

# **Achieving in Tourism**

**Be better at 'the business of tourism'**

**AC 1.2 - Explain the objectives of tourism organisations**

# Introduction

## Objectives of tourism organisations

Tourism organisations, like all businesses, need to plan for the future. Owners and managers of tourism businesses will need to decide how they want their business to develop and succeed.

Larger businesses may develop what is known as a 'mission statement' which sets out in a couple of sentences general ideas about what the business is trying to achieve. For example, the mission statement for an attraction might be something like: We aim to make sure that all our customers have a great day out and really enjoy themselves.

From the mission statement, businesses often develop aims, which are related to the mission statement. An aim might be: To be the best attraction in the area for a family day out.

Objectives are more specific and measurable targets which the business can work towards, in order to achieve their aims. For example: We want to achieve a profit of £500,000 this time next year or we want to develop two new rides which will make customers return to our attraction.

This section helps you to understand why tourism businesses set objectives and the types of objectives which might be set. Remember - in a few years' time you could be in a meeting deciding on the aims and objectives of the tourism business you are working for!

# Objectives

## Activity 1

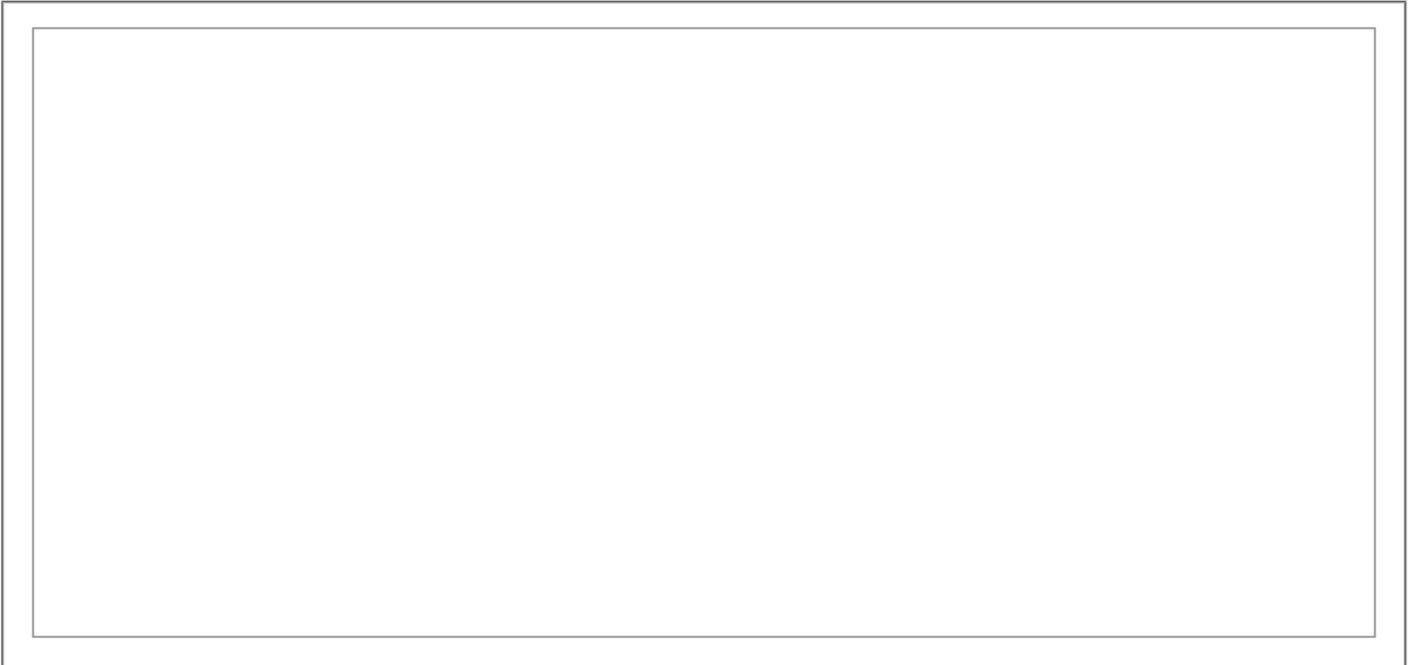
### Notice

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Tourism businesses often set SMART objectives. Can you find out what the letters stand for?

## Activity 1

Tourism businesses often set SMART objectives. Can you find out what the letters stand for?



## Activity 2

### Notice

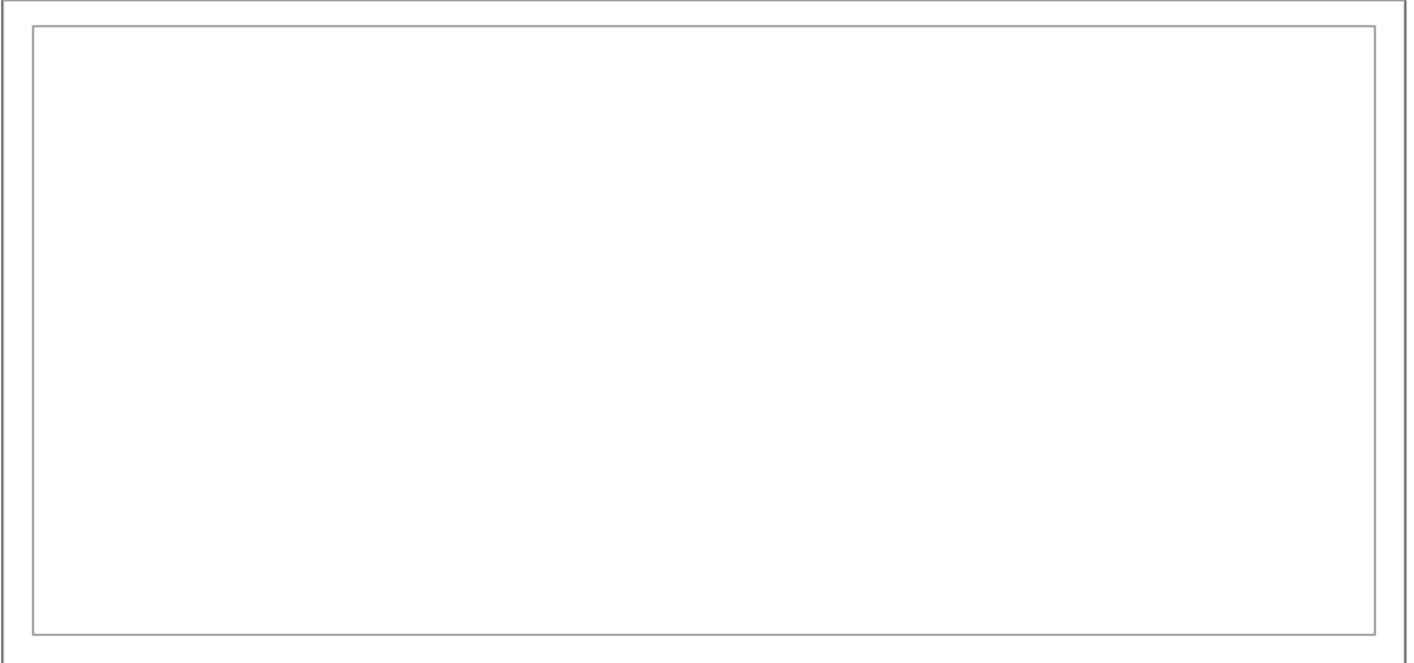
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‘What are business objectives?’

Can you write a paragraph or two explaining what you mean by business objectives, using as many of the words in the word search as possible?

## Activity 2

Can you write a paragraph or two explaining what you mean by business objectives, using as many of the words in the word search as possible?



# Financial objectives

## Getting the sums right

Tourism businesses can set a range of financial objectives over a period of time which may relate to:

- Revenue - the amount of income received
- The total value of sales of products and services
- The costs of operating the business
- The profit or loss made by the business
- The wages and salaries paid to employees of the business
- Loans and other forms of finance to operate the business

Tourism businesses may set a range of financial targets depending on their scale and other factors.

# Social objectives

Tourism organisations set social objectives to show that they are a good employer or to develop a good relationship with the community where they operate. Social objectives are more about the welfare of employees and being a good neighbour than they are about making a profit.

At the same time, tourism organisations are increasingly aware of what is known as ethical trading. For example, should a theme park sell items of clothing from Third World countries which has been made using child labour or in a 'sweatshop' factory? Should a hotel provide food such as chicken which has been produced by factory farming? Should a tour operator offer excursions which involve exploitation of the local people?

## Activity 1

Consider the different views of the representatives of tourism organisations expressed below. Have a discussion or debate with your classmates about the different opinions.

## The attraction owner

### View 1

I have to make as much profit as possible. I buy cheap T shirts from abroad and have our logo printed on them. They sell well and I don't care where they are made. I know some of the souvenirs are a bit tacky, but we make a good profit on them.

We employ an agency to do our cleaning overnight. I don't really bother about where they get their labour from. They're cheap and they do a good job. It's cheaper than me employing cleaners.

### View 2

We care about our image and reputation with our customers and the local community. Most of what we sell in our souvenir shop is produced locally and reflects local culture. It costs a bit more and I know that some customers complain about the prices.

Most of our cleaners are the sons and daughters of our permanent staff. We need more labour in the summer high season so we are able to put some extra money into the pockets of families who work for us.

We do our best to ensure that our food is sourced from local producers wherever possible. We inform our guests and customers about the farms from which meat and other produce has been purchased.

We also have a coffee shop which we staff. We ensure that our coffee and tea is 'fair trade' and we offer cakes and pastries produced by a local independent baker.

## **The tour operator**

### **View 1**

Most of our customers want to stay in hotels where they can eat food they are familiar with and drink brands of beer and lager they recognise. I know that the hotels cut corners where they can with the quality of the food, but nobody seems to complain. We tend to employ staff from the UK because it solves the language problem and we don't have to train them.

Spanish and flamenco nights are always popular. I'm not sure that all the dancers are Spanish - but it's not my problem. We get a good commission because our clients tend to drink a lot.

### **View 2**

We do what we can to ensure that our clients have the opportunity to experience the food, drink and culture of the region in which they are staying. Hotels are required to provide local dishes and offer local wines. We tend to choose hotels for our clients where a high proportion of the staff are from the local community.

Our excursion packages tend to feature local cultural attractions and historic monuments. We use local guides which provide our clients with information about the region which they find interesting.

## **Activity 2**

## **Notice**

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Having discussed or debated the above statements, write a short essay entitled 'Ethical Issues for Tourism Organisations'.

## Activity 2

Having discussed or debated the above statements, write a short essay entitled 'Ethical Issues for Tourism Organisations'.

## Activity 3

In the table below is a list of items which a theme park could set as social objectives. Read through the list and tick 5 objectives which you consider to be the most important. Discuss your choices with your classmates.

Our objective over the next year will be to:

- Ensure that all our employees are paid 50p per hour more than the minimum wage.
- Provide all our permanent staff with 5 days of training.
- Employ 5 new staff with additional or special needs.
- Ensure that for all our permanent employees, their family members are provided with free annual passes.
- Ensure that at least 50% of the food sold on site will be produced in the local area.
- Ensure that there is no noise from the park after 11 pm at night.
- Ensure that all souvenirs are produced ethically and not employing child labour.
- Ensure that all applicants from the local area are invited for interview.
- Employ at least 10 apprentices from the local area.

- Ensure that all employees working after 9pm at night are provided with free transport home.
- Ensure that all our permanent staff are offered free private medical cover.
- provide all our staff with a canteen facility with subsidised meals.

## **Activity 4**

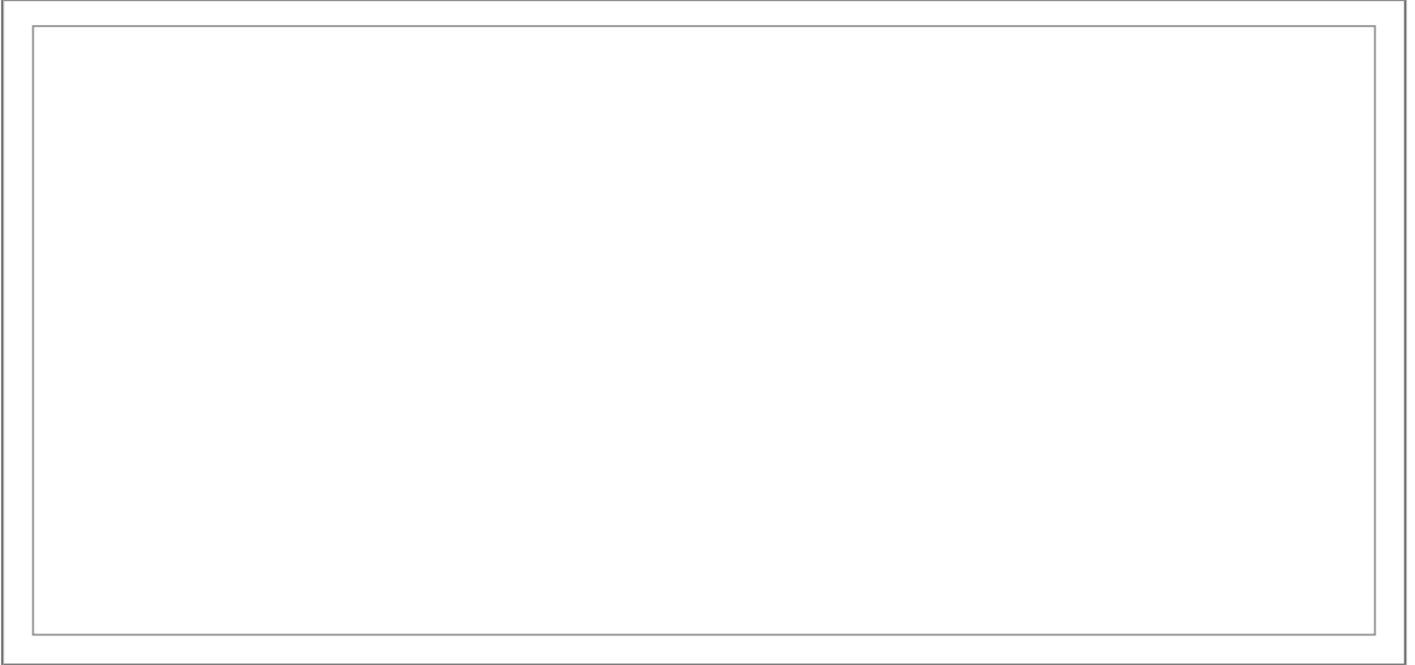
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Explain how you decided on your 5 choices.

## Activity 4

Explain how you decided on your 5 choices.

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# Business objectives

Business objectives are what tourism organisations want to achieve going forward. Without clear objectives and a clear understanding of what the business wants to achieve, the business is more likely to fail or struggle. Very often, businesses produce a mission statement which puts into words what a business is trying to achieve.

Read the extract in the box below, taken from a business management manual, about different types of business objectives.

- **Profit Maximisation.** The most basic model of a firm assumes firms wish to maximise their profit. They will do this by increasing revenue (increasing price, quantity of goods sold or reducing costs). Higher profits enable a firm to pay higher wages, dividends to shareholders and survive an economic downturn.
- **Growth Maximisation.** An alternative to profit maximisation is for a firm to try and increase market share and increase the size of the firm. They can do this by cutting price and increasing sales. Growth maximisation may come at the expense of lower profits.
- **Social / ethical concerns.** An organisation may not be motivated by money but may seek to offer a service to the local community. They may voluntarily take decisions which help the environment / local community. Many big companies now place a key role on promoting their ethical policies.
- **Corporate Image.** Related to social / ethical concerns is the image / brand of a company. It may wish to project a certain image and brand.
- **Stakeholders Well Being.** A company may also be concerned about the welfare of its stakeholders – suppliers, workers and customers. For example, giving training and long-term job security to its workers.
- **Survival.** For many businesses, it seems a matter of surviving – breaking even. In desperate times, firms may be forced to sell off assets to keep their creditors at bay. For many small local businesses struggling in a highly competitive market, survival may be the best they can hope for.

## Activity 1

### Notice

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Having read through the information, explain how each of the factors in the box might be important for tourism organisations. Try to write 4 to 5 lines for each factor. The first one has been done for you.

### **Profit Maximisation**

Profit maximisation is important for Alton Towers because the company needs to continue to invest in new rides so it can continue to attract customers. Major new theme park rides cost millions of pounds to design and install, so profits are required to invest in the new rides.

When you write an explanation, it is easy to use the word because regularly. For example: The airline serves free drinks in business class because.....

The information below provides ideas about alternatives to using the word 'because' too often.



Considering that: This phrase is essentially identical in meaning to “as long as” and “being as” and its variants.

Due to: Like “as a result of,” “due to” is a preposition, rather than a conjunction like because, and is used in place not of because alone but instead of “because of.” It applies specifically to an explanation of why something occurred or will or will not occur, as in “Due to the large number of applications, we cannot respond individually to each applicant”.

For: This substitute for because is reserved for poetic usage, as in “Let us eat and drink, for tomorrow we die”.

In as much as: For example: “In as much as his account has been discredited, I wouldn’t believe anything else he says.”

In view of the fact that: This phrase is identical in sense to “in as much as”.

Out of: This phrase applies to explanations of emotion or feeling — for example, “She asked out of compassion” or “Out of spite, I refrained from passing the message along”.

Owing to: This phrase is equivalent to “due to”; the two choices are more formal than “because of”.

Seeing that: This phrase is identical to “considering that”.

Since: For example, as in “Since it had rained, we didn’t need to water the garden”; the reader might not realize until reading the second half of the sentence that the sense is causal rather than temporal.

Thanks to: This equivalent of “because of,” despite the wording, can apply to either a positive or a negative outcome; “Thanks to your meddling, we’re receiving much unwanted attention,” demonstrates the latter sense.

Through: Through is a preposition; it takes the place of “because of,” as in “Through the efforts of these charities, the city’s homeless services have been reinstated”.

Now you are ready to create your explanation. Use as many of the alternatives to ‘because’ as you can, but make sure that you use them correctly.

# Political objectives

All tourism organisations have to relate to local and national governments. Tourism organisations pay taxes and rates and they must comply with rules and regulations such as health and safety and disability laws.

Often, tourism organisations set political objectives which make sure that they are not breaking the law or gives them an advantage in some way.

# Environmental objectives

As in many other industries, over the last 20 years tourism organisations have become more aware of environmental issues and now set a range of environmental objectives. This ensures that the organisations continue to do as much as they can to protect the environment.

There is a wide range of terms which are used relating to environmental concerns and practices.

## Activity 1

In the table below terms and phrases about environmental concerns have been split into halves. Can you join the correct halves together?

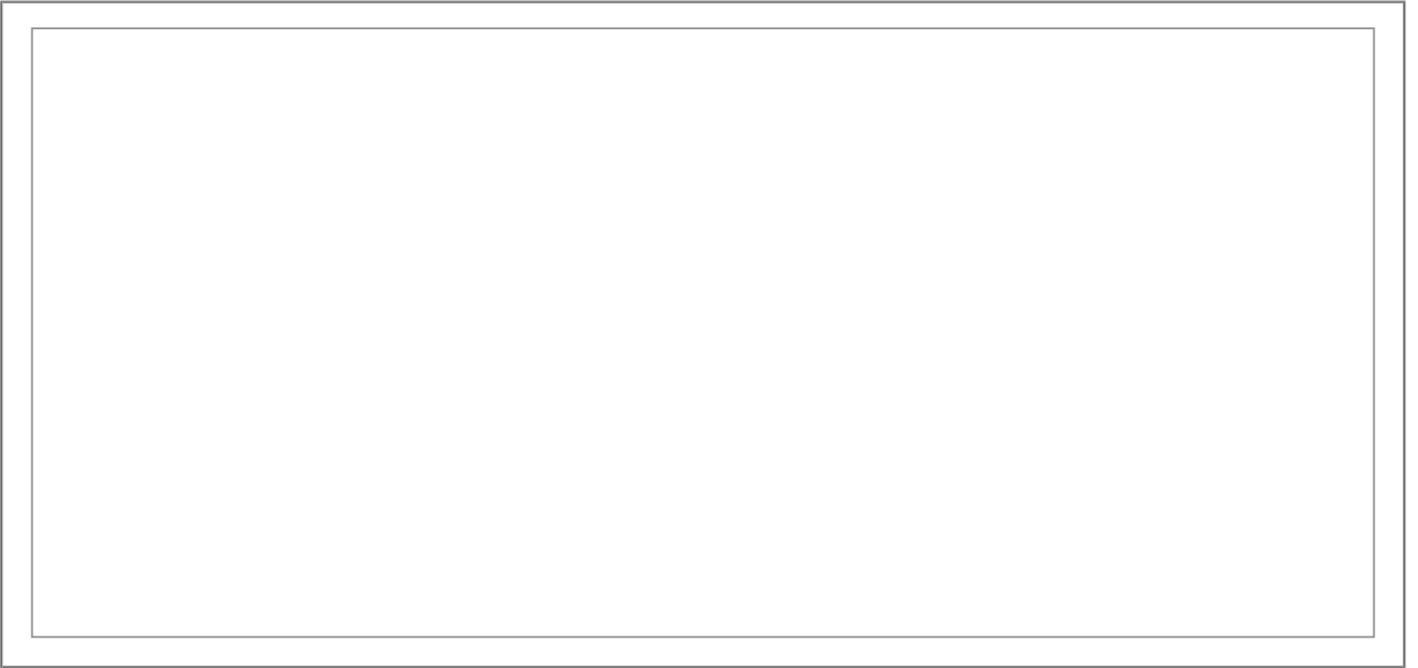
## Activity 2

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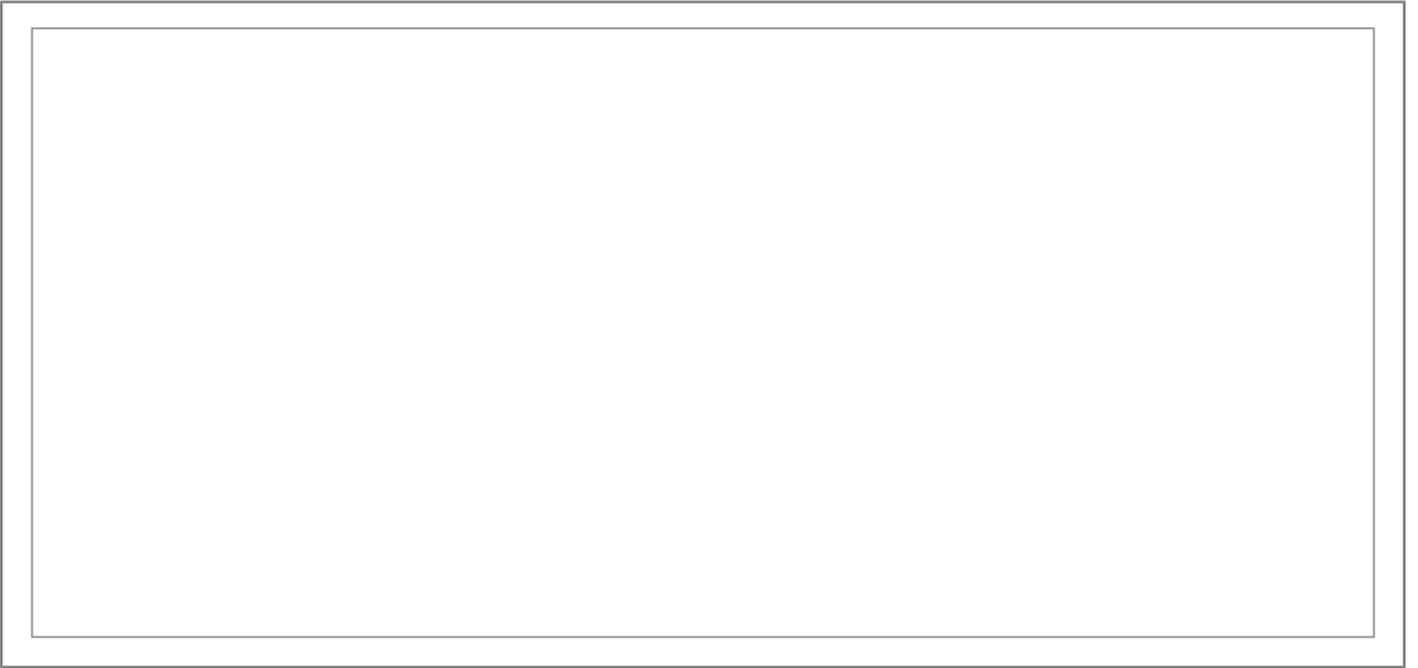
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Having completed the activity above, choose 3 of the issues to produce three environmental objectives which could be used by large attractions such as theme parks.

## Objective 1

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## Objective 2

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## Objective 3

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## Activity 3

### Notice

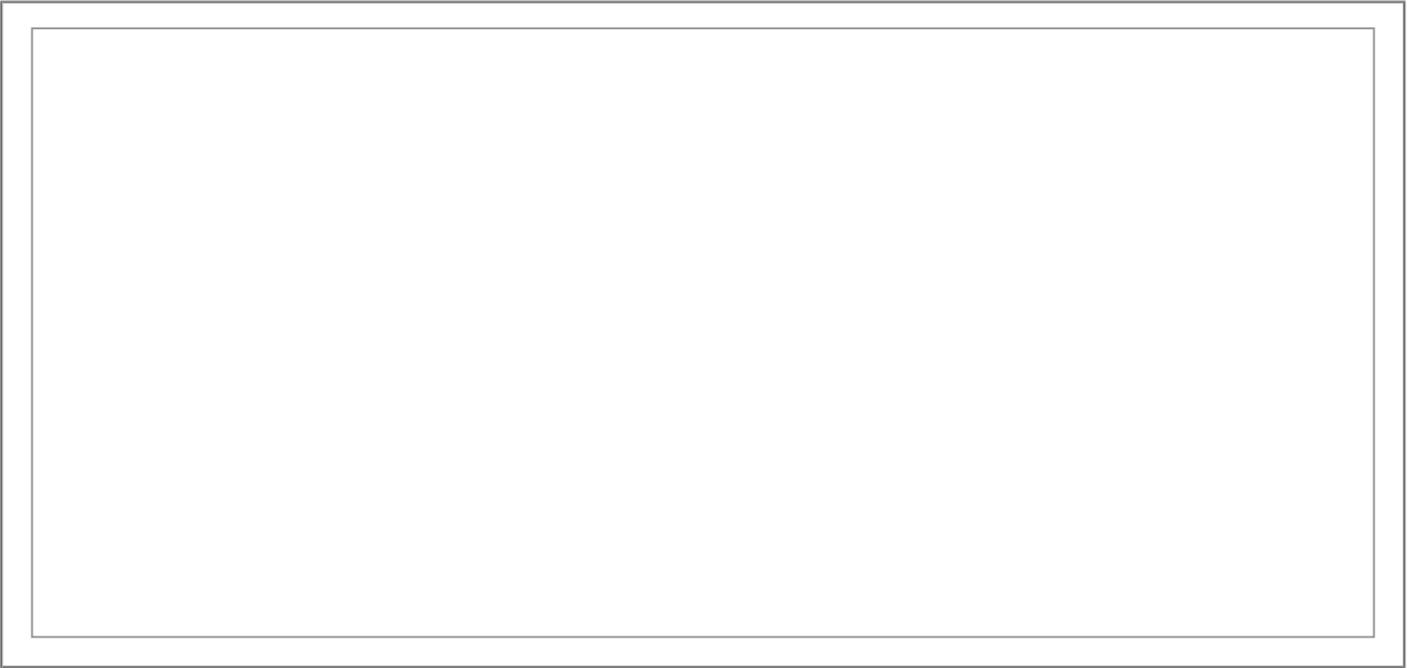
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Having completed the table above, choose 3 of the issues to produce three environmental objectives which could be used by a large hotel.

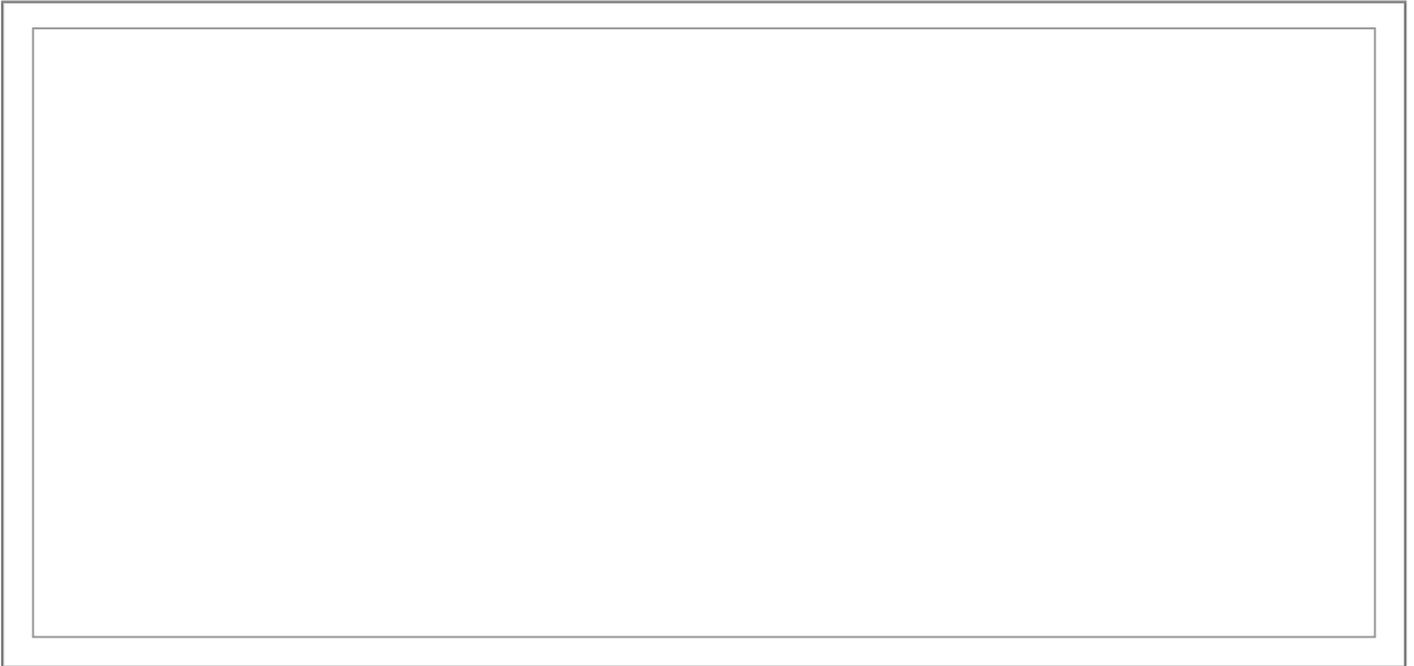
**Objective 1**

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## Objective 2

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## Objective 3



## Activity 4

### Notice

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Read the information below about a hotel in Greece which has been given an award for its environmental practices.

The Castelli is a charming traditional hotel with modern facilities. The beautiful green surroundings complete this unique picture. A warm welcome awaits you at the Castelli.

Located at Agios, a tranquil location of Laganas bay where the sea turtles lay their eggs, this family run hotel offers an inviting pool area with a snack bar serving delicious dishes and Greek meze. The hotel's buffet breakfast features famous home-made cakes made from organic eggs from the hotel's own farm. There is also a lobby bar and an internet corner.

The hotel works towards one specific goal: creating a memorable holiday experience.

- Organised bike hire and horse riding on suggested routes
- Valued repeat customers

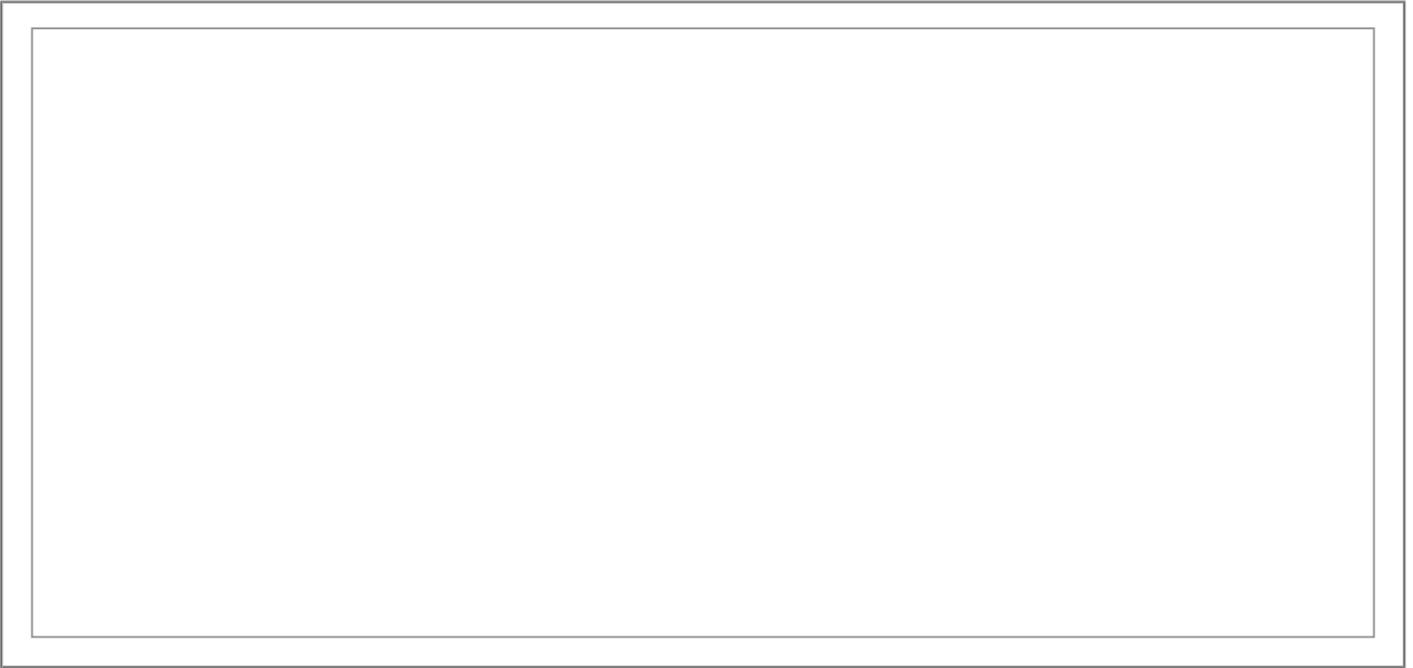
- Exquisite location
- Uses produce directly from the hotel's own farm
- Opportunity to visit sea turtles without disturbing the environment
- Personal service with only 54 rooms

Having read the information, suggest two environmental objectives which could be used by the hotel.

**Objective 1**

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## Objective 2

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# Have a go at this

## Activity 1

For each of the tourism businesses below, produce two suitable objectives for the following year. (Do not use an objective more than once!)

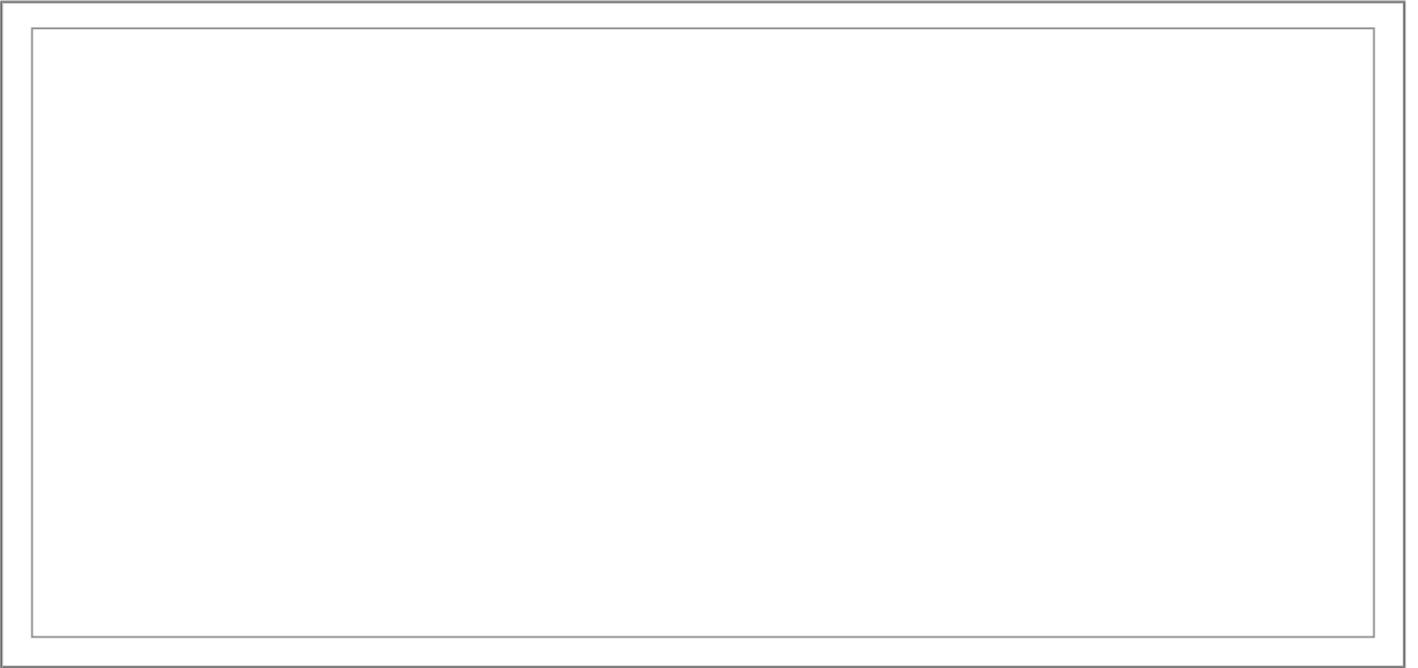
## Scenario 1

### Notice

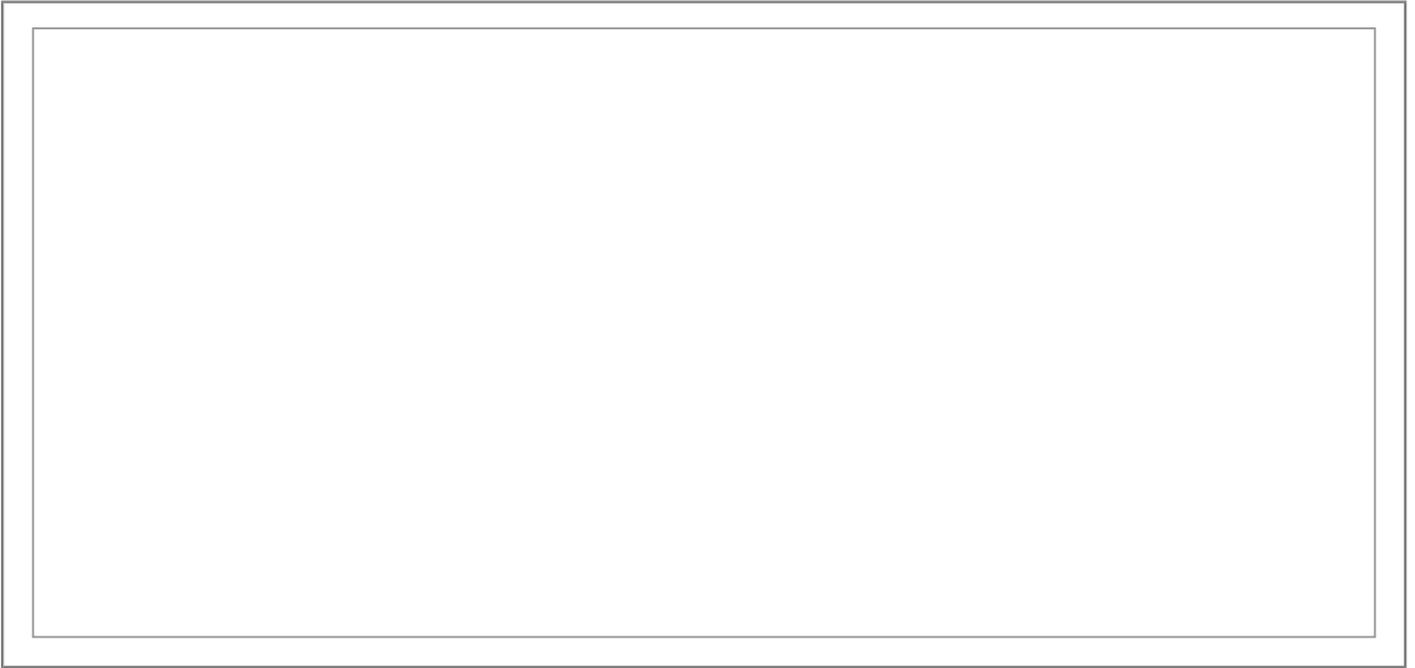
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The owners of Home Park Farm have decided to develop a farm attraction which will include tours of the farm and a chance to see a range of rare breed animals. There will also be a range of home-produced foods on sale. The owners have borrowed £25,000 from the bank to set up the attraction.

## Objective 1

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## Objective 2



## Scenario 2

### Notice

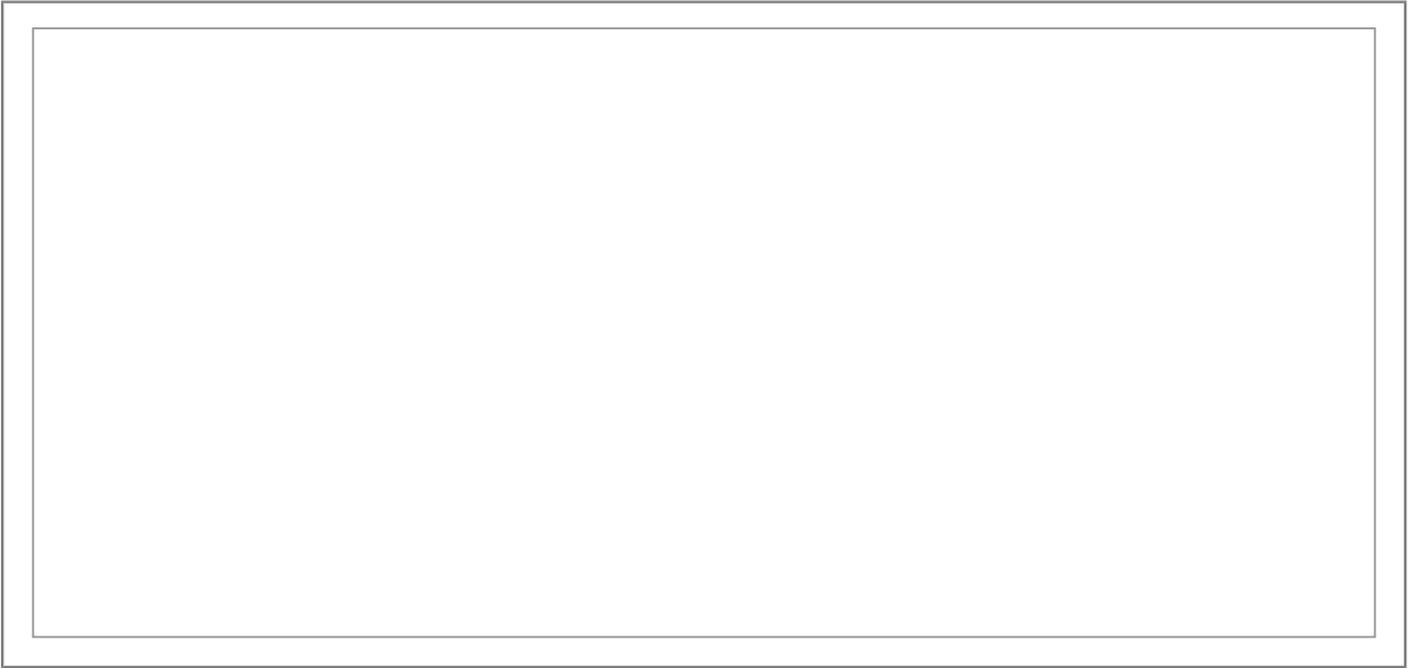
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Cambrian Airlines is a new business and has recently launched three routes from Bristol to Paris, Rome and Barcelona. The airline operates two aircraft which can carry 138 passengers each. Each of the aircraft cost £35 million, which has been borrowed from a bank.

**Objective 1**

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## Objective 2



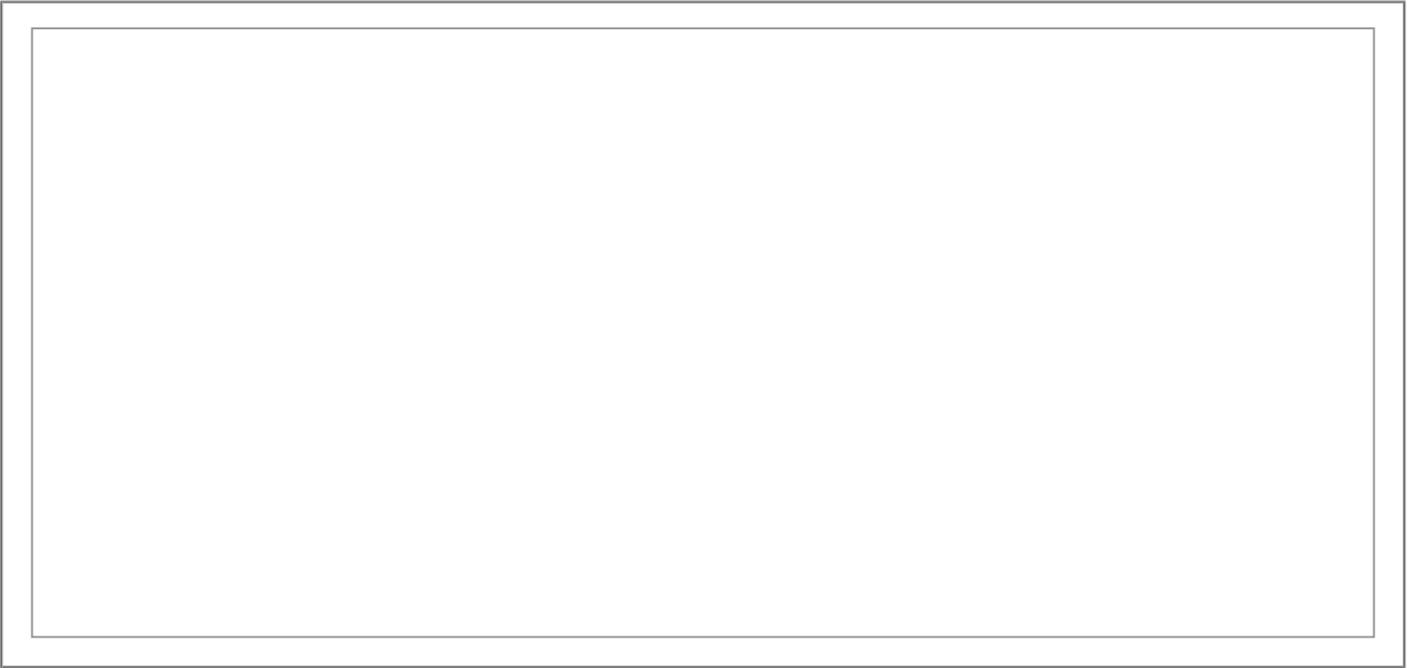
## Scenario 3

### Notice

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Thrills and Spills theme park made a loss of £750,000 last year. Many of its customers were not happy with the range and quality of the rides. There were also complaints about the poor quality of the food available and the cheap T-shirts and other souvenirs available.

## Objective 1

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## Objective 2



## Activity 2

Discuss your answers with your classmates and your teacher.