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IDENTIFYING GLOBAL CHALLENGES FOR FUTURE TOURISM AND TOURISM MANAGEMENT

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ABSTRACT

Global tourism is a complex system, embedded within a dynamic framework and exposed to manifold trends, which may be perceived as challenges for the global tourism system. Exploratory research on the conditions and impacts of this field of intertwined challenges is needed as a prerequisite for future planning and tourism management. A reliable and shared knowledge on the nature of these challenges is essential. Our exploratory Delphi survey, carried out with an international panel of tourism experts, contributes to this task. We identified the most prominent challenges for global tourism until 2020, along with their drivers and impacts. We propose a structure of five “meta-challenges” that shows the complexity of the future global tourism system. Our structure may serve as a strategic road map for global tourism in a complex and dynamic world, allowing tourism managers to prepare for these challenges and to cope with them in a responsible way.

KEYWORDS

Complex System, Challenges, Global Tourism System, Delphi Survey, Meta-Challenges.

1. INTRODUCTION:

TOURISM MANAGEMENT IS NOT EASY AND NEEDS A BASE OF KNOWLEDGE

Tourism management is the art of achieving an array of diverse objectives while dealing with a wide range of opportunities, challenges, and risks. Organizational objectives, which vary for different organizational structures and depend on the situational context of the organization, naturally compound economic goals with respect to turn over, yield or market-related benchmarks, such as market share for the own entity. However, tourism organizations are expected to contribute to non-profit societal needs, such as social progress, the reduction of greenhouse gases or safeguarding cultural assets. Organizational planning and actions to achieve these goals depend on the opportunities and challenges or – more precisely – on the appropriate knowledge about future challenges for global tourism. This knowledge is essential to initiate action in areas where this will be especially necessary and efficient.

One may argue that tourism management planning today is widely based on the perceived actual situation, which is evaluated in the light of former experiences and expected short term developments. The planning becomes livelier when interferences and disturbances occur, such as new taxes, an unusual cold and rainy summer, volcano eruptions or terrorist attacks. Long-term trends rarely affect tourism management at an early stage. For example, demographic change as the process of ageing societies in Western countries has been on its way for more than 50 years, but has barely been reflected in management actions of destinations, carriers or the hotel industry before the year 2000 (e.g. Lichey 1963; for more details cf. Lohmann & Danielsson 2001, p. 358).

UNWTO general secretary, Taleb Rifai, points out the importance of future challenges for global tourism (Koumelis, 2012). The question arising is: What are these challenges and what are the most important ones? In our study, we capture future global challenges for tourism in order to provide

reliable knowledge as a base both, for future planning in tourism management and for putting an appropriate focus in tourism research.

2. WHAT IS A CHALLENGE?

We define a challenge as a development, impact, event or situation that is not or has hitherto not been part of the daily routine and normal business, and which requires attention and action or reaction. Challenges in tourism generally result from the framework dynamics, and/or the market situation and trends tackling tourism as an industry (cf. Lohmann & Aderhold, 2009, chapter II). Furthermore, challenges for a given organizational entity may arise from the specific situation of the respective sector in the tourism industry in relation to the general situation and development.

The concept of a challenge is related to other constructs, such as “trend” or “forecast”. A trend is a process of change over time that generally moves into a clear direction; it can be pinned down in past and presence and one can reasonably assume that it will continue in the future (Lohmann & Aderhold, 2009, p. 3; Horx, 2010, p. 1). Forecasting is the attempt to predict the future based on a given methodology by means of using historical information (UNWTO & ETC, 2008, p. 78; Witt & Witt, 1992, p. 7 et seqq.). Forecasting can be seen as a tool to explore whether and how a trend in the past will develop in the future. Both, trend and forecast are free from any value judgment and independent from the individual situation of a person or an organization. “Challenge”, however, is a relational concept, i.e.: A situation or a process may become a challenge if the perceived resources and abilities of a person or an organization or a group of those are at the edge of being sufficient to cope with it (cf. the concept of “stress” in psychology and medicine, e.g. Nordqvist, 2009).

Thus, when researching future challenges, the central question arising is, which out of several foreseeable developments are perceived as being “challenging”?

3. METHODOLOGY – DELPHI SURVEY

An exploratory Delphi survey – carried out from 2010 to 2011 – has been used to identify the most prominent challenges for global tourism until 2020, understanding their nature, drivers and impacts.

The Delphi method is a structured group interaction process that is directed in “rounds” of opinion collection (surveys) with experts and feedback on the results (Hishamunda, Poulain & Ridler (2009, p. 3); (Linstone & Turoff, 1975, p. 3). In this study, three rounds were undertaken, whereof the first two rounds were held in the form of questionnaires sent via email (first round: qualitative, open approach, identifying challenges, drivers, and impacts; second round: quantitative, rating the prominence of challenges as proposed in the first round). In the third round, the results have been discussed in a live focus group, whereupon we structured the emerging picture into a summarizing framework.

We have used a “high level, small scale” approach: 16 international experts in tourism with a background in tourism research and consultancy from Europe, Asia, America, and Australia participated in the study.

4. MAIN RESULTS

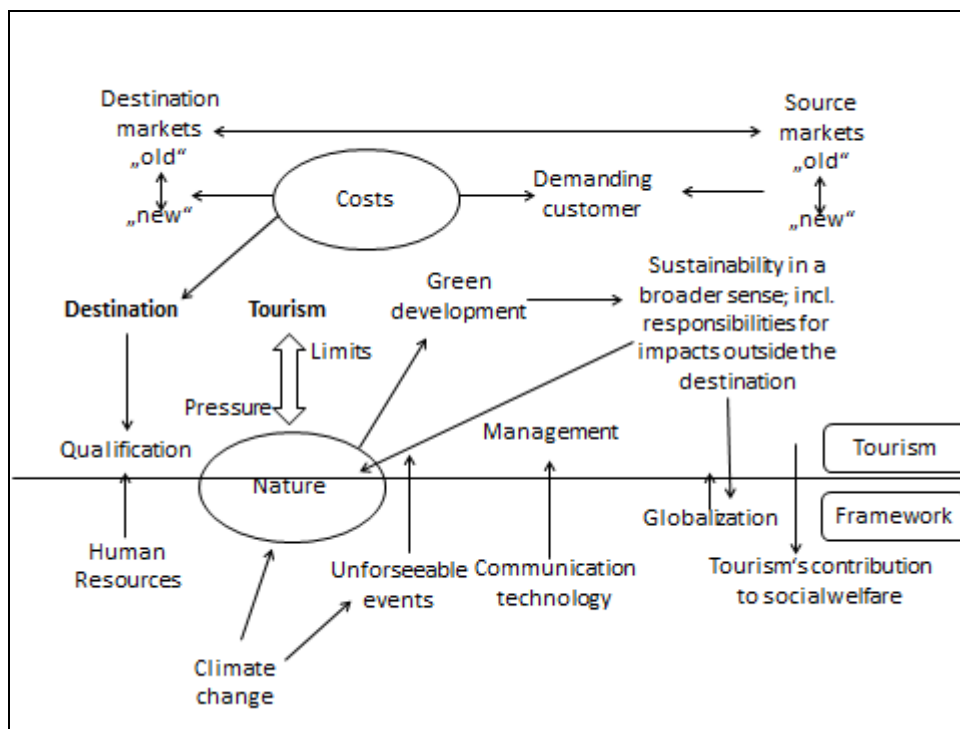
The aim of the first Delphi round was to identify and to characterize global challenges along with their drivers and impacts. The experts named 53 challenges in total. For the second round, we condensed the information related to each challenge in a short paragraph, while sticking to the original wording of the respective expert.

Within the second round, the importance (here: prominence) of each challenge was measured with the help of a graphic scale. We applied descriptive statistics for each challenge (minimum, maxi-

mum, median, quartiles). The evaluation revealed a high variability with importance ratings. Thus, there was no common ground. Experts did not agree in most cases; except for three challenges. They stood out from the mass with the highest value and a relatively low variability with importance ratings. Thus, these challenges might be considered as most prominent. But during the analysis it became clear, that first, challenges are usually not given in a single word/expression, instead, most experts gave a rather broad description and included different aspects and second, when naming challenges and their drivers and impacts, experts focused on different steps within the same chain of arguments. This is not a failure in expert behavior; it seems to be part of the system with one challenge triggering the next one or a challenge being composed of different inter-related sub-challenges.

In these cases of “system-induced confusion”, the researchers have to structure the challenges and their interrelations. Based on the two rounds of the Delphi survey, we have proposed a preliminary conceptual model (cf. figure 1), which shows – according to the variety of expert views – quite a multifaceted picture.

Figure 1: Challenges and Interrelations - Preliminary Conceptual Model



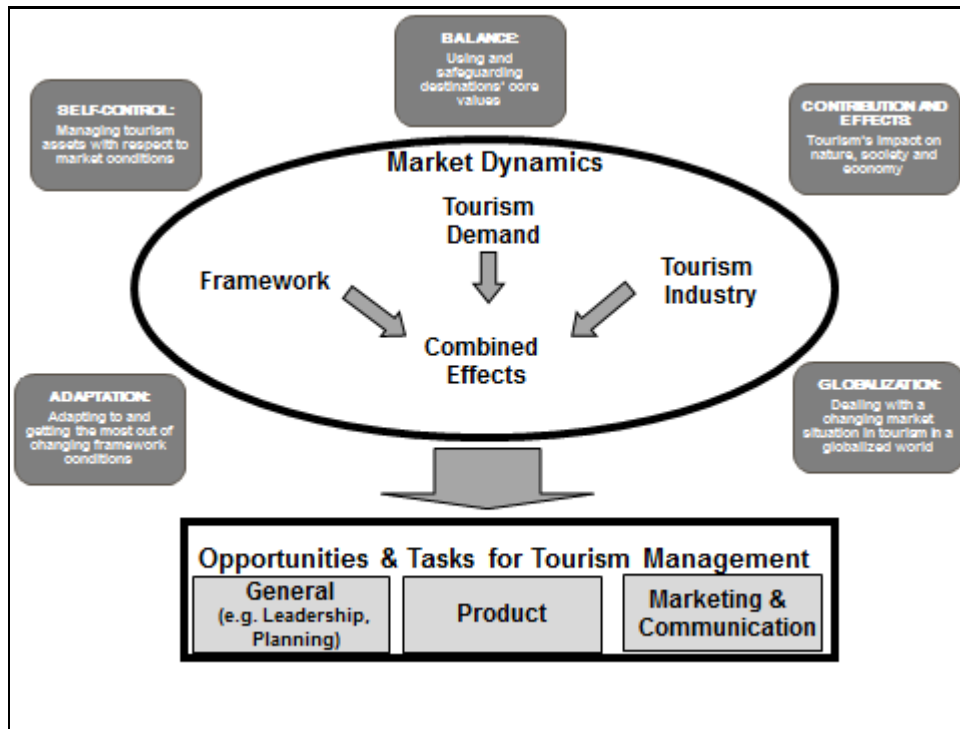
Source: authors' sketch

Based on the preliminary functional model, the authors proposed an integrative structure and a summary of the findings into a consistent picture during the course of the third round of the survey. This was subject to a discussion in an expert focus group which included the identification of possible additional challenges. All of the 53 challenges were summarized into a structure of five challenge areas on a meta-level. The five meta-challenges encompass the following challenge fields:

1. “Globalization” –
Dealing with a changing market situation in tourism in a globalized world
2. “Contribution and Effects” – Impact of tourism on nature, society and economy
3. “Balance” – Using and safeguarding destinations' core values
4. “Adaptation” – Adapting to and getting the most out of changing framework conditions
5. “Self-control” - Managing the tourism assets with respect to market conditions

This structure can also be regarded as a strategic road map for global tourism in a complex and dynamic world. The results allow tourism managers to focus on important challenge areas and to prepare for these challenges in order to cope with them in a responsible way, without losing track of the whole picture.

Figure 2: Opportunities and Tasks for Tourism management as a result of tourism market trends and global challenges



Source: authors' sketch

Fig. 2 depicts the opportunities and tasks for tourism management as a result of tourism market trends and global challenges. The core part is taken from Lohmann (2009, 334). It shows that trends in tourism both, demand and supply) together with dynamics in the relevant framework (society, nature etc.) lead to a specific situation (combined effects) that generates and defines objectives of tourism management. This complex and dynamic system is surrounded by the five global meta-challenge areas.

The most important point is the interdependence of the challenges and the “normal” market dynamics. In tourism management, it seems risky to just look at a single factor without taking the other relevant aspects of the global tourism system into account.

5. CONCLUSIONS

The Delphi survey provided us with a reservoir of challenges in tourism together with their drivers and potential impacts. We learned that challenges – due to their interrelations and interdependencies – cannot be faced with simple decisions or actions. Challenges for global tourism appear to come on a meta-level. The results of this survey allow seeing the broader picture, consequently, they offer orientation. The meta-challenges can also be regarded as general strategic issues pointing at things “to do” and/or “to watch out for”. The answer to the question “What does this mean for me/my organization?” will be quite different depending on who is asking. Strategic plans for action

or reaction in order to cope with these challenges have to be developed on the level of the organization, which has to (re)act according to its capabilities and objectives. However, everybody in tourism has to face these challenges.

Of course, there may be challenges ahead which are not foreseeable or which experts are not aware of. One may call the risk of new unknown challenges a challenge in itself. In order to be able to cope with these challenges, organizations need a general ability to adapt (a question of e.g. economy, culture). Given the risk of new challenges, tourism cannot afford to ignore the foreseeable ones.

The results show that contemporary tourism management has to take a multitude of interdependent aspects into account, some of which may be perceived as challenging. Not only is successful management a prerequisite for positive economic results, but it also has to face its responsibility in providing resources for recreation and health, which are necessary for modern society, and in taking care for a sensitive environment that needs its protection.

Pointing out the global challenges for tourism may help to find realistic objectives for master plans and marketing activities. But of course, in addition to these, tourism management has to consider specific organizational aspects, resources (financial and human – which may be limited, e.g. due to demographic change), and – of course – the consumers' motivation and the trends in consumer behaviour in tourism. Furthermore, for the tourism industry, especially destinations, it is of utmost importance to recognize the international competition they are players in (cf. Porter, 1999; 2000).

There is room to move for everybody who has a sound marketing plan or political perspective and respects the consumer. There is a strong need for orientation and decision for every organization involved in tourism: Different paths of development are possible, so one has to decide which road to take. One may call that a vision. While elaborating a vision, one needs to have a strong focus on future challenges, on what other market actors are doing, and what resources are at hand (Prahalad & Hamel, 1990).

Success shall be based on safeguarding the core values (e.g. the distinctive qualities and related experiences of a destination), while constantly adapting to new market trends. A deep understanding of the consumer and his perpetual learning processes as well as the changing structure of tourism demand is a prerequisite for successful management.

Tourism management structures, especially in many destinations, have developed in a historical process and show a rather high complexity and low flexibility these days. Small scale tourism enterprises and small scale structures of the public sector are a challenge for management, which – of course – needs a certain alignment to cope with the multitude of influencing factors. Under this condition; a “top-down strategy” in an entrepreneur style seems impossible for destination management. On the other hand, an anarcho-approach, with every little hotel or small village pursuing their own tourism “policy”, is not adequate for today's and tomorrow's challenges of a global tourism market. To navigate between these two extremes is a true management task. A future and customer oriented development process is a must for tourism management so that both sides – the regional economy and welfare as well as the tourists – will benefit from it.

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