progress in Human Geography*, 9 (3) 424-431
- Go, F. & Pine, R. 1995, *Globalisation Strategy in the Hotel Industry*, Routledge, London
- Gooding, P. 1913, *Picturesque New Zealand*, Houghton Mifflin, Boston
- Government. Printer, *New Zealand Yearbook* 1912
- Government Printer, *New Zealand Yearbook* 1989
- Government Printer, *New Zealand Yearbook* 1997
- Graburn, N. H. H. 1976, Tourism: the sacred journey pp. 17-31, In Smith, V.(Ed) *Hosts and Guests*, Univ. Penn. Press
- Graburn, N. H. H. 1983, The anthropology of tourism, *Annals of Tourism Research* 10 (1) 9-33
- Graham, B. J. 1993 , Regulation and liberalisation in the UK scheduled airline industry, *Environment and Planning C. Government and Policy* 12 (1) 87-107
- Gregory, D. 1986, quoted in Cloke, P., Philo, C. and Sadler, D. 1991, *Approaching Human Geography*, London, Paul Chapman

- Gregory, D. 1994, Structuralism, In Johnston, R. J. et al., 1994, *A Dictionary of Human Geography*, Blackwell, Oxford.
- Haley, A. 1976, *Roots*, Doubleday, New York
- Hall, C. M. 1992, *Hallmark tourist events: impacts, management and planning*, Belhaven, London
- Hall, C. M. 1994a, *Tourism in the Pacific Rim*, Longman Cheshire, South Melbourne
- Hall, C. M. 1994b, *Tourism and Politics: policy, power and place*, Wiley, Chichester
- Hall, C. M., Jenkins, J. and Kearsley, G. 1997, *Tourism: planning and policy in Australia and New Zealand*, Irwin, Australia
- Hall, C. M. and Page, S. J. 1999, *The geography of tourism and recreation*, Routledge, London
- Hall, P. and Preston, P. 1988, *The carrier wave*, Unwin and Hyman, London
- Hall, R. et al 1977, Patterns of interorganisational relationships, *Administrative Science Quarterly* 22 (3) 457-472
- Hamilton, A. 1986, *The financial revolution*, Penguin, London
- Hamilton, F.E.I, 1967, Models of Industrial Location In Chorley, R. J. and Haggett, P. *Models in Geography* Methuen, London
- Harley, R. 1995, Hotel franchiser snares Century 21, *Australian Financial Review*, 8 June: 37
- Hartshorne, R. 1939, *The Nature of Geography*, Association of American Geographers, Pennsylvania
- Harvey, D. 1969, *Explanation in Geography*, Edward Arnold, London.
- Harvey, D. 1984, On the historical and present condition of geography: an historical materialist manifesto, *The professional Géographe*, 36 (1) 1-11

- Harvey, D. 1989, From Managerialism to Entrepreneurialism: the Transformation of Urban Governance, *Geografiska Annaler* 71B (1) 3 - 17
- Healey, M. J. and Rawlinson, M. B. 1993, Interviewing business owners and managers: a review of methods and techniques, *Geoforum* 24 (3) 339-355
- Hepworth, J. 1986, The geography of technological change in the information economy, *Regional Studies* 20 (5) 407-424
- Herbert, N. 1993, Best western Motels, personal communication
- Hill, K. 1994, Telecom: the big "enabler", *CKC*, Nov/Dec: 10-13
- HMSO, 1980, *Credit card finance services: a report on the supply of credit card franchise services in the UK*; HMSO Cmnd 8034 London
- HMSO, 1994, *Annual Abstract of Statistics*, HMSO, London
- Hoivik, T. and Heiberg, T. 1980, Centre-periphery tourism and self-reliance, *International Social Science Journal*, 32 (1) 71-98
- Holloway, C. 1996, *The Business of Tourism*, Addison Wesley Longman, Harlow
- Holmén, H. 1995, What's new and what's regional in the 'new regional geography'? *Geografiska Annaler* 77b (1) 47-63
- Hopper, M.D. 1990, Rattling Sabre, *Harvard Business Review* May/June 118-125
- Hospitality Accommodation, 1992, Overseas interest in Victoria's Comtech, *Hospitality Accommodation*, October/November, 24
- Hotels 1996, *Annual Hotel Survey*, July
- Hotels and Travel Index 1992
- Hunter, S. 1996, *The World Ski and Snowboarding Guide*, ASTA, Columbus Press, Alexandria, Va. USA
- Inkpen, G. 1994, *Information technology for travel and tourism*, Pitman, London
- Inskeep, E. 1991, *Tourism Planning*, Van Nostrand Reinhold, New York

- Ioanides, D. 1995, Strengthening the ties between tourism and economic geography: a theoretical agenda, *Professional Geographer*, 47 (1) 49-60
- Ioanides, D. and Debbage, K. 1997, Post Fordism and flexibility: the travel industry polyglot, *Tourism Management*, 18 (4) 229-241
- Isard, W. 1956, *Location and Space Economy*, Prentice-Hall, Englewood Cliffs
- Jacobs, J. M. 1994, Negotiating the heart: heritage, development and identity in post-imperial London, *Environment and Planning D. Society and Space*, 12 (6) 751-772
- Janelle, D. G. 1968, Central place development in a time-space framework, *The Professional Geographer*, 20 (1) 5-10
- Janelle, D. G. 1969, Spatial reorganisation, *Annals of the Association of American Geographers*, 59 (2) 348-364
- Jansen-Verbeke, M. 1986, Inncity Tourism: Resources, Tourists and Promoters, *Annals of Tourism Research* 13 (1) 79 - 100
- Jasons Motels and Motor Lodges, Company Directory 1996
- Johnston R. J. 1979, *Geography and geographers: Anglo-American Human Geography since 1945*, Arnold, London
- Johnston R. J. (ed) 1993, *The Challenge for geography. A changing world: a changing discipline*, Blackwell, Oxford
- Jules-Rosette, B. 1994, Black Paris: Touristic simulations, *Annals of Tourism Research* 21 (4) 679-700
- Kearsley, G. W. 1996, *Perceptions of social and physical impacts upon New Zealand's back country environments*, Proceedings of the Tourism Down Under II Conference, University of Otago December 3-6

- Kellett, J. R. 1969, *The impact of railways on Victorian cities*, Routledge and Kegan Paul, London
- Kennedy, G. 1995, last flight departs but British Airways adamant it is staying, *The National Business Review*, 24 March: 58
- Kennedy, G. 1996a, Smallfry tourism ventures sink on their lack of business skills, *The National Business Review*, 17 May: 31
- Kennedy, G. 1996b, A cure for Montezuma's revenge? *The National Business Review*, 19 July, 28
- Kennedy, G. 1996c, Currency bureau plans expansion, *The National Business Review*, 2 August: 46
- Kennedy, G. (1997a) Over capacity and low yields won't stop Accor expansion, *National Business Review*, 21 February: 32.
- Kennedy, G. 1997b, CDL streaks ahead in four star market and hunts luxury venue, *National Business Review*, 22 August: 32
- Kennedy, G. 1997c, Air New Zealand takes first step on path to powerful Star alliance, *The National Business Review*, 12 December 37
- Kennedy, G. 1998a, New tourists sought in wake of Korean crisis, *The National Business Review*, 23 January, 37
- Kennedy, G. 1998b, Frequent flyers bound to benefit from airline's Star alliance, *The National Business Review*, 29 May, 54
- Kennedy, G. 1998c, Travel agents reel as airlines cut their commissions 45%, *The National Business Review*, 8 September, 76
- Kirsch, S. 1995, The incredible shrinking world? Technology and the production of space. *Environment and Planning D: Society and Space* 13 (3) 529-555

- Kissling, C. C. 1993, Factors affecting trans-Tasman air services, *GeoJournal* 29 (3) 291-297
- Knox, P. and Agnew, J. 1989, *The geography of the world economy*, Edward Arnold, London
- Kriesel, W. 1997, *Applying new methods of estimating tourism's employment share: the case of logging-recreation tradeoff in Southern Appalachia*, paper presented to the Pacific Regional Science Conference Organisation 15<sup>th</sup> Meeting, Wellington, 8-12 December 1997
- Lane, H.E. 1986, Marriages of necessity: airline-hotel liaisons, *Cornell Hotel and Restaurant Administration Quarterly*, May 73-79
- Langdale, J. V. 1984, Information services in Australia and Singapore, *ASEAN-Australia Joint Research Project*
- Langlois, R.N. 1992, External economies and economic progress: the case of the micro computer industry; *Business History Review* 66 (1) 1-50
- Lash, S. and Urry, J. 1987, *The end of organised capitalism*, Polity, Cambridge
- Lawrence, J. 1993, American Air lags in global race, *Advertising Age*, 1
- Lawrence, J. 1994, Southwest may wing it without tix. Delta hits discount rivals with a dose of comedy, *Advertising Age* 16 May
- Leborgne, D. and Lipietz, A. 1988, New technology modes of regulation: some spatial implications, *Environment and Planning D. Society and Space* 6 (3) 263-260
- Lee, E.S. 1966, A theory of migration, *Demography* 3 (1) 47-57
- Leheny, D. 1993, A political economy of Asian sex tourism, *Annals of Tourism Research* 22 (2) 367-384
- Leiper, N. 1979, The Framework of Tourism. Towards a Definition of Tourism, Tourist and the Tourist Industry, *Annals of Tourism Research* 6 (4) 390 - 407

- Leiper, N. 1990, Tourist Attraction Systems, *Annals of Tourism Research* 17 (3) 367 - 384
- Leiper, N 1995, *Tourism Management*, RMIT Press, Melbourne
- Leiper, N. 1990, Tourist Attraction Systems, *Annals of Tourism Research* 17 (3) 367 - 384
- Leyshon, A. 1992, The transformation of regulatory order: regulating the global economy and environment, *Geoforum* 23 (3) 249-267
- Lever, A. 1987, Spanish tourism migrants: the case of Lloret de Mar, *Annals of Tourism Research*, 14 (4) 449-470
- Lindsay, P. 1992, New hospitality and tourism products - CRS supply and demand, *Tourism Management* 13 (1) 11-14
- Livingston, J. S. 1982a, Quality Inns international; *Comell Hotel and Restaurant Administration Quarterly* 22 (4) 34-40
- Livingston, J. S. 1982b, Westin hotels: the second fifty years; *Comell Hotel and Restaurant Administration Quarterly* 22 (4) 41-46
- Lovering, J. 1989, The restructuring debate, In: Peet & Thrift (Eds) *New Models in Geography* Vol I 198-223
- Lowe, J. 1992, *The secret empire: how 25 multinationals rule the world*, Business One Irwin, Homewood
- Lundberg, D. E. 1969, Kemmons Wilson, *Comell Hotel and Restaurant Administration Quarterly* 9 (4) 100-103
- McGee, T. G. 1998, Globalisation, urbanisation and the emergence of sub global regions: a case study of the Asia-Pacific region, pp 29-45; In: Watters, R. F. and McGee, T. G. (eds), 1998, *New geographies of the Pacific Rim: Asia Pacific*, Victoria University Press, Wellington.

- McIntosh, R. W. Goeldner, C. R. Ritchie, J. RT. B. 1995, *Tourism: Principles, practices, philosophies*, John Wiley and Sons, Inc. New York
- McKercher, R. 1993, The unrecognised threat to tourism: can tourism survive sustainability? *Tourism Management*, 14 (2) 131-136
- MacCannell, D. 1977, Tourist and the new community, *Annals of Tourism Research* 4 (4) 208-215
- Mandell, L. 1990, *The credit card industry: a history*, Twayne, Boston
- Manning, E W. and Dougherty, T. D. 1995, Sustainable tourism: preserving the Golden Goose, *Comell Hotel and Restaurant Administration Quarterly* 36 (2) 29-42
- Mansfeld, Y. 1990, Spatial patterns of international tourist flows: towards a theoretical framework, *Progress in Human Geography* 14 (3) 372-390
- Mansfeld, Y. 1992, "Industrial Landscapes" as positive settings for tourism development in declining industrial cities: the case of Haifa, *GeoJournal* 28 (4) 457-476
- Markusen, A. 1994, Studying regions by studying firms, *professional geographer* 46 (4) 477-490
- Massey, D. 1993, Power geometry and a progressive sense of place. In Bird *et al* (eds) *Mapping the Futures*, Routledge, London.
- Mathieson, A. and Wall, G. (1982) *Tourism: economic, physical and social impacts*, Longman, Harlow
- McDowell, L. 1992, Valid games? A response to Erica Schoenberger, *The Professional Geographer*, 44 (2) 212-215
- Melcher, R. A. 1995, Why Hyatt is toning down the glitz, *Business Week*, 27 February: 92-4

- Milne, S. 1987, Formalising the Informal Sector: Flea Markets in the Auckland Region, *New Zealand Geographer* 43 (1) 2 - 9
- Milne, S. 1990, The Impact of Tourism Development on Small Pacific Island States, *New Zealand Journal of Geography* 89 (1) 16 - 21
- Milne, S. 1992, Tourism and Development in South Pacific Micro States, *Annals of Tourism Research* 19 (2) 191 - 212
- Miossec, J. M. 1976, *Un modèle de l'espace topuristique, L'Espace Touristique*, les Cahiers du Tourisme, C-36, CHET, Aix-en-Provence
- Mitchell, L. S. 1979 Mitchell L. 1979, The Geography of Tourism, an Introduction, *Annals of Tourism Research* 6 (3) 235 - 244
- Mockler, R. J.; Dologite, D. G.; Carnevali, N. M. 1997, Type and structure of multinational strategic alliances: the airline industry, *Strategic Change*, 6, 249-260
- Mockler, R. J. 1997a, Contingency models for developing multinational strategic alliances: the airline industry, *Strategic Change*, 6: 311-330
- Mockler, R. J. 1997b, Multinational strategic alliances: a manager's perspective, *Strategic Change*, 6: 391-405
- Mohan, G. 1994, Destruction of the con: geography and the commodification of knowledge, *Area*, 26 (4) 387-390
- Morais, R.C. 1994, Cutting them off on the M2, *Forbes* 12 September 132-133
- Moran, M. 1991, *The politics of the financial services revolution: the USA, UK and Japan*, St Martin's Press, New York
- Morris, A. S. 1992, Spain's new economic geography: the Mediterranean axis, *Scottish Geographical Magazine* 108 (2) 92-98
- Morrison, A.J. 1994, Marketing strategic alliances: the small hotel firm, *International Journal of Contemporary Hospitality Management* 6 (3) 25-30

- Moskowitz, M. 1987, *The Global Market place*; Macmillan, NY
- Moskowitz, M. 1987, Trusthouse Forte pp 609-613 In: *The Global Market place*; Macmillan, NY
- Mowlana, H. 1986, *Global information and world communication*, Longman NY
- Mowlana ,H. and Smith, G. 1990, Tourism, telecommunications and transnational banking, *Tourism Management* 11 (4) 315-324
- Mowlana H. & G. Smith 1993, Tourism in a global context: the case of frequent flyer programmes, *Journal of Travel Research* 31 (1) 20-
- Myrdal, G. 1956, In: Haggett, P. 1972, *Geography: a modern synthesis*, Harper and Row, New York
- Nash, D. (1979) The Rise And Fall Of An Aristocratic Tourist Culture, Nice 1763-1936, *Annals Of Tourism Research*, 6 (1) 61-77
- Nicholls, C.M. and Snepenger, D.J. 1988, Family Decision Making and Tourism Behaviour and Attitudes, *Journal of Travel Research* 26 (4) 2
- Nock, O.S. (1978) *World Atlas of railways*, Michael Beazley, London.
- NPDC, 1996, *Results of an Economic Impact Survey: Ranfurly Shield Challenges Hosted in New Plymouth, 31 August and 8 September 1996*, Economic Development Division, New Plymouth District Council
- NZPA, 1996, Ticketless air travel, *Daily News*, 10 October:
- NZTB, 1993, *International arrivals*, New Zealand Tourist Board, Wellington
- NZTB, 1994, *International arrivals*, New Zealand Tourist Board, Wellington
- NZTB, 1996, *International arrivals*, New Zealand Tourist Board, Wellington
- NZTB, 1996, *Monthly Tourist Arrival Statistics*, December, New Zealand Tourism Board, Wellington

- NZTB, 1997 *Monthly Tourist Arrival Statistics*, October, New Zealand Tourism Board, Wellington
- NZTB, 1996, *Marketing Briefs* New Zealand Tourism Board, Wellington
- NZTB, 1996, *New Zealand Tourism in the 90s*, New Zealand Tourism Board, Wellington
- NZTB, 1997, *Inbound Market Guide*, New Zealand Tourism Board, Wellington
- NZTP, 1976, *75 years of tourism*, Government Printer, Wellington 1977
- O'Brien, R. 1992, *Global financial integration: the end of geography*. Royal Institute of International Affairs, Pinter, London
- Ogilvie, F. W. 1933, *The tourist movement*, Staples Press, London
- Ohmae, K. 1989, The global logic of strategic alliances, *Harvard Business Review*, March/April 143-154
- Olojede, D. 1997, Tourist flock to Mandela's prison, *The Evening Post*, 14 July: 17
- Ombler, K. 1997, Motels vs private lodging, *Hospitality*, June: 6-10
- Oppermann, M. 1993, Tourism space in Developing Countries, *Annals of Tourism Research*, 20 ( ) 535-556
- Oppermann. M.,. 1994, Regional aspects of tourism in New Zealand, *Regional Studies* 28 (2) 155-167
- Oppermann. M.,. 1996, Spotlighting farm tourism in New Zealand, *Towards a More Sustainable Tourism, Tourism Down Under II, Conference proceedings*, Ed. Kearsley, G. W., University of Otago, 3-6 December 1996
- Orwell, G. 1958, *The Road to Wigan Pier*, Harcourt Brace, New York
- Page, S. 1994, *Transport for tourism*, Routledge, London

- Pawson, E. 1992, Time-space convergence in New Zealand: 1850s to 1990s, *New Zealand Journal of Geography*, October 14-19
- Pawson, E. 1996, The state and social policy. In: Le Heron, R. B. and Pawson, E. 1996, (eds) *Changing places: New Zealand in the nineties*, Longman Paul, Auckland
- Pearce, D.G. 1979, 'Towards a Geography of Tourism, *Annals of Tourism Research* 6 (3) 245 - 272
- Pearce, D. G. 1980, Tourism Development at Mount Cook since 1884, *New Zealand Geographer*, 36 (2) 79-84
- Pearce, D.G. 1987, Motel Location and Choice in Christchurch, *New Zealand Geographer* 43 (1) 10 - 17
- Pearce, D.G. 1989, *Tourist development*, Longman, Harlow
- Pearce, D.G. 1990, *Tourist Organisations*, Longman, Harlow
- Pearce, D. G. 1996, Tourist organisations in Sweden, *Tourism Management*, 17 (6) 413-424
- Perkin, H. 1970, *The Age of the Railway*, Panther, London
- Perlmutter H.V. and Heenan D.A. 1986, Cooperate to compete locally, *Harvard Business Review* March/April 136-152
- Peters, M. 1969, *International Tourism*, Hutchinson, London
- Piore, M. J. and Sabel, C. 1984, *The Second Industrial Divide*, Basic Books, New
- Pleumaron A. 1994, The political economy of tourism, *The Ecologist*, 24 (4) 142-148
- Plog, S. C. 1974, Why destination areas rise and fall in popularity, *Cornell Hotel and Restaurant Administration Quarterly*, 14 (4) 55-58

- Poon, A. 1988, Tourism and Information Technologies, *Annals of Tourism Research* 15 (4) 531 - 549
- Poon, A. 1989, Competitive Strategies for a "new tourism", in Cooper C.P.(ed) *Progress in Tourism, Recreation and Hospitality Management Vol.1* London & New York, Belhaven Press
- Poon, A. 1993, *Tourism. technology and competitive strategies*, C.A.B. International, Wallingford, Oxon.
- Pudney, L. J. 1956, *The Thomas Cook Story*, Michael Joseph, London
- Rae, J. B. 1971, *The road and the car in American life*, MIT Press, Cambridge, Mass.
- Rampell, E. 1994, Hawaiian lands - Hawaiian hands, *Pacific Islands Monthly* February: 33
- Reisender, W. 1994, Hotels of convenience, *Malaysian Business*: 16 February: 56-8
- Rich, M. (1994). Crack the code to get the best flight deals, *National Business Review*, 7 October, 78-79
- Richter, L. K. 1989, *The Politics of Tourism in Asia*, University of Hawaii Press, Honolulu
- Riley, C. 1983, New product development in Thomson Holidays, U.K.: The use of research, *Tourism Management*, 4 (4) 253-261
- Rimmer, P.J. 1993, Japan's 'bubble economy' and the Pacific: the case of the EIE group, *Pacific Viewpoint*, 34 (1) 25-44
- Rimmer, P.J. 1994, Regional economic integration in Pacific Asia, *Environment and Planning A*, 26 (11) 1731-1759

- Rimmer, P.J. 1994, Japanese investment in golf course development: Australia-Japan links, *International Journal of Urban and Regional Research* 18 (2) 234-255
- Rimmer, P. J. 1998, Japan's foreign direct investment in the Pacific Rim, 1985-1993, pp 113-132; In: Watters, R. F. and McGee, T. G. (eds) *New geographies of the Pacific Rim: Asia Pacific*, Victoria University Press, Wellington.
- 1998, Ritchie, J. R. B. and Belivean, D. 1974, Hallmark Events: an Evaluation of a Strategic Response to Seasonality in the Tourist Market, *Journal of Travel Research* 13 (2) 14 -20
- Robinson, H. 1976, *A Geography of Tourism*, Macdonald and Evans, London
- Robinson, G, 1993, Tourism and tourism policy in the European Community: an overview, *International Journal of Hospitality Management*, 12 (1) 21-31
- Rockel, I. 1986, *Taking the waters: early spas in New Zealand*, Government Printing Office, Wellington
- Rose, A. J. 1967, *Patterns of cities*, Nelson, Melbourne
- Ross, G. F. 1994, *The psychology of tourism*, Hospitality Press, Melbourne
- Ruschmann, D. 1992, Ecological tourism in Brazil, *Tourism Management*, 13 (1) 125-128
- Ryan, C. 1991, *Recreational tourism*, Routledge, London
- Sack, R. D. 1982, Realism and realistic geography, *Transactions of the Institute of British Geographers*, N.S. 7 (4) 504-509
- Sack, R. D. 1992, *Place, modernity, and the consumer's world*, The Johns Hopkins University Press, Baltimore
- Sampson, A. 1984, *Empires of the sky*, Hodder & Stoughton, London

- Sayer, A. 1985, Realism and geography, In Johnston, R. J. 1985 *The Future of Geography*, Methuen London
- Scott, A.J. 1988, Flexible Production Systems and Regional Development, *International Journal of Urban and Regional Research*, 12 (2) 171 - 186
- Scott, A. J. and Storper, M. 1986, Industrialisation and regional development, in:
- Schoenberger, E. 1988, From Fordism to flexible accumulation: technology, competitive strategies and international location, *Environment and Planning D. Society and Space*, 6 (2) 245-262
- Schoenberger, E. 1991, The corporate interview as a research method in economic geography, *The Professional Geographer*, 43 (2) 180-189
- Schoenberger, E. 1992, A reply to Linda McDowell, *The Professional Geographer*, 44 (2) 215-218
- Shaw, G. and Williams, A. M. 1994, *Critical Issues in Tourism: a geographical perspective*, Blackwell, Oxford.
- Shelton, A. 1996a, Ferry operator owes 220 companies, *Dominion*, 3 July: 3
- Shelton, A. 1996b, Company plans purpose built catamaran for Cook Strait, *Dominion*, 28 September: 3
- Sherwood, S. 1983, *Venice - Simplon Orient Express*, Weidenfeld and Nicolson, London
- Simmons, D. and Forer, P 1996, Demand, supply and capacities - a research framework for tourism planning, *Proceedings of the Tourism Down Under Conference*, Otago University, December 3-6, 1996
- Simmons, J. 1991, *The Victorian railway*, Thames and Hudson, London
- Sinclair, M. T. and Page, S. J. 1993, The Euro-region: a new framework for tourism and regional development, *Regional Studies* 27 (5) 475-483

- Sisman, D. 1995, On the trail of Henry Ford, *Geographical Magazine* LXVII (2) 15
- Smith, N. 1986, On the necessity of uneven development, *International Journal of Urban and Regional Research*. 10 (1) 87-104
- Smith, N. 1989, Uneven development and location theory: towards a synthesis. In: Peet, R. and Thrift, N. (eds), 1989, *New models in geography*, Unwin Hyman, London
- Soane, J. V. N. 1993, *Fashionable Resort Regions*, CAB International, Oxford
- Squire, S. J. 1988; Wordsworth and Lake District, tourism: romantic reshaping of landscape, *The Canadian Geographer*, 32 237-47
- Squire, S. J. 1990; Wordsworth and Lake District, tourism: a reply, *The Canadian Geographer*, 34 164-70
- Squire, S. J. 1993; Valuing countryside: reflections on Beatrix potter tourism, *Area* 25 (1) 5-10
- Squire, S. J. 1994, Accounting for cultural meanings: the interface between geography and tourism studies re-examined, *Progress in Human Geography*, 18 (1) 1-16
- Stansfield, C.A. and Rickert, J.E. 1970, The recreational business district; *Journal of Leisure Research* 2 (4) 213-225
- Steeman, M. 1998, Minister and tourism operators discuss big fall in Asian business, *The Dominion*, Wellington, 29 January: 14
- Steinecke, A. 1993, Historical development of tourism in Europe, In: Pompl, W. and Lavery, P. (eds) 1993, *Tourism in Europe: structures and developments*, CAB International, Oxford.
- Stewart, D.A. 1991, The Growth and Development of Trusthouse Forte, *Tourism Management* 12 (4) 341-351

- Stimson, R. J. et al, 1998, The impact of Daikyo as a foreign investor on the Cairns - Far North Queensland regional economy, *Environment and Planning A* 30 (1) 161-179
- Storper, M. and Walker, R. 1989, *The capitalist imperative: territory, technology and industrial growth*, Blackwell, Cambridge, Mass.
- Stringer, C. 1997, Qualitative interview-based individual and company research: some issues in the study of New Zealand-Northeast Asia interactions, pp 388-391, *Proceedings Institute of Australian Geographers and New Zealand Geographical Society Conference*, Hobart, January 28-31, 1997
- Swinglehurst, E. 1982, *Cook's Tours*, Blandford Press, Poole
- Taranaki Tourist Times, 1993
- Taylor, M. J and Thrift, N. J. 1982, Models of corporate development and the multinational corporation. In Taylor, M. J and Thrift, N. J. *The geography of multinationals*, Croom Helm Press, London 14-32
- Thrift, N. J. 1985, Taking the Rest of the World Seriously? The State of British Urban and Regional Research in a time of Economic Crisis, *Environment and Planning A*, 17 (1) 7 - 24
- Thrift, N. 1990, For a new regional geography 2, *Progress in Human Geography* 15 (4) 456-465
- Thrift, N. 1996, *Spatial formations*, Sage London
- Tickell, A. and Peck, J. A. 1992, Accumulation, regulation and the geographies of post-Fordism: missing links in regulationist research, *Progress in Human Geography* 16 (2) 190-218
- Towner, J. 1985, The grand tour: a key phase in the history of tourism, *Annals of Tourism Research* 12 (2) 297-333

*Traveltrade* 1996, Newsbriefs, 8 November

*Traveltrade* 1997 Supplement on frequent flyer programmes, 1 August: 5-10

*Traveltrade* 1997 Agents can make money on foreign exchange sales, 10 October:  
8

*Traveltrade* 1998,

Tsui, J. F. 1987, The Japanese yen for US hotels, *Cornell Hotel and Restaurant Administration Quarterly*, 28 (2) 16-19

Turner, L. and Ash, J. 1975, *The Golden Hordes*, Constable, London

Unwin, P. T. H. 1992, Critical Science and Society: the geographer's interest; In

Unwin T. 1992, *The place of geography*, Longman Scientific & Technical, York :  
Wiley, 1992.

Urry, J. 1990a, The Consumption of Tourism, *Sociology* 24 (1) 23 - 35

Urry, J. 1990b, *The Tourist Gaze*, Sage, London

US Dept, of Commerce 1996

Valenzuela, M. 1988, Spain: the phenomenon of mass tourism, pp 39-57, in

Williams, A. M. and Shaw, G. eds. *Tourism and Economic Development*, Western  
European experiences, Belhaven, London

Van Doren, C. S. 1993, PAN AM's Legacy to World Tourism, *Journal of Travel  
Research*, 32 (1) 3-12

Van Harsseel, J. 1988, *Tourism, an exploration*, National Publishers, (1st edition),  
Elmsford , NY

Vaughan, J. E.. 1974, *The English guide book c.1780-1870*, David and Charles,  
Newton Abbot

Vernon, R. 1972, *The Economic Environment of International Business*, Prentice-  
Hall Inc, New Jersey

- Vincent, J. . 1980, Political Economy of Alpine Development, *Sociologia Ruralis* 20 (3) 250 - 271
- Vogt, J. W. 1976, Wandering: Youth and Travel Behaviour, *Annals of Tourism Research* 4 (1) 25 - 41
- Vorlauffer, K. 1993, Transnationale reisenkonzerne und die globalisierung der fremdenverkehrs wirtschaft, *Erd Kunde*, 47: 267-281
- Walker, J. 1982, *British Economic and Social History 1700 - 1982*, McDonald and Evans, Plymouth
- Walton, J. K. 1983, *The English seaside resort: a social history 1750-1914*, Leicester University Press, St. Martin's Press, New York
- Ward, C. and Hardy, D. 1986, *Goodnight Campers*, Mansell Publishing, London
- Warde, A. 1990, Introduction to the sociology of consumption, *Sociology*, 24 (1) 1-4
- Warf, B. 1988, Japanese investments in the New York metropolitan region, *Geographical Review* 78 (3) 257-271
- Warf, B. 1989, Telecommunications and the Globalisation of Financial Services, *Professional Geographer* 41 (3) 257-271
- Watkins, L. 1987, *Billion Dollar Miracle*, Inhouse Publications, Auckland
- Wells P.E. and P.N. Cooke 1991, The geography of strategic alliances in the telecommunications industry: the case of Cable and Wireless, Ericsson, and Fujitsu, *Env. & Planning A* 23 (1) 87-106
- Wentz, L.1995, Airline alliances are not taking off, *Advertising Age*, 20 February: 14
- Whiteside, A. 1971, *The Sky's the Limit*, Macmillan, New York
- Wilkins, M. 1990, Japanese multinationals in the United States: continuity and change, *Business History Review*, 64 585-629

Williams A. V. and Zelinsky W. 1970, On some patterns in international tourist flows, *Economic Geography* 46 (4) 549-567

Wilson, E. 1996, *Dogfight: the inside story of the Kiwi Airlines collapse*, Howling at the Moon, Auckland

Withiam , G. 1985, Hotel Companies Aim for Multiple Markets, *Cornell Hotel and Restaurant Administration Quarterly* 27 (6) 39-51

World Bank 1972, *World bank operations*, Johns Hopkins U.P, Baltimore

WTO 1992, *Yearbook of Tourism Statistics*, WTO, Madrid

WTO 1993, *Yearbook of Tourism Statistics*, WTO, Madrid

WTO 1995, *Yearbook of Tourism Statistics*, WTO, Madrid

Yamada, K. 1990, The triple evils of golf courses, *Japan Quarterly*, July-Sept. 291-297

**Annual reports and Press releases**

Air New Zealand, Annual Report, 1996

Air new Zealand, 1998, Press release, 4 February

Air Pacific, Annual Report, 1996

BIL, Annual Report 1996

British Airways, Annual Report 1996

CDL Hotels, Annual reports 1995; 1996

Groupe Accor, Annual Report 1996

Shotover Jet, Annual Report 1996

THL Annual Reports 1994, 1995

United Airlines Press release 1996

**Personal communications**

Barrett, L 1996, Alliances manager, Air New Zealand, personal communication

Butler, R. W. 1997, Personal communication

Club Mediterranee 1995 personal communication

Club Mediterranee 1996 personal communication

Diners Club International 1994, Personal communication

Farrell J. 1994, Marketing manager, South pacific Hotel Corporation, personal communication.

Garvey, M. 1993, General Manager Quality Hotel, New Plymouth, personal communication

Gill, E. Tourism Taranaki, Personal communications 1993 -1997

Groupe Accor 1994, Personal communication

Hilton International 1993, Personal communication

Lane, B. 1997, Personal communication

Midgeley, P 1995, Managing director New Zealand Rent a Car, personal communication

Munday, M. 1994, Marketing manager, Novotel Auckland, personal communication

NZTIA 1997, Personal communication

Smith, R. 1994, American Express, personal communication

Stonnell, L. 1995-7, 'C Tours' Personal communications

Stuart, B. Manager, 1994, General Manager, Quality Hotel Palmerston North, personal communication

Student Travel Association, 1995, Moffat, B. Manager STA Palmerston North, personal communication

Tennant, P. 1994, Manager Devon Motor Hotel, New Plymouth, personal

Thomas, I. 1995, Hertz Rent a Car, personal communication  
communication

Utell International, 1995, Personal communication

Utell International, 1998, Personal communication

Versteg, F. 1997, Policy manager, New Plymouth District Council, personal  
communication

Warren, M. 1994, Managing director Kiwi Experience, personal communication

Wilkins, M. 1997, Personal communication

**Web sites**

Antarct, June 1993,

<http://www.american.edu/projects/mandala/TED/ANTARCT.HTM>

British Airways, 1996, <http://ba.facility.pip...banetsc/latestnews>.

British Airways, 1998 <http://british-air.com>.

Eurostar, 1998, <http://www.eurostar.com>.

ITT Sheraton web site: <http://www.ittinfo.com/itt.html> 1996, Press release

Qantas News 1997, Alliances: commercial cooperation,

[http://www.qantas.com...act\\_file/alliance.http](http://www.qantas.com...act_file/alliance.http)

Singapore Airlines 1997, Press Release, Singapore Airlines announce commercial alliance, <http://www.singaporeai.../press/jun2097.html>

Utell International, 1997, <http://www.rezsolutions.com/11124fact.http>