

# Tourism Expenditure in the Philippines as the Basis for a Tourism Entrepreneurial Business Opportunity Model

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## Abstract

Tourism is one of the prime contributors to economies although its role is complex and it is composed of several sectors whose success is inter-dependent. The purpose of this study was to investigate and gather data as represented by tourists' consumption of products and services in the year period 2014-2018, as the basis of an entrepreneurial business opportunity model. Secondary data were analyzed using a retrospective study approach, which compared the performance of different sectors of the tourism industry. Based on the results within the five-year period, domestic tourism contributed a higher share of internal tourism expenditure than inbound tourism. The expenditure on products and services by domestic tourists was ranked as follows: 1) miscellaneous, 2) travel agencies and other reservation service, 3) Shopping 4) accommodation services for visitors, 5) food, beverage and restaurant services, 6) entertainment and recreation services, and lastly, 7) transport services as the lowest contributor. Nevertheless, inbound tourism expenditure also contributes significantly to overall tourism expenditure in the Philippines and to the country's economy. Based on the results of the study an entrepreneurial business opportunity model of tourism was constructed as a guideline for existing and aspiring entrepreneurs within the industry.

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**Keywords:** Tourism, inbound tourism expenditure, domestic tourism expenditure, internal tourism expenditure, tourism entrepreneurial business opportunity model

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## Introduction

The Philippines is one of the highly recognized Asian countries that are rich in natural resources that catch the

attention of the travelers around the world as it offers treasures such as the World Heritage List properties that relate to the history of the Filipino people as this illustrates how Filipino creativity grew



into a different national architectural design namely; Tubbataha Reef National Marine Park, the Rice Terraces of the Philippine Cordilleras, the Historic Town of Vigan, the Puerto Princesa Subterranean River National Park, and the Baroque Churches of the Philippines – Santo Tomàs de Villanueva in Miagao, Iloilo; San Agustin in Paoay, Ilocos Norte; Nuestra Señora dela Asunción in Santa Maria, Ilocos Sur; and San Agustin in Intramuros, Manila. Likewise, the Philippines can claim as Asia's Beach Capital with crystal blue waters of both the Chia and Pacific Ocean to name a few; Boracay, Pagudpud, Mactan Island, Panglao and many more as mentioned by the Department of Tourism (tourism.gov.ph n.d).

The country maintains its attractiveness to multi-cultural travelers around the map as it generates number of tourist arrivals from in the last five years. These tourists came all the ways from Korea, China, USA, Japan, Taiwan, Australia, Canada, United Kingdom Singapore and Malaysia who enjoyed the beauty of nature and the hospitality of the Filipinos. However, some negative aspects in the tourism industry are also can be taken into serious consideration. There is, of course, some issues concerning tourism in the Philippines, and these mainly concern infrastructure, personal security and safety hazards much is being done to improve these issues and tourists must realize the potential problems before they chose to visit the Philippines (ASEAN Briefing, 2017).

It is in this context, Philippine tourism achieved its objectives in a five-year period by looking at the performance of each factor specifically as contribution to the Internal Tourism Expenditure and the

economy in general. In addition, The Philippines has an abundance of SEZs spread throughout the country, which have unique investment incentives and has a growing supply of trained and skilled labor as well as semi-skilled workers as most Filipino workers are well-versed in English (Asia Briefing, 2017).

It is in this context that, this study gives a general view on the significant contribution of every player in the sustainability and the creation of business opportunity within the travel and tourism industry.

## Research objectives

This study however, aims to develop a “Tourism Entrepreneurial Business Opportunity Model” to aid the entrepreneurs particularly the existing and the new entrants in sharing insights and show a clearer understanding on how the travel and tourism factors or components in the business operation, as specifically it aims to:

1. To give a general view and show the complexity as well as the interdependence on how each industry player as factors affect one another.
2. To give a clearer picture how tourist consumptions on by products and services either both domestic and inbound expenditure affects the internal expenditure as the sum total of tourism industry's contribution to the economy.
3. To discuss the results of the study that led to the formulation of the Tourism Entrepreneurial Business Opportunity Model.



## Literature review

### Tourism as a system

It has been said, “what makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying memorable experiences, and to do in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations (Ritchie & Crouch, 2003)”. “As a system, it is a group of interrelated, interdependent and interacting elements that together form a single functional structure, and the tourism industry is the sum of the industrial and commercial activities that produce goods and services or wholly mainly for tourist consumption” (Weaver & Lawton, 2006). “Travel industry represents a “broad church”, comprising organizations that provide a diverse range of services such as, but not limited to, transport (air, land, sea and space), accommodation, food and beverage, recreation and attractions, information and booking services (such as travel agents, and advice sites such as TripAdvisor), tour guiding and events, and destination marketing” (Robinson, Fallon & Crotts, 2016). In addition to this context said that components of hospitality and tourism are interrelated, without attractions and hospitality establishments, there is usually no popular destination (Chon & Sparrowe, 2000). Since tourism and hospitality business needs to adapt the change of times, the incorporation of more actors into creative tourism also means that business models are likely to shift away

from ‘lifestyle entrepreneurship’ to ‘placestyle Business Models for Creative Tourism (Richards G., 2021)

The innkeeper model provides a bigger picture describing the composition and operation of tourism as a business, the components of which include:

a) Tourist attractions and activities which provide the main motivation for tourists to visit a certain destination.

b) Accommodation, which refers to lodging facilities where tourists can stay including hotels, resorts, pension houses, apartelles and other similar form of lodging such as bed-and-breakfast and homestays;

c) Other tourist facilities and services, which include food establishments, postal facilities, medical services, banking and money exchange services, retail shops, craft and souvenir shops, and personal services like hair dressing;

d) Institutional elements, a component which is not very visible to tourists but ensures that all other components are present and provide excellent tourism services, including education and training of personnel working in tourism establishments, marketing and promotion of tourist destinations, and standards and regulatory mechanisms for tourist facilities and services.

e) Other infrastructure, which refers to hygienic water supplies for drinking, and washing, adequate electrical power, proper waste disposal and adequate telecommunication facilities to allow tourists to keep in touch with their homes, all of which are essential for tourists.

f) Transportation, which provides access to a destination including transportation by air, land (road and rail) and sea. It includes the vehicles or means of



conveyance relevant to each form of transport, all or only some of which may be available at a destination.

g) Business model, a paradigm by which certain institutions organizations or groups of organizations comprising major players in the tourism industry generate revenues and profits (Libosada & Bosangit, 2007).

### **Tourism as a business sector**

Tourism industry “is an economic sector in general comprises firms that produce the same products or services, or the same group of products and services and/or are based on the same materials thus, the inseparability of services is an important characteristic” (Vanhove, 2011). According to the World Travel and Tourism Council (WTTC, n.d) the direct contribution of travel and tourism (T&T) to the economy reflects the internal spending by domestic and inbound tourists for business and leisure purposes, with the most obvious and tangible benefits of tourism being income, foreign exchange earnings, tax revenue, and the generation of employment (Benavides, 2001). It’s also been said that one of the important steps is have full understanding of the main drivers of tourist expenditures especially from key markets as these expenditures are incurred on a multifaceted and diverse collection of products and services (Massidda, Piras, Seetaram, 2022). Thus, as noted, jobs are generated directly through employment in hotels, travel agents, airlines and other passenger transportation services as well as in restaurants and activities associated with the leisure industries directly supported by tourists (WTTC, n.d.). Further, as the United Nations World

Tourism Organization (UNWTO; n.d.) has noted, T&T industries are largely labor intensive and provide jobs, income and experience for many people, which contribute to their social inclusion and personal development. On the other hand, the concept of the multiplier is used in the travel industry to encompass the direct secondary effects of visitor expenditures on an economy (Gee, Makens & Choy, 1989).

The small enterprises employ 50 or less while medium enterprises have from 51 to 500 employees, with both types of enterprise being independent and owner-managed (Katz & Green, 2001). In the modern era, many SMEs are innovators who think of new ideas and efficiently deliver products and services. As innovators, they are more open to introducing and adapting to change, as well as being sensitive to the needs of the community. Further, as noted, small owner-operated businesses provide most of the services which attract visitors’ spending (Getz, Jack, Alison, 2004).

As noted above, the various components of the tourism industry are inter-dependent and new ideas can lead to new business opportunities (Katz & Green, 2001). Most importantly being an entrepreneur in hospitality industry, one has to examine themselves being ready as their businesses drew all their energy and time, and a real effort seemed needed to climb out of the hole and improve their circumstances (Andringa, Poulston, & Pernecky, 2016).

As mentioned, business tourism in which people travel for reasons related to their work represents one of the oldest forms of tourism, with man having travelled for this purpose of trade since very early times (Davidson, 1994). Most



importantly, it has been noted that tourists travel motivation factor is a significant factor in explaining and understanding international tourists travel behavior that varies from wants and desires (Hasnizam, Mohd, Badaruddin, & Muhammad, 2022).

Further, the activities entail tourism expenditure by visitors which represents the amount paid for the acquisition or the consumption of goods and services, including those imported into the country and sold to visitors for personal use during tourism trips, or purchased to be given away as gifts, and includes expenditure by visitors themselves, as well as expenses paid or reimbursed by others (UNWTO, 2010).

In addition, the number of tourists determines the level of economic activity in the tourism business, and large numbers of tourists will result in fully booked hotels and restaurants and will in turn lead to industry players who provide quality services to meet their business objective, which is to earn income. Tourism is a catalyst by which to generate income (Archer, 1977). In a way, tourism expenditures depends to the demands which refers to the “total number of persons who travel, or wish to travel, to use tourist facilities and services at places away from their places of work and residences (Mathieson & Wall, 1982).

### **Tourism in the Philippines**

In 2019 the key inbound tourist markets were Korea, which generated 1,989,322 arrivals (an increase of 22.48 % over 2018), China, with 1,743,309 arrivals, (a substantial growth of 38.58 % compared to 2018), the USA with 1,064,440

arrivals (an increase of 2.90 % over 2018). Japan with 682,788 arrivals (an increase of 8.07 %). The Taiwanese market also showed substantial growth of 35.01 %, with 327,273 arrivals in 2019. Australia, Canada, and the United Kingdom all posted growth rates in 2019 and remained reliable sources of visitors. Australia provided 286,170 arrivals with 2.27 % growth. Canada contributed 238,850 arrivals with a 5.48 % increase, while the United Kingdom supplied 209,206, representing a 4.06 % increase. Finally among the top ten markets were ASEAN neighbors Singapore and Malaysia, with Singapore providing 158,595 arrivals and Malaysia 139,882. In addition, there were more than 100,000 visitors from both India and Germany (tourism.gov.ph, 2019).

### **Research methodology**

The secondary data analysis “refers to the analysis of existing data collected by others”, which “affords research the opportunity to investigate research questions using large-scale data sets that are often inclusive of under-represented groups, while saving time and resources (Donnellan and Lucas, 2013).

As noted “A retrospective study design allows the investigator to formulate hypotheses about possible associations between an outcome and an exposure and to further investigate the potential relationships.” “A retrospective study design allows the investigator to formulate hypotheses about possible associations between an outcome and an exposure and to further investigate the potential relationships (Salkind, 2010).

Further, the 2018 list of establishments recorded a total of 1,003,111 business enterprises operating in the country such as; (1) Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (461,765); (2) Accommodation and Food Service Activities (144,535); (3) Manufacturing (116,335); (4) Other Service Activities (66,162); and (5) Financial and Insurance Activities (46,033). These industries accounted for about 83.62% of the total number of MSME establishments (dti.gov.ph, n.d).

## Results

The contribution of the tourism industry to the Philippine economy was estimated

to be 12.7 % in 2018. The tourism direct gross value added (TDGVA) serves as an indicator to measure the value-added of different sectors of the tourist industry in relation to the tourism activities of both inbound and domestic visitors in the country, and amounted to PhP2.2 trillion in 2018, which was 14.3 % higher compared to the previous year’s figure of PhP1.9 trillion. This includes inbound tourism expenditure within the Philippines, which declined by 1.6 % in 2018, to PhP441.4 billion from PhP448.6 billion in 2017 (Philippine Statistics Authority, 2019).

The following tables present the categorized tourism expenditure over the five-year period, 2014 to 2018.

**Table1** Inbound tourism expenditure 2014 – 2018 (Millions PhP)

Consumption by products and services	2014	2015	2016	2017	2018	Total	Rank
1.Accommodation services for visitors	80,448	91,551	81,163	103,376	113,143	469,681.00	1
2.Food, beverage and restaurant services	60,203	69,357	74,560	116,835	105,059	426,014.00	2
3. Transport services	52,657	60,296	70,805	91,524	100,119	375,401.00	3
4.Country-specific tourism services including shopping	46,419	42,145	39,243	63,870	48,087	239,764.00	4
5.Entertainment and recreation services	30,818	36,157	39,719	64,102	63,969	234,765.00	5
6. Miscellaneous	4,358	3,087	3,791	7,376	8,381	26,993.00	6
7.Travel agencies and other reservation services	1,991	3,896	2,418	1,478	2,670	12,453.00	7
<b>Total Inbound tourism expenditure</b>	<b>307,712</b>	<b>342,646</b>	<b>351,418</b>	<b>512,663</b>	<b>505,397</b>	<b>1,785,071.00</b>	-

*Sources of basic data: Philippine Statistics Authority. arrival cards from the Bureau of Immigration, visitor sample survey and meeting, incentive, convention, exhibitions survey of the Department of Tourism (2014-2018)*

As shown in Table 1, over the five-year period, accommodation services for inbound visitors’ showed the highest

contribution of over 26.31 %, with the highest absolute figure being in 2018, providing a 22 % contribution. Secondly,

food, beverage, and restaurant services contributed almost 23.87 % over the five-year period, with the highest absolute contribution being in 2017 with a 23 % contribution. The third highest category of expenditure was in respect of transport services, which contributed 21.03 % in the five-year period, with the largest absolute contribution being in 2018 amounting to 20 % of total expenditure that year.

In contrast, the lowest contribution during the five-year period was from travel agencies and other reservation services, which contributed less than 1 %, with only a 0.29 % contribution in

2017. Miscellaneous expenditure accounted for 1.3 % during the five-year period, its lowest contribution being in 2016 of 1.1 %, which was considerably less than entertainment and recreation services which contributed over 13.15% with their lowest contribution being in 2014 of 10 %.

In addition, “international tourism receipts as encompassing all consumption expenditure, or payments for goods and services, made by international tourists (stayovers and excursionists) for their own use or to give away” World Tourism Organization (1996).

**Table 2** Domestic tourism expenditure 2014 to 2018 (Millions PhP)

<b>Consumption by products and services</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Rank</b>
1.Miscellaneous	502,477	633,272	754,882	949,701	1,150,223	3,990,555.00	1
2.Accommodation services for visitors	293,977	374,988	445,897	560,206	681,421	2,356,489.00	2
3.Country-specific tourism services including shopping	206,365	259,907	312,208	388,647	463,886	1,631,013.00	3
4.Transport services	144,677	179,327	210,714	265,318	325,605	1,125,641.00	4
5.Travel agencies and other reservation services	95,278	118,750	140,169	175,287	211,397	740,881.00	5
6.Food, beverage and restaurant services	80,365	103,117	123,877	156,550	192,535	656,444.00	6
7.Entertainment and recreation services	80,674	101,388	120,469	149,125	175,102	626,758.00	7
<b>Total domestic tourism expenditure</b>	<b>1,484,487</b>	<b>1,872,137</b>	<b>2,228,685</b>	<b>2,793,959</b>	<b>3,375,271</b>	<b>11,127,781.00</b>	<b>-</b>

*Sources of basic data: Distribution of regional travelers and meeting, incentive, convention, exhibitions Survey of the Department of Tourism (DOT) and household survey of domestic visitors by the DOT and Philippine Statistics Authority (2014-2018)*

As shown in Table 2, for domestic tourist expenditure during the five-year period, expenditure categorized as *miscellaneous* ranked highest at almost 35.87 %, with its highest absolute contribution in 2017 accounting for 33.99 % of total expenditure. Accommodation services for domestic visitors accounted for over 21.17 %, with the highest absolute contribution being in 2018 giving a contribution of 20 %. Thirdly, Country-specific tourism services including shopping contributed almost 15 % of total expenditure with their highest absolute contribution being in 2018 when they contributed 13.7 % of total domestic expenditure.

On the other hand, the lowest contributor over the five-year period was entertainment and recreation services, contributing less than 5.6 %, with their lowest absolute contribution in 2014 contributing 5.4 % of that year’s total domestic expenditure. Meanwhile, food, beverage and restaurant services also contributed around 6 %, with its lowest absolute contribution in 2014 equating to 5.4 %. Finally, travel agencies and other reservation services contributed almost 6.66 % with their lowest absolute contribution accounting for 6.4 % of total domestic tourist expenditure in 2014.

**Table 3** Total internal tourism expenditure 2014 to 2018 (Million PhP)

<b>Consumption by products and services</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>	<b>Rank</b>
1.Miscellaneous	506,835	636,359	758,673	957,077	1,158,604	4,017,548.00	1
2.Accommodation services for visitors	374,425	466,539	527,060	663,582	794,563	2,826,169.00	2
3.Country-specific tourism services including shopping	252,785	302,052	351,451	452,517	511,973	1,870,778.00	3
4.Transport services	197,334	239,623	281,519	356,842	425,724	1,501,042.00	4
5.Food, beverage and restaurant services	140,567	172,474	198,436	273,385	297,594	1,082,456.00	5
6.Entertainment and recreation services	111,492	137,545	160,188	213,227	239,071	861,523.00	6
7.Travel agencies and other reservation services	97,269	122,646	142,587	176,765	214,067	753,334.00	7
<b>Total internal tourism expenditure</b>	<b>1,792,199</b>	<b>2,214,783</b>	<b>2,580,102</b>	<b>3,306,622</b>	<b>3,880,667</b>	<b>12,912,850.00</b>	-

*Source: Sources of basic data: Distribution of regional travelers and meeting, incentive, convention, exhibitions survey of the Department of Tourism (DOT) and household survey of domestic visitors by the DOT and Philippine Statistics Authority (Note: Internal tourism refers to inbound tourism and domestic tourism together) (2014-2018).*

As shown in Table 3, when inbound and domestic expenditure were totaled, the miscellaneous category was the highest contributor over the five-year period accounting for over 31 %, with its highest absolute contribution in 2018 amounting to almost 30 %. Similarly, accommodation services for visitors provided almost 22 % of total expenditure with the highest absolute contribution accounting for over 20 % in 2018, while country-specific tourism services including shopping contributed almost 15 %, their highest absolute contribution accounting for over 13 % in 2018.

Meanwhile, the lowest overall contributor to the five-year tourism expenditure figure was travel agencies and other reservation services which contributed less than 6 % with their lowest absolute contribution in 2014 accounting for 5.4 % of total tourist expenditure that year. Similarly, entertainment and recreation services contributed less than 7 %, with their lowest absolute contribution in 2014 being only 6.2 % of expenditure that year. Finally, expenditure on food, beverage and restaurant services amounted to 9 %, with the lowest absolute contribution in 2014 accounting for 7.8 % of total tourist expenditure for that year.

**Table 4** Comparison of inbound and domestic expenditure 2014 – 2018

<b>Consumption by products and services</b>	<b>Inbound tourism expenditure by sector 2014-2018 (Million PhP)</b>	<b>ITE % share to internal TE 2014 - 2018</b>	<b>Domestic tourism expenditure by sector 2014 – 2018 (Million PhP)</b>	<b>DTE % share to internal TE 2014- 2018</b>	<b>Internal tourism expenditures by sector 2014 – 2018 (Million PhP)</b>
1. Accommodation services for visitors	469,681.00	17	2,356,489.00	83	2,826,169.00
2. Food, beverage and restaurant services	426,014.00	39	656,444.00	61	1,082,456.00
3. Transport services	375,401.00	25	1,125,641.00	75	1,501,042.00
4. Travel agencies and other reservation services	12,453.00	2	740,881.00	98	753,334.00
5-Entertainment and recreation services	234,765.00	27	626,758.00	73	861,523.00
6-Country specific tourism services including shopping	239,764.00	13	1,631,013.00	87	1,870,778.00
7-Miscellaneous	26,993.00	.7	3,990,555.00	99.3	4,017,548.00
<b>Total Expenditure</b>	<b>1,785,071.00</b>	<b>14.00</b>	<b>11,127,781.00</b>	<b>86.00</b>	<b>12,912,850.00</b>

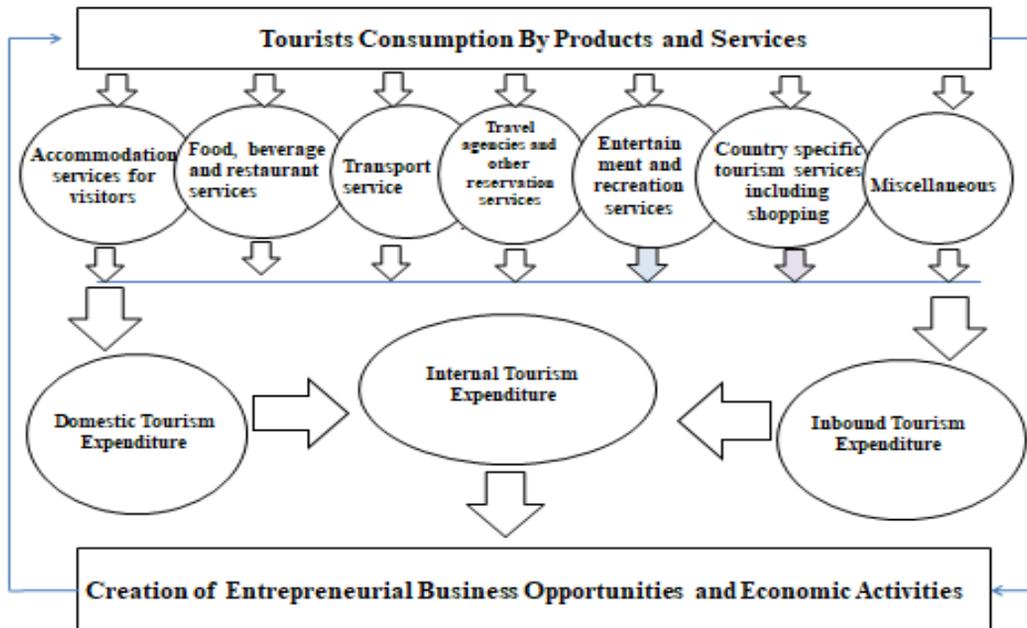
Table 4 presents a comparison between inbound and domestic tourism expenditure. The data shows that

domestic tourism expenditure was the greatest contributor to overall tourism with an 86 % share over the five years

studied. Moreover, based on the types of products and services consumed, domestic tourism accounted for 99.3 % of the miscellaneous category of spending not classified specifically into any of the other groupings. Similarly, domestic travelers accounted for 98 % of expenditure on travel agencies and other reservation services and 87 % of country-specific tourism services particularly shopping, since undeniably, Filipinos love to shop. Meanwhile, 83 % of expenditure on accommodation services was accounted for by domestic tourists. The lowest contributions from domestic tourism were for food, beverage and restaurant services with 61 %, entertainment and recreation services

with 73 % and transport services with 75 %.

Conversely, inbound tourists contributed 14 % of the total expenditure and 39 % of the expenditure on food, beverage and restaurant services, followed by 27 % of the expenditure on entertainment and recreation services, and 25 % of that for transport services, which made up the top three headings of expenditure by inbound tourists. On the other hand, Expenditure on country-specific tourism services including shopping with 13 %, travel agencies and other reservation services at 2 %, and the miscellaneous expenditures category accounting for less than 1 % were the three lowest categories.



**Figure 1** Tourism entrepreneurial business opportunity model



Figure 1 illustrates the entrepreneurial business opportunity model developed in this on a retrospective study approach anchored to the Philippine Statistics Authority and the Department of Tourism reports. The model was formulated following an analysis of data relating to tourism expenditure covering the five-year period, 2014 – 2018 in the Philippines. Further, it shows the interdependence of all components in the tourism and hospitality industries, which are vital to all decision makers who have been in the business. Likewise, as a point of reference and to help those aspiring entrepreneurs in the creation of major decisions and to conceptualize business strategies in matters related to; business expansion, operational planning, marketing, re-organizing among internal thoughts that could uplift the business operations or adapt the trend of the market and the industry in general.

In totality, this model is a construct that gives the general picture on how the hotel and tourism industry is generally dependent on the tourism expenditure, which is derive from both local and international tourists that goes to the survival of the business operations.

For future researchers, one can make use of this model to explore and find out some significant factors either internal or external that attributes to the success or failure of each tourism component. Specifically these are; accommodation services for visitors, food, beverage and restaurant service, transport service,

travel agencies and other reservations services, entertainment and recreation service, country specifics including shopping and other businesses that supports the entire hospitality and tourism industry sector.

## Discussions

Based on the information summarized in Table 4, the following implications can be drawn in respect of the seven sectors highlighted.

### 1. Accommodation services for visitors

Based on the data presented, domestic expenditure on tourist accommodation at 83 % was higher than that of inbound tourists, which accounted for only 17 % of the total. This is probably because during the five-year period studied, there were large numbers of meetings, incentive conferences and exhibitions (MICE) which entailed providing many rooms to accommodate delegates and attendees at these activities, most of whom would be domestic travellers. Further, in the tourism business, hotels are a major source of income and support a large number of jobs in this sector which account for a large proportion of overall employment in tourism (Swarbrooke & Horner, 2001). On the other hand, quality of service is also an important attribute in achieving success. Thus, tracking quality perception, changes in the importance of attributes and satisfaction gives hotel managers crucial information about the attributes that will help them to retain guests and to improve their hotel's profile as it will help them to differentiate themselves from their competitors and to delight



guests. (Babić-Hodović, Arslanagić-Kalajdžić, Banda, Sivac, 2019).

A recent trend in tourism introduced by the is the home stay, an alternative form of furnished accommodation generally located in a house, which provides guests with the opportunity to experience the lifestyle of local communities and the families within them, while also offering them access to other tourist attractions (ASEAN Tourism Standards, n.d.).

### 2. Food, beverage and restaurant services

Based on the results, domestic tourism expenditure accounted for 61 % of this category, while inbound tourists contributed 39 %. “Patrons enjoy variety of cuisines, including food cooked and served in styles from around the world such as Chinese, Indian, Malaysian, Thai, French, Italian, Cajun, Japanese, American, and Mexican, as well as variety of ethnic fusion cuisines (Chon & Maier, 2010)”. However, in modern times, there is also an indication that the public, in general, will be willing to accept greater automation of food and beverage services that some tasks will not just be easier to automate but will also have less consumer resistance to the use of robots for such tasks (Stanislav I. & Craig W. (2021).

### 3. Transport service

Based on the results presented, domestic tourism accounted for 75 % of the expenditure on transport services for the five years studied, compared to 25 % for inbound tourists. Air transport contributes the majority of revenue, and airlines employ tens of thousands of people in many countries (Swarbrooke & Horner, 2002). Likewise, road transport is a major source of revenue for taxis and car hire companies. Public transport,

while an integral sector of the tourism industry, must also provide services, but these are not solely dependent upon tourism demand (Holloway, 2002).

Recognizing this modern world where time is of essence, transportation shall adapt to modernization where the transition to digital technology allows for proper contract execution, time savings, stability and protection, especially for the tourists as the end users (Arsen, Yulia, Olga, Olga, & Sergey, 2021)

### 4. Travel agencies and other reservation services

Based on the results presented, domestic tourists account for 98 % of expenditure under this heading with inbound tourism contributing only 2 %. Moreover, thousands of people in the tourism business are employed in travel agencies or other forms of specialist intermediaries which are a source of relatively well-paid employment in the industry (Swarbrooke & Horner, 2002).

Likewise, Tour operators referred to as ground operators normally provide services at the destination only and do not package or market transportation to or from destination, their services normally cover hotel transfers, overnight accommodations, sightseeing, and sometimes special arrangements, which are usually collectively referred to as land arrangements (Gee, Makens, & Choy, 1989). As part of this factor, “Tour operating and retailing tourism products to consumers are key parts in the production, selling and distribution of tourism services in which organized by small an independent tours operators who specialize in certain segments” (Page, 2009).

### 5. Entertainment and recreation services



Based on the results presented, domestic tourism accounts for 73 % of this category of internal tourism expenditure, as compared to inbound tourism, which contributes 27 %. The entertainment and recreation sector of the tourism industry offers a variety of activities and attractions to visitors, including cultural shows and concerts and many other activities, which help tourists to enjoy their stay at a destination. Entrepreneurs in the entertainment industry build connections and manage talent in such a way as to display the cultural authenticity of each region and to create employment while also earning a profit.

#### 6. Country-specific tourism services including shopping

Based on the results presented, domestic tourism accounted for 87 % under this heading as against inbound tourism, which contributed only 13 %. Tourists like most people love shopping. In this context, shopping is often combined with other forms of leisure in the design of attractive shopping malls, which can attract huge numbers of visitors who may be willing to spend several hours enjoying an environment, which encourages them to spend money (Holloway, 2002).

#### 7. Miscellaneous

This category includes other products and services consumed by tourists outside of the six more specific categories which go together to form the overall tourism product. Based on the data presented, domestic tourism gave a highest contribution to internal tourism expenditure under this heading contributing 99.3 % of such expenditure as compared to 0.7% from inbound tourism. Miscellaneous as they call it as

“others, refers to non-tourism-related consumption products comprises goods and services that cannot be associated with any of the explicitly mentioned purposes of the preceding categories, such as newspapers and magazines, current health care products and occasional health services” which are consumed by tourists (UNWTO, 2010).

## Conclusions

The data obtained was categorized into seven groups based on tourist expenditure for the consumption of products and services in certain industry sectors as follows: accommodation services, food, beverage and restaurant services, transport services, travel agencies and other reservation services, entertainment and recreation services, country-specific tourism services, particularly shopping, and a miscellaneous category to cover all other tourist expenditure not falling within one of the other six categories. While the model breaks tourist expenditure down into its various components, it also recognizes the interdependence of tourists' consumption of products and services within different sectors of the industry.

Moreover, the level of tourists' consumption will relate directly to the level of tourist arrivals and this more general indicator of success tourism will dictate the extent of the opportunities which tourism offers to those engaged in this business sector.

Finally, according to Getz, et. al. (2005), “quality is a major issue in the family business sector, considering specific aspects of the owner's motives, goals and family dynamics. There are many



inherent factors that act against quality of business and service in family business in tourism and hospitality.”

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