

# Ouverture de ‘Market-Driven Management in Global Tourism’\*

*Silvio M. Brondoni\*\* , Simona Franzoni\*\*\**

## *Abstract*

*Tourism and other related industries are an inseparable part of globalization in the world economy. Global markets have encouraged the removal of many trade barriers while fostering the free movement of people and know-how across borders that have benefitted the tourism industry.*

*Globalisation, hard competition and market-driven management are the fundamental characteristics of today’s tourism business and the need to co-build global connectivity for innovation is crucial to the survival of tourism enterprises and all parties involved in the development of global tourism.*

**Keywords:** Global Tourism; Market-Driven Management; Hospitality Modernisation Costs

## **1. Overture**

Since the beginning of the 80s and the start of globalization, global tourism is increasingly linked to other basic drivers of new global capitalism (Brondoni, 2016; Brondoni, 2014). The changes in social, economic and demographic trends in demand enable monitoring the effects of the dynamics of tourism (Buhalis & Costa, 2005). For example, the aging world population and the active lifestyle of older generations have created a new market segment. Changes in the consumption behaviour of younger generations should not be overlooked as their improved economic situation, employment and income enable them to actively participate in tourist movements and introduce changes in preferences focusing on new products while participating in their creation (Mihajlović & Zorica, 2014).

□ *The quality of a city’s tourism offer is not only constituted of hotels, restaurants and museums, but expresses the quality of life of its citizens, the level of security, environmental quality, the variety and specificity of services, cultural accessibility. Tourists and travellers are not confined to dedicated routes, but experience areas of the city often introduced and accompanied by people who are not professionally involved in*

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\* The Authors: S. M. Brondoni § 1, S. Franzoni § 2

\*\* Editor-in-Chief Symphonia. Emerging Issues in Management ([silvio.brondoni@unimib.it](mailto:silvio.brondoni@unimib.it))

\*\*\* Associate Professor of Business Administration and Accounting Studies, University of Brescia ([simona.franzoni@unibs.it](mailto:simona.franzoni@unibs.it))

*visitor management. Urban tourism is today a powerful means of the global development of the vision of a city, to illustrate stories of modernity, culture, style, quality of life, and care for the environment. The attractiveness of large cities in Europe, from Paris to Milan, from London to Berlin, appears less and less linked to visiting historic and artistic sites, but to the desire of large social groups to experience metropolitan life (Bellini, 2015; Brondoni, 2011).*

On the other hand, concerns for environmental changes (greenhouse effect and pollution) directly affect new trends in tourist behaviours, such as choosing destinations with safe, eco-friendly products, and thus leading to new travelling trends and motivations that in turn lead to new innovative products (Arrigo, 2012).

□ *Venice lives off tourism, but must stem the growth of tourist flows and develop market-driven management plans focused on sustainable tourism to sustain the demand of 24 million visitors a year (70% day visitors) accommodated in hotels, B&Bs, guesthouses and private homes. In the 80s, the Venice tourist season stretched from March to August (September was for elite tourism) while today, tourist tax foresees low season rates only for the month of January and high season rates for the rest of the year.*

Climate changes and greenhouse gas emissions (GHG) have fostered new needs and possibilities for global tourism, for example, more offseason trips and a growing choice of summer destinations in the winter (Franzoni & Pellizzari, 2016; Smeral & Weber, 2000). Sustainable development is one of the basic prerequisites of global and local tourism activities. Sustainability is the basis of the developmental continuity of tourism destinations despite the increased cost of additional investments in the preservation of natural resources and their rational use (Franzoni, 2015; Mihajlović & Zorica, 2014; Salvioni & Astori, 2013).

Global tourism promotes cultural changes and segmented tourism behaviours. New values emerge that can be exploited to design highly specialised tourist products.

□ *Tourism on Lake Como has grown substantially, particularly in the least two years. This growth is prominent in the Bed & Breakfast industry in the northern part of the lake and concerns different tourism with respect to the traditional high season (from April to October) focused on culture, events, food & wine, exciting entertainment and wellness.*

Values and lifestyle changes determine the structure and the dynamics of tourism demand. For example, since the financial crisis of 2007, developed countries show a trend towards more time spent on enjoyment due to shifting values, self-image and materialism, from quality to low cost quantity and from mass tours to an individual approach to organising travel. Tourism is strongly influenced by global competition (Brondoni, 2016; Corti, 2016; Salvioni, 2016). Destinations (and tourism 'hardware' such as hotels, airports, railways, etc.) are no longer the critical

point of the global tourism business (Salvioni, 2016). New destinations continuously emerge with growing competition between traditional tourism offers (focused on destinations) and modern tourist behaviours (focused on individuals, their self-identification, perceptions and sensations) (Brondoni, 2015).

□ *A basic dimension of globalization is the accelerated compression of time and space. Time and space compression in tourism is a fundamental characteristic of the industry that aggressively promotes new destinations. Locations that were considered distant and isolated are now seen as accessible. For example, twenty-five years ago, an overseas trip to participate in sport was a major expedition reserved for elite athletes. Today, it is a routine occurrence, even for many recreational athletes (Higham & Hinch, 2009). The relationship between sport and tourism in regional and peripheral economies has been generally limited to high profile winter (e.g., skiing and snowboarding) and other nature-based adventure sports (Hudson, 2000), with some exceptions for studies on sport and tourism in regional economies (Chalip & Costa, 2006).*

Furthermore, the internet and ICT directly and indirectly affect the creation and efficient placement of the booking, promotion and sales of tourist products that strengthen the market approach and expand the range of products, with easier adjustments to potential consumer needs, cost reductions and competitive prices (Corti, 2016). Finally, with primary reference to global tourism changes, the tragic events of 11 September 2001 demonstrate the key role that safety and security plays in the tourism business and in making travel choices (Blake & Sinclair, 2003).

Tourism is a global and intensely competitive industry, highly sensitive to perceptions of danger and lack of safety and security, which are vital to successful tourism activities. The growth of tourist destinations depends on being able to provide a safe and secure environment for visitors.

□ *Acapulco used to be a famous destination for Hollywood tourism, but today has become the most violent city in Mexico. The city council is striving to promote the image of a safe city, but in the port of Acapulco, the cruise ships dock less often, the hotels are half-empty and offer bargain prices. Thousands of shops, strangled by extortion, have closed their doors (La Repubblica, 28 November 2016).*

Indeed, terrorism and instability are profoundly changing the global tourism map, with drastic reductions in demand for Turkey, Tunisia, Morocco, Egypt and France in comparison to the evident growth of tourist flows to Italy, Spain and Greece.

In summer 2016, terrorist attacks, political instability and the migrants' crisis changed the tourist flows, introducing new competitive dynamics (market-driven management) (Brondoni, 2009; Salvioni, 2008). among nations and tourist destinations. The 'sunbelt' countries in the first six months of 2016 showed record increases in foreign visitors (Spain, Portugal, Italy and Greece) and the main driver is to be found precisely in country stability and hospitality safety.

## **2. Global Tourism, Market-Driven Management and Hospitality Modernisation Costs**

Globalization, the increase in travel demand due to greater spending power and propensity to travel, terrorist attacks that have reshaped tourism routes, changing traveller habits in terms of concentration and duration of periods of stay, as well as the dominant motivation behind travelling have led to a rapid change in the international tourism market scenario (Floyda, et al., 2004; Blake, et al., 2003). The entire tourism chain requires effective orientation to service personalization, with attention to quality, innovation and digitization and the creation of sustainable and accessible value (Arrigo, 2012).

Focusing attention on tourists entails giving due consideration to their needs and expectations, and the resulting evaluation to scale the portfolio of services offered while effectively designing the internal and external organizational and management activities to implement the service portfolio. Tourist needs vary and are subject to frequent change, implying that hospitality facilities must be able to offer new services, reduce others to eliminate the outdated, and so forth, to streamline increasingly scarce resources (Corti, 2016).

Today, hospitality enterprises are increasingly oriented to upgrading and modernizing their facilities and services to meet the needs and comforts of guests according to age, physical and permanent or temporary disabilities, attention to issues related to sustainability, accessibility, health and safety (Salvioni, 2008; Bellini, 2004). Inevitably, not all expectations can be met and therefore priorities must be established in terms of objectives to pursue, taking into account the available resources and expectations of tourists, with particular emphasis on the critical factors on which the business intends to concentrate its resources in compliance with the economic and socio-environmental conditions. Therefore, the imperative of competitiveness stems from the emphasis placed on satisfying needs. Becoming (and remaining) competitive means ensuring constant improvements in the quality of services while efficiently developing new services in line with changing needs. However, worth recalling is that the ability to acquire consensus from the external environment is a prerequisite for the long-term survival of any firm modifying the technical and economic processes towards sustainability and accessibility (Waligo, et al., 2013; Musso & Risso, 2006). This is to prevent the frequent fluctuations in tourist flows (conditioned by exogenous and endogenous factors) that could adversely affect sales and economic result, since fluctuations in demand tend to be fully reflected in the average saturation level of accommodation capacity due to the significant fixed operating costs.

Although the modernisation of facilities and hospitality services in terms of sustainability and accessibility entails additional business costs (depreciation, maintenance, staff training, interests etc.) to acquire an asset (for example, eco-sustainable or energy-saving plant) and/or modernise the facilities (renovation of rooms), it should enable higher revenues, following the implementation of new services in line with the changing demand or the reduction of existing costs (for example, energy savings).

The socio-environmental and economic dimensions, as outlined above, are linked to close relations, albeit not always synergistic and often conflicting. In the short

term, conflicts may emerge between the pursuit of specific objectives related to the different dimensions and improvements on a given front, often at the expense of progress in other areas. However, in the medium to long term, it becomes easier to combine the various aspects of the outcomes that in the final analysis are closely interrelated. The degree and manner of achieving results require a behavioural approach focused on integrating the economic, social and environmental dimensions. (Brondoni, 2015; 2011). Conversely, the absence or failure of balancing the above dimensions may determine the limiting potential of developing the business, with a loss in economic result and often longer-term consequences on the entire system. Tourism firms should generally be the first to appreciate the opportunity to pursue sustainability and accessibility for the benefit of their own businesses in line with the EU and UN World Tourism Organization communications (UNWTO, 2015; Com 2003, 2016) recognising the potential of tourism industry in contributing to all objectives declared in the United Nations 2030 Agenda (United Nations, 2015) for sustainable development.

In summary, being competitive in the global tourism market means attracting tourists, qualified personnel, finance, fostering in this sense lasting relations of trust over time and combining the economic and socio-environmental dimensions in a long-term perspective.

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