

## ITM BA 2. Sem. 8035: Special Tourism Management - Tourism Politics, Globalization, Sustainable and Responsible Tourism - Tu 11.45 - 13.15 h, Audimax II

### TOURISM AND GLOBALIZATION

#### Stages in the Globalization of Tourism (after Anne-Mette Hjalager, Aarhus)

PDF: [Here](#) (Annals of Tourism Research, Vol. 34, No. 2, pp. 437-457)

There is more to the globalization of tourism than cross-border flows of customers and purchasing power. This paper distinguishes four stages and different manifestations of the globalization of the tourism industry, and shows that it, like many other business systems, is undergoing an irrevocable globalizing process. Outsourcing, transnational ownership structures and investments, cross-border marketing collaborations, the purchase and sale of knowhow, and the free movement of labor are developments not confined to manufacturing alone, but are also highly relevant for the modernization of tourism. It and media logics are converging, and the scene is global. New policies that proactively include the potentials of its globalization are called for.

Globalization is a restructuring process that works across units and affects all aspects of human life: from capital flows, through political collaboration, to the flow of ideas. It also includes environmental pollution, criminal behavior, disease, and, ultimately, terror. Travel and tourism are among the many causes and results of globalization processes.

#### Four stages of Globalization of Tourism:

The model consists of four stages.

**Stage one** embraces the attempts of the national tourism system to reach out to new markets.

**Stage two** describes the integration and incorporation of its business across borders.

**Stage three** addresses the fragmentation and flexible relocation in space of production processes.

Finally, in **stage four**, the industry identity will be challenged, and new market types and business concepts will appear that go beyond previous definitions of tourism.

Although the model suggests a logical progression toward the last more complex phase, in

practice they overlap.

The *basic assumption* of the model is that, by embracing globalization in stages, individual firms, destinations, and countries may be able to

- control costs,
- gain market shares, and
- enjoy access to competencies and other important resources.

By joining still more complex international networks, tourism agents can address institutional and investment pressures at home.

Globalization is further enhanced by developments in information and communications technologies and transportation opportunities. In principle, actors in the tourism system will experience a gradual, albeit inevitable, need to take account of the next phases and to adapt to the subsequent opportunities and competitive forces.

*Another assumption* is that the evolutionary process takes time. Along the way, specific organizations may become obsolete, and established routines and modes of operation will lose effect. New patterns will emerge, possibly after painful transformations. However, this process will not evolve in parallel in all countries and all continents. On the national scene, some segments of the economy will be more advanced in the globalization process than others, thus contributing to the complexity. The pace of globalization may be affected negatively by, for example, increased energy prices.

**Table 1. Stages in the Globalization of Tourism**

Features	Low Globalization Profile			High Globalization Profile
<b>Stage title</b>	<b>1. Missionaries in the markets</b>	<b>2. Integrating across borders</b>	<b>3. Fragmentation of the value chain</b>	<b>4. Transcending into new value chains</b>
Logic	Access to profitable new markets for existing products	Utilization of market access and brand profiles in foreign markets	Creating profitability in services and getting access to specified material and immaterial resources	Adding value by integrating economic logics in other sectors
Manifestations in the tourism sector	A. Tourism board representation and operations in the markets B. International marketing collaboration by regional/national tourism enterprises C. Market expansion of larger tourism corporations	D. Transnational integration through business investments and mergers E. Import and export of business concepts through franchising and licensing	F. Splitting the value chain, outsourcing G. Flexible human resourcing and enhancing of the international labor markets	H. Development, production and marketing of knowledge I. Sales of market positions and brand extension and spin-off J. Tourism in the global media production

Basically, globalization in tourism is not a new issue, and the industry has been undergoing an internationalization process for decades. However, it is suggested that new trends in

stage four tend somewhat to change the nature of tourism operations. For example, there is no doubt that the quality of employment and earnings is better in connection with the stage-four-transcending economy, including the media, consulting, development, and so on, than in the traditional low-skills, low-earnings delivery of services. The paradox, of course, is that this employment is almost solely reserved for the well-educated laborforce, and that there are fewer jobs available.

The belief among some government and local tourism bodies that employment will be unaffected by the mechanisms of globalization are, at best, naive. Some segments of the industry will be able to benefit, while it is likely that others will face considerable hardship and increased competition. There is a particular need to address the political implications of globalization in much greater detail and to develop new policy models accordingly.

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