

To Chiara, Valeria, Luca, Jacopo, Giorgio, Matilde

Introduction

Tourism as we understand it today, with vast numbers of people on the move, began towards the middle of the twentieth century. Only a few countries were involved, ones that were fortunate in terms of geographical position and natural and artistic beauty; virtually all of them, including Italy of course, were bathed by the Mediterranean.

Tourism in those days was called “*going on holiday*” and tourists were “*holiday-makers*”. For those who could afford them, holidays were often taken in the same place year after year, and perhaps for three or four weeks consecutively, i.e. for the whole time that it was possible to get away from home and the workplace. These were *the* holidays.

Where tourism existed it flourished and thrived on monopolistic factors, with numbers in continuous growth and easy to plan for. Holiday-makers had simple requirements that were easy to satisfy and investments guaranteed secure yields in a context that was still unburdened by excessive regulation.

The sea held sway with a season that lasted less than four months per year, but which was still often enough to guarantee a good income for the entire year. Tourists flooded in, particular into the Mediterranean, especially from Great Britain, Germany and then the other European countries and the United States. There were few others nationalities, almost exceptions. Travelling, especially far away, was not easy and was quite expensive.

And so the most common means of transport was the car, followed closely by the train. In many countries, and in some more than others, tourism was still not seen as a real economic sector; few people bothered with it and it essentially centred on the hotel industry.

Sixty years have passed since then and the situation has changed radically. Thanks to the progress made in the transport sector it has become possible for almost every country in the world to engage in tourism after realising that it is an economic sector that can provide extraordinary opportunities for growth, with the creation of revenue and jobs.

Today tourism is recognised as one of the most promising *capital saving and labour intensive* sectors of the world economy; one that is growing and that will continue to grow more for many years at steady rates. Several factors contribute towards the formulation of these rosy forecasts and these unquestionably include higher world population, the constant growth of the average per capita income and, obviously, the benefits offered by a vigorous global competitive framework that is growing exponentially.

In addition to this is another extremely important component: travellers' behaviour has changed radically in recent decades, especially since 2000.

Today the trip, the holiday, the break from everyday routine, and the desire to discover and get to know new places and other worlds, have become much more important than they were just a few years ago and have been climbing step by step up the ladder of our priorities.

The tourism of the past when operators' success was guaranteed and linked to the shrewd foresight of an eager entrepreneurial class is a distant memory. Today, in a much more dynamic, articulated, changeable and highly competitive environment, nothing can be left to chance and to spontaneity. What dominates in travelling and holidaying nowadays are the search for knowledge, satisfying one's curiosity and desires and living different experiences, for weekend breaks or for longer periods, and but ones that are scattered over the entire year.

The sea, the mountains and cultural centres the cities of art have gradually been joined by hundreds of new destinations all over the world, located outside the traditional tourist circuits. Thanks to traditions, fiestas, events, and local tangible and intangible products and distinctions, any place can become an interesting tourist destination. As a result, designing new tourist products and planning for them is taking on innovative contours that respond adequately to the new demand generated by increasingly informed and demanding tourists who make decisions quickly and are attentive to the environment and its sustainability.

Tourism has therefore become a highly complex and multifaceted sector that calls for new skills and roles and, above all, for the involvement of lots

of new actors: no longer the old vertical supply chain with a hotel at the centre and a few services around it. Today, partnering and collaboration and the networks associated with them have become horizontal and transversal; they expand and interweave even with areas that are seemingly distinct and distant from tourism, but which, taken as a whole, are capable of creating high-content synergies, generating interest and becoming identities. They are therefore capable of transforming themselves into a tourist product.

We have been accustomed, for many years, to pigeonholing tourism into categories such as seaside, mountain, spa, cities of art, religious, business, sport and so on, i.e. on the basis of the traveller primary interests.

Today, however, these subdivisions can seem insufficient for an adequate representation of the real situation. The interaction between tourist attractors, on the one hand and, on the other, sectors such as farming or culture in the broadest sense – those that are open to the contemporary, to music, design, fashion and big events – has become an essential and indispensable component of the tourist experience. The result is a complex picture and, in reality, an enrichment that has also contributed to radically modifying tourist consumption in the present day.

Today's tourists, with their new categories and clusters of millennials or of grey-haired globetrotters, have quite different rhythms, curiosities and interests than they did in the past, and these have a crucial effect on the variables in the dynamics of the tourist business such as seasonality: length of stay, booking times, where to eat, what to see and what to buy. All of this is obviously the result of developments in ICT and in the computerisation of tourism which have opened up paths that will take us a long way towards destinations that we can only imagine at present.

Everything has become easier, more immediate, available and cheaper for tourists. Tourist guides and maps have become obsolete, or niche products at best. We can get all the information we need from the Internet, social media and apps available today, whether it is a question of finding the nearest petrol station, museum opening times, restaurant menus, the price of a bottle of wine or the opinion of someone who has bought and drunk it. Everything is easy and within arm's reach. Technology and its tools have invaded our lives, in a certain sense imposing on us their languages, rhythms and rules to which we have become accustomed and adapted.

In a context like this one, of new tourists, new destinations, new prod-

ucts and new business models, tourism proposals that are promoted and marketed along traditional lines no longer have any sense and cannot find any space.

So what will happen in the coming years? Technological progress and the economic development of new areas of the world will unquestionably feed the expansion and sweeping transformation of tourism for as long as this is not thwarted by international political instability. New markets will open up and the current ones will be consolidated, we will dialogue in real time with our hotel or with our Airbnb guests using increasingly sophisticated smart devices, we will cruise on bigger and bigger ships and travel on faster and faster trains and many of us even by bike. But who will we be, where will we go, and what will we want to do? And how will tourism enterprises have to respond to these changes? How will we guarantee the sustainability of this enormous development of tourism? This is what this book wishes to unfold.

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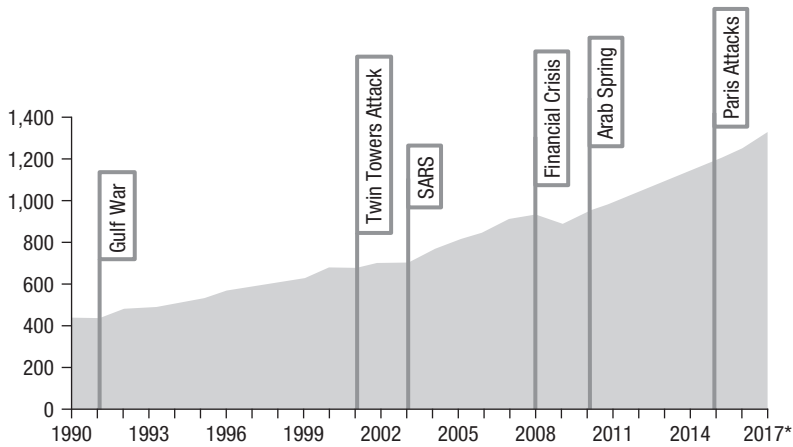
1 2012: the Year of Tourist No. 1,000,000,000

In 2012 the United Nations World Tourism Organization (UNWTO) announced that if the growth rates of international arrivals were to remain at current levels, the 1 billion traveller mark would have been passed by the end of that year. And so it was: this milestone was reached on 13 December 2012 and the year closed at the end of that month with 1.035 billion international tourists around the world. This was an exceptional achievement, for at least two reasons: because it meant that on average one person in seven travelled beyond the borders of their country in 2012 (whether for business or pleasure is not important) and because tourism flows had increased 260% in the 30 years since 1982. Moreover, these growth rates only referred to outbound tourism flows and therefore did not consider all the tourism generated by a country's residents within its own national borders: for many countries this represents over 50% of the total.

Growth is therefore impressive for a sector of the *old economy* that has always existed; at least from the days of the Grand Tour onwards. Yet tourism has maintained its growth in a constant manner year after year despite the occasional backslide due to world crises such as the Gulf War, the Twin Towers Attack, the SARS epidemic or the 2008 financial crisis.

The 2018 forecasts tell us that this trend will continue at least until 2030, the year in which it is predicted to hit a figure of 1,800 billion international arrivals. Today these numbers make tourism one of the most interesting sectors of all, also thanks to its pervasive and transversal effects on the local economies and its ability to generate employment. And, given the low barriers of entry into the market, this is true for any country: potentially any location with a minimum of attractions and the ability to structure and promote a product can, in fact, compete to attract tourists.

Figure 1 International arrivals around the world (tourist arrivals received, million)



* provisional data

Source: Elaboration from UNWTO 2018 data

How did we get to this point? What has changed in tourism today since the days in the last century when fathers took the whole family to a holiday resort for the summer and came back to the city to work as was the case in the famous film, *The Seven Year Itch*.

It is interesting to recall the fundamental stages in this evolution as they allow us to admire the variety of factors that permitted the development of contemporary tourism – from technological innovation to progress in transportation, from international political stability to improved health safeguards – and also the variety of people and businesses that have contributed to the story.

So, just as we reconsider the way our lives have changed over the years, from clunky phones with rotary dials to the mobile and smartphone, it is worth recalling a few fundamental figures behind the transformation of people from travellers into tourists and who contributed to building an economy which was worth 7.2 trillion dollars in 2016: about 10% of global GNP and employing over 280 million people.

1845. An iconic year in history of tourism: this was when the British evangelist and entrepreneur Thomas Cook (1808–1892) opened the first travel agency in London. The development of the railways in Britain in 1830s

Table 1 The scale of global tourism

10% of World's GDP (direct, indirect, induced)
118 million people directly employed in the sector
1,323 million International Tourist Arrivals
1,340 billion International Tourism Receipts

Source: UNWTO and WTTC, 2018, data 2017

had made it possible for a growing number of working class people to take daytrips to the seaside or city for just a few shillings. Various associations had already been organised for such trips away from home by train. What set Thomas Cook apart, however, was that he engineered the product: in 1844 he entered into an agreement with Midland Counties Railways for the organisation of train excursions. Then, the following year, he founded his first agency and in just a few years expanded its activity abroad, in particular towards Italy and France, and especially for the 1855 Universal Exposition in Paris.

Cook's gravestone in Leicester reads:

*Pioneer of travel. Founder of the world's largest travel organization.
First excursion Leicester to Loughborough 1841. Round the world 1872.
He brought travel to the millions.*

He brought tourism to the masses. Over the years the group he created became one of the colossi of international tourism with annual revenues in 2017 of €8 billion and boosting 20 million clients.

1872. The Compagnie Internationale des Wagons-Lits et du Tourisme was founded in Brussels, the main shareholder being the king, Leopold II (1835–1909). This was a firm for managing luxury railway services in the sleeper, catering and saloon car sector, which became fully operational in 1876 when the first sleeper cars in Europe came into service (they had already existed in the United States since 1859) and allowed passengers to travel while asleep as the advertisements of the time announced.

Then 1883 saw the start of service of the Orient Express, the world's first luxury tourism train and one year later the Compagnie Internationale des Wagons-Lits founded the Compagnie Internationale des Grands Hôtels, the first chain of luxury hotels in major cities. The first hotels

included Hôtel Terminus in Bordeaux and the Pera Palace Hôtel in Istanbul, built in 1892 for passengers travelling on the Orient Express, Hôtel de la Plage in Ostend, Belgium, and the Grand Hôtel des Wagon-Lits in Beijing.

1901. In the UK, Thomas Hiram Holding (1844–1930), a tailor of humble origin, founded Association of Cycle Campers, then the Camping and Caravanning Club. Holding, an enthusiastic traveller, had decided to visit the Scottish Highlands, combining stretches by canoe and nights in a tent. Then during later trips in Connemara in Ireland he not only took his tent but also his bicycle.

It was from these first excursions that the idea of camping was born. In 1906 the Association of Cycle Campers opened in the first campsite at Weybridge in Surrey and, in 1908, Holding wrote *The Camper's Handbook*, a practical guide to camping, which became a rapid success. The birth of the Association of Cycle Campers was followed by the establishment of many other groups scattered across Europe such as the Camping Club de Belgique (1912) and, in Italy, the ACCP (Auto Campeggio Club Piemonte).

1919. Conrad Hilton (1887–1979) purchased his first hotel, the Mobley Hotel in Cisco, Texas, in partnership with his father, Albert, a New Mexico businessman. Thanks to his business acumen, in just a few years Hilton built the first hotel bearing his name, in Dallas, and began his unstoppable rise which survived the Great Depression and the Second World War. It led him to completely transform the hospitality world and create one of the world's greatest hotel businesses, with over 4,600 resorts and timeshare structures, and more than 758,000 rooms in 100 countries.

In 1947 the Roosevelt Hilton in New York was the first hotel in the world to install TV sets in its guest rooms and Conrad Hilton was the first hotel entrepreneur to grace the cover of *Time* magazine (in 1949 and again in 1963).

1927. The Italian Labour Charter established an “annual paid holiday rest period”. Workers’ rights and paid holidays were behind the development of mass tourism, along with the rise in disposable income.

The country that first conceived a paid holiday period extended to all workers was France in 1925 (in the UK the 1871 Bank Holiday Act only

referred to part of the population), but it was not until 1936 that the law was promulgated by the Front Populaire.

It was Italy, however, that in 1927 extended the right to paid rest days to the entire population. The Italian Constitution (Art. 36) later extended the inalienable right to holidays to every worker.

1949. The New York businessman, Frank X. McNamara, head of the American Hamilton Credit Corporation, invented a card for the credit payment of a series of accredited New York restaurants and hotels. Initially the little rectangular Diners' Card, as it was called, was not a great success and it was necessary to wait until the mid-1970s before the credit card began to catch on, also thanks to the arrival of VISA and Mastercard.

Though the credit card is clearly not a tourist invention, its introduction considerably facilitated international travel and progressively replaced *traveller's cheques*. These cheques, which could be purchased from banks and other financial institutions, allowed tourists to carry the sums of money they required for their trips without worrying that their cash could be lost or stolen, and were widespread all over the world until the middle of the 1990s.

Figure 2 Club Med Card 1957



Source: Wikimedia

1950. The first posters appeared in Paris announcing:

For 15,000 Francs: Vacation in the Balearic Islands with Club Méditerranée... a new and friendly vacation program, a comfortable tent village, the most beautiful sites in the Mediterranean, a large and devoted staff, all Mediterranean sports, fast and comfortable journey, quality entertainment.¹

To the surprise of the man who had made the offer, Gérard Blitz (1912–1990), a Belgian entrepreneur and water polo player, 2,400 people signed up, attracted by the idea of two weeks all-in in Majorca, playing sports and dancing on the beach, and enjoying convivial moments with good Mediterranean food and wine. In reality, the offer consisted of 36-hour trip by train and ship and the accommodation consisted of surplus American army tents. Nevertheless it was a great success and the beginning of the glorious story of Club Med and of holiday villages.

1955. In parallel with the development of the first holiday villages in the Mediterranean, a new leisure concept – destined for unstoppable global success – appeared in the United States in the mid-1950s: the theme park.

“It all started when my daughters were very young, and I took them to amusement parks on Sunday. I sat on a bench eating peanuts and looking around me. I said to myself, dammit, why can’t there be a better place to take your children, where you can have fun together?”²

And so Walt Disney (1901–1966) invented that “better place” and called it Disneyland. It open its gates on 17 July 1955, in Anaheim, California, welcoming the first visitors to a magical world made not only of fairy tales and cartoon characters, but also incorporating an advanced reception and hospitality culture, founded on enormous research and technological innovation. Today, the top 25 theme parks in the world attract over 220 million people each year with annual visitor growth rates of over 4%. The Walt Disney Attractions group is the absolute market leader with over 134 million visitors in its ten main parks, scattered over three continents.

1972. An American ship-owner, Ted Arison (1924–1999), founded Carnival. This company revolutionised the cruise sector, sweeping away its elitist aura with *fun ships* fitted with every comfort and form of entertainment, and designed for a vast public of all classes and ages. Starting from its first ship, the *Mardi Gras*, Carnival began its ascent to become the top cruise company in the world at the start of the 1980s, in a market enjoying continuous growth: in 1989 Carnival purchased the Holland America Line, in 1992 the Seabourn Cruise Line, in 1997 Costa Crociere, the leader in the European cruise market and then, in 1998, the Cunard Line. In 2003, after negotiations with the antitrust authorities of the European Union, Carnival also took control of Princess Cruises. Today Carnival has a fleet of over 100 ships, over 120,000 employees worldwide, and revenues

Figure 3 The cruise ship *Mardi Gras* moored at Montreal on 28 August, 1979



Source: Wikimedia

of \$17.5 billion (2017). In 2016, following the opening of diplomatic relations between Washington and Havana, the *Adonia* became the first cruise ship to dock in Cuba for almost 60 years.

1975. The World Tourism Organisation (WTO) was founded in Madrid. The UNWTO as it is today (it was transformed into a specialised United Nations agency in 2003) promotes tourism with a view to contributing to economic growth, to international relations, to peace, to the war on poverty, to universal respect and to the observance of human rights and fundamental liberties without distinctions of race, sex, language or religion. The agency collects and publishes the international statistics for the sector and works to identify new tourist destinations in order to ensure balanced distribution of tourist flows and encourage the economic and social growth of developing countries.

1987. Northwest Airlines 747 pilot and avid home workshop tinkerer, Robert Plath, devised a system for pulling a suitcase in an upright position by affixing a long handle and two wheels. And so the Rollaboard was born: originally conceived for the convenience of crews it soon became the rage in airport corridors and grabbed the attention and immense market of passengers. An early model of a case with wheels was patented in 1970 by Bernard D. Sadow, the manager of a Massachusetts company that produced luggage and overcoats, but it was not very functional as the case re-

mained in a horizontal position. Such was the success of Plath's invention that he was able to give up flying and establish the company, Travelpro. In just a few years airlines were forced to change the structure of their planes and spend millions of dollars (\$65 million for American Airlines and Continental alone) to adapt the overhead lockers for the new form of luggage, and airport designers had to envisage new travellers that could support the wheels of the cases, as well as trolley-size metal detectors.

1989. The Berlin Wall came down on 9 November. This event marked a pivotal moment in twentieth-century history not only from the political, social and economic standpoint but also for tourism. Free circulation between the two Germanies first of all, and then the progressive disappearance of the Soviet Bloc with the end of the Cold War, opened the way to reunification of one of the main destinations worldwide, made Europe and the world accessible to millions of tourists from the ex-socialist countries and triggered the development of tourism in the countries of Eastern Europe. By 2016 Germany was one of the main tourism players at global level with over 33 million international arrivals, highly developed domestic and outgoing tourism and a premier-league tourism industry: just think of TUI, the multinational colossus based in Hannover. Russia and the countries of the ex-USSR, on the other hand, are among the main tourism markets for Italy and many other tourism destinations, also in terms of growth rates.

1991. Ryanair had already been founded in 1985 by the Irish businessman, Tony Ryan. However it was from 1991 that the company as we know it today began its development, i.e. when the manager, Michael O'Leary, was charged with relaunching it. Using the no-frills approach of the American company Southwest Airlines as his inspiration, O'Leary adopted a new and highly aggressive strategy – based on essential services and low costs – to erode the European legacy airline market. Low prices were possible thanks to the savings made in the in-flight and ground services, which are generally provided by other full-service companies (airport lounge, catering, in-flight entertainment, frequent flyer plans, etc.), and to the use of a direct Internet sales channel, radical outsourcing policies, and secondary airports on the look-out for development opportunities that could offer Ryanair advantageous tariffs for airport services.

1996. Booking.com was founded in Holland and soon became world leader in the online bookings sector. This portal changed the world of tourism distribution forever, not simply in terms of the number of structures available but also because it allowed users to choose the solutions at the best guaranteed price (with rate parity clause) starting from the quality rating attributed to the hotels by the previous users.

Over 1.5 million nights are booked on Booking.com every day and the website – available in over 40 languages – offers 28,995,517 total reported listings, covering 140,419 destinations in 230 countries.

2000. Stephen Kaufer was aged 37 and wanted to organise a trip to Mexico. Unhappy with the glossy travel agency brochures, and with the intention of reducing the uncertainties in the quality of holidays, he designed a system for obtaining reliable information on destinations and services. And so TripAdvisor, a website dedicated to user-generated travel advice and linked to booking tools, was established in an office over a pizza takeaway in Newton, Massachusetts. Fifteen years later, TripAdvisor-branded sites (23 in all) constituted the largest community of travellers in the world with 456 million unique visitors every month, and over 660 million reviews and opinions on 7.7 million accommodation providers, restaurants and attractions. The sites operate in 49 countries and in 28 languages, and TripAdvisor employs 3,000 people around the world.

2016. An important if peripheral role is being played in the development of tourism – and in the technological evolution which accompanied its practices – by the colossus Google, which has especially targeted the B2B (*business to business*) market with the offer of services to destinations and operators, mainly in marketing terms. Furthermore some services, like Google Maps, have certainly had a significant impact on tourism while attempted innovations, such as Google Glass, generated great expectations in this framework. The attention of the American multinational to tourism has always been high, therefore, as demonstrated by the countless studies of the sector produced by it and by its presence at the leading trade fairs and shows. Google's full entry into tourism was confirmed in 2016 with the launch of Destinations: the idea was to provide complete and immediate answers on the smartphone to all the questions which users usually ask when organising holidays (what the best time to depart is, price levels, weather, hotels, museums to visit, and so on). If done from a mobile,

such searches become complicated as they mean opening lots of different windows and so also inhibit online booking processes. It is still not known what impact Google Destinations and other Google tourism products will have on the way tourism products are provided and sold. Google has got much more than just its eyes on the travel and holiday industry. According to some estimates it is already worth about \$100 billion (Skift, 2017) for the colossus as it operates on several fronts, from simplification of meta-searches to online booking and simultaneous translation services.

What we have just sketched are about 170 years of the history of tourism.

Without going too far back in time, from the invention of low-cost flights that can be booked online, to Airbnb, there can be no dispute that the progresses in transport and the new economy have not only given a fundamental boost to the development of the sector, but have also radically transformed the business models.

A great deal of change has come about as a result of the geopolitical changes that have led to the opening of borders, from the Berlin Wall to Schengen, as well as the economic ones with the consolidation of traveling and holidays as a commodity. Combined with the rise in the levels of the average available income in many developing countries, this has produced millions of new tourists in many new markets.

From a traditional labour-intensive and capital-saving sector, today tourism has become the most advanced field of experimentation for the experience economy, for technological innovation applied to entertainment and the management of territories and flows, for the sharing economy and for architecture and engineering.

Notes

¹ Luciano Segreto, Carles Manera and Manfred Pohl, *Europe at the Seaside: The Economic History of Mass Tourism in the Mediterranean*, New York, Berghahn Books 2009, p. 174.

² B. Joseph Pine and James H. Gilmore, *The Experience Economy: Work is Theatre & Every Business a Stage*, Boston, Harvard Business Press, 1999, p. 70.