



Integration, intermediation and tourism higher education: Conceptual understanding in the curriculum

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ABSTRACT

Undergraduates face many challenges in their future working environment, not least are the ramifications of technological development. Within the study of e-commerce, this paper reviews the concepts of integration, disintermediation and reintermediation in the outbound marketplace, providing an overview which undergraduates might themselves compile. Their learning from the relevant first-year module is then assessed, including background features such as prior academic study of tourism and possession of employment experience. What emerges is that not all students comprehend these terms and that examples are of paramount value in aiding learning. These are the industry's future managers and, therefore, understanding key conceptual material is of critical importance.

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1. Introduction

Tourism as a concept to be studied in higher education, in the United Kingdom, has come of age. From the introduction of post-graduate awards at the universities of Surrey and Strathclyde in 1972, the first Bachelor's awards became available in 1986 at Bournemouth and Northumbria universities with noticeable employer support (Airey, 2005; Baum, 2006; Evans, 1993; Ryan, 1995). In the 1990s, growth in provision, by British higher education institutions, was truly remarkable (Airey & Johnson, 1999; Cooper, Shepherd, & Westlake, 1994; Evans, 1993), in part influenced by low resourcing costs (Busby, 2001). A key feature of these degrees in the first decade was the vocational nature of the programme; this was highlighted in studies by Airey and Johnson (1999) and Busby and Fiedel (2001), both of which utilised content analysis. Airey and Johnson (1999) examined the aims of 99 British tourism degrees and identified the first eight, of twenty, programme aims as being distinctly vocational. Busby and Fiedel's (2001: 514) examination of 112 tourism degrees found the same vocational imperative; for example, 23 per cent of prospectuses emphasised preparation for "a career in the industry", 39 per cent referred to "management issues", and 34 per cent listed the commercial career opportunities.

However, since the mid 1990s, there has been a gradual shift in the curriculum; whilst not dramatic, "wider issues not specifically

related to the operation of the tourism industry" have appeared (Airey 2005:16). Nonetheless, as Airey (2005) observes whilst these wider issues relate to husbanding of scarce global resources, they can still be viewed as vocational; for example, Henry and Jackson (1995) in their proposal for incorporating sustainability in the degree curriculum, identify fourteen facets, of which several are clearly managerial. Busby (2003a) suggested that incorporation of sustainability in the curriculum falls along a continuum, from holistic inclusion (for example, on a BSc Ecotourism), through incremental, to incidental inclusion. This leads to consideration of faculty background for Cooper, Scales, and Westlake (1992) and Wells (1996) maintain that a tourism degree tends to take the character of the particular expertise of existing staff which may result in a particular subject leaning. A further feature, according to Koh (1994) is that many tourism curricula have been designed by educators with minimal or no industry representation. Whilst Koh may well be right, many tourism degrees still incorporate what would be considered to be vocational elements and this is not solely a British phenomenon; Pearce (2006) evidences remarkable similarities between awards in Australia and those available in the United Kingdom and Republic of Ireland. Whilst Huete (2008: 76) identifies a "strong vocational focus" to tourism degrees in European universities, generally, this appears to be weaker in the case of Spain, the focus for her study.

Most undergraduate tourism degrees, in Britain, comprise at least one module which examines the nature of the tourism industry; this requires a brief consideration of codification of content. The Tourism Society published 'a body of knowledge' in 1981 which was developed in a report by Middleton for the former

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CNAA (Council for National Academic Awards), published in 1993, and taken further by a discussion document for the National Liaison Group (Holloway, 1995). This proposed core curriculum was comprehensively detailed by Airey and Johnson (1999) and, of relevance here, is the observation that it “was neither meant to be prescriptive in that all courses have to include these headings nor restrictive in that courses cannot contain other topics” (Busby & Fiedel, 2001: 503). Very pertinent here is Tribe’s (1997) view that any study of tourism relates to two quite distinct fields – one relating to an interdisciplinary, business approach and one to a non-business perspective which includes consideration of social and environmental impacts.

Notwithstanding this, it is considered that the majority of named tourism degrees incorporate study of industry structure; this is usually taken to mean a review of the various sectors – attractions, accommodation, intermediaries, transportation – and, of these, one which ‘binds’ others together is that concerning intermediaries. Giaglis, Klein, and O’Keefe (2002: 240) refer to “traditional intermediaries” finding “opportunities to leverage their expertise and economies of scale” which is to suggest that there are now non-traditional forms of intermediary. Clearly, the advent of technology, in particular the rise of the world-wide web, has produced new forms although the traditional intermediaries still exert significant influence. This leads to the issue of what should be included in any undergraduate curriculum. As has been suggested, curriculum content has been a contentious issue for more than a decade (Airey & Johnson, 1999; Baum, 1997; Busby & Fiedel, 2001; CNAA, 1993; Cooper, Shepherd, & Westlake, 1996; Holloway, 1995; Swarbrooke, 1995); for many institutions, the curriculum is likely to be a vocational one (Tribe, 1997, 1999) and should, on this basis, include serious consideration of the commercial activities and phenomena which have occurred over recent years – a prime facet within this is consideration of the place of technology. As Buhalis and Law (2008: 609) observe “if the past 20 years have seen an emphasis on technology per se, then since the year 2000 we have been witnessing the truly transformational effect of the communications technologies”. Furthermore, as the UK’s Quality Assurance Agency has pointed out, there is a paucity of research into the first-year curriculum (QAA, 2008).

This paper reviews the concepts of integration, disintermediation and reintermediation for, it is argued, these are of paramount importance to the undergraduate study of tourism. These concepts, in different ways, influence both commercial and destination development and have come much more to the fore as a result of changes in technology. Understanding how technology has changed intermediaries illustrates the need for ‘e-awareness’, a skill identified by Sheldon, Fesenmaier, Woeber, Cooper, and Antonioli (2008) in their study of tourism education futures, 2010–2030.

Furthermore, many undergraduates need to comprehend the implications because they may well be employed by an intermediary during a sandwich placement (Busby, 2005; Busby, Brunt, & Baber, 1997) if not upon graduation and, in total, intermediaries are major employers. Whilst representing only one type of intermediary, the tour operating sector has shown remarkable dynamism over the last four decades and deserves to be fully understood by undergraduates. As Baum (2006: 30) asserts “an imperative for students... in tourism education is an understanding of the international nature of tourism products and markets”; given that many vertically integrated tour operators are multi-national, the concepts discussed here are just as relevant to tourism degrees in other countries. To confirm this, in their study of 145 tourism employers, Zehrer and Mössenlechner (2009) ascertained that conceptual understanding was a key requirement expected from students by both domestic (Austrian) and international companies.

2. Integration

Although Thomas Cook laid the foundations, in the nineteenth century, large scale package holiday tourism dates from the mid 1950s, growing particularly rapidly from the 1960s (Evans, 2001; Holloway, Humphreys, & Davidson, 2009; Shackley, 2006). By the end of the twentieth century, the inclusive tour market, representing many millions of holidays in the UK, was characterised by a small number of *vertically integrated* companies such as Thomson, First Choice, Thomas Cook and My Travel (Klemm & Parkinson, 2001; Page, Brunt, Busby, & Connell, 2001). Vertical integration being said to occur when acquisitions are made up and down the distribution chain; backwards vertical integration applying to a tour operator purchasing an airline and forwards vertical integration being the term for a tour operator acquiring a travel agency chain. Thomson is, of course, but one part of the TUI stable, the world’s largest integrated tour operator with 81 brands, 88 aircraft, 285 hotels and resorts, and 3700 travel agencies, according to Theuvsen (2004); contemporary review of the corporation’s website reveals 146 aircraft being operated in 180 countries, serving a customer base of more than 30 million in 27 source markets (TUI 2010); as Buhalis (1998, 2003) has pointed out, the Internet provides a cost-effective means of reaching customers in so many nations.

Since the end of 2007, the ‘Big Four’ in the United Kingdom, have merged; Thomson (TUI) acquiring First Choice and Thomas Cook acquiring My Travel, creating the ‘Big Two’. A review of Civil Aviation Authority ATOL licences reveals that there are, nonetheless, a small number of other major players in outbound tour operating. A few major operators, therefore, possess considerable economies of scale via both their market share and purchasing power; they also possess distribution channel control – an unassailable position, it would appear. Many of the same companies have also manifested *horizontal integration*, over the years, that is, when two tour operators or two travel agents merge; for example, Airtours’ purchase of Scandinavian tour operator SAS Leisure (Page et al., 2001), and illustrating acquisitions outside the English domestic commercial arena. On occasion, these have prompted investigation by the Monopolies and Mergers Commission, to ensure any resultant group did not possess too large a hold on the package holiday market (Clerides, Nearchou, & Pashardes, 2008; Page et al., 2001). “*Complementary integration* is enacted between companies offering complementary products rather than competing ones” (Page et al., 2001: 86); for example, the now-defunct Pan American Airways purchased a major shareholding in the InterContinental Hotels Group. These forms of integration are about economies of scale whereas *diagonal integration* – a term which appears to have first been used in a tourism context by Poon (1993) – is about economies of scope. Cunill (2006: 71) states that businesses such as American Express are diagonally integrated “in order to offer consumer services (personal banking, credit cards, insurance, and travel services), in the hope that these consumers will use them at regular intervals throughout their lives”; he also cites United Airlines and Barceló Hotels as examples. Economies of scope are illustrated by direct-sell tour operator, Saga Holidays which has acquired customer’s details, over the years, and this allowed them to market other products direct, such as travel and household insurance (Page et al., 2001).

Despite a state of oligopoly, whereby a few companies control much of the market (Evans, 2001; Vanhove, 2005), technological developments have, however, moved in tandem with changes in tourist behaviour for Poon (1993) was one of several authors to identify the growth in numbers of travellers seeking an individualised product. Related to the issues of firm size, Internet development and individualised product, Thiessen, Wright, and Turner

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