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The Rationale for Responsible Alcohol Sale and Supply

Aims and learning outcomes

This chapter introduces the major industries which benefit from the sale and supply of alcohol. It also outlines its impact through misuse and abuse across the community, and sets out the reasons why businesses need to implement responsible service and sale practices for alcohol. After reading this chapter, you should be able to:

- Describe the overall structure of the hospitality, tourism and retail industries and the economic contribution which alcohol makes directly and indirectly to them.
- Outline the rationale for businesses that sell or supply alcohol to adopt responsible service and sale practices.
- Identify the impact of alcohol abuse and under-age drinking by individuals on the community, the workplace and in education.

1.0 The hospitality, tourism and retail industries

The hospitality industry

Alcohol is supplied and consumed in a large number of licensed premises within the general hospitality sector, which consists of:

- **accommodation providers:** hotels, self-catering, bed and breakfast, camping and caravan sites, holiday centres, timeshare;
- **catering providers:** restaurants, fast food outlets, takeaways, snack bars, tearooms, inns, bars;

- **visitor and leisure attractions:** theatres and cinemas, nightclubs, museums, art galleries, theme parks, zoos, wildlife parks, sports centres, stately homes, gardens, heritage sites (religious, industrial, transport), historical sites, industrial visitor centres (for example, distilleries);
- **transport providers:** cruise liners, train stations, airports.

Brotherton (2008) identifies the main sectors of the international hospitality industry as hotels, restaurants and contract foodservices (i.e. self-catering accommodation, or welfare and educational catering). Hospitality operators and establishments are also distinguished by the legislative and administrative parameters in which they operate.

The economic contribution of hospitality

Hospitality is a key driver for job creation across the world, and especially in Europe where 10 million people are directly employed and a further 6.4 million indirectly connected with the hospitality sector. One out of every 13 jobs is connected with hospitality. In countries like Cyprus and Malta, hospitality employs as many as 30% and 20% of the total populace, respectively. Each euro spent on hospitality results in additional 1.16 euros being invested in the wider economy. The hospitality industry also employs over 10% of the population in Spain, Portugal, Luxembourg, Ireland, Greece, Croatia and Austria (UNWTO, 2014).

Hospitality operators and their respective establishments are engaged in the provision of hospitality services, which in most circumstances includes alcoholic beverages, and they face similar strategic and operational issues in the responsible service of these drinks to their customers.

The tourism industry

Alcohol is widely consumed in licensed establishments across the tourism sector, which is one of the world's largest industries and also one of the most fragmented. It consists of tour operators, public sector organisations, regulatory bodies, distributors, tourism agencies, plus the sectors where alcohol consumption and service is most concentrated – the conference, exhibition and accommodation areas. This latter covers the licensed areas in hotels, villas, apartments, B&B and camping parks, where alcohol can be purchased for consumption in the public bar, restaurant or privately in the guests' rooms or chalets.

The structure of tourism

There is not a 'one size fits all' tourism structure. How each destination or country organises their tourism industry is determined by local factors,

including resourcing, industry leadership, the size and importance of tourism to the local economy, and the attitude of the local government.

The tourism sector

Ribai, as cited in (UNWTO, 2014), maintains that 'the tourism sector has shown a remarkable capacity to adjust to the changing market conditions, fuelling growth and job creation around the world, despite the lingering economic and geopolitical challenges. Indeed tourism has been among the few sectors generating positive news for many economies.' The World Tourism Organisation agrees, stating that international tourist arrivals (overnight visitors) grew by 5% in 2013, reaching a record 1,087 million (UNWTO, 2014). Despite a global economy in low gear, international tourism results were well above expectations, with an additional 52 million international tourists travelling the world in 2013. For 2014, UNWTO forecast 4% to 4.5% growth, again above the long term projections. These figures were based on the 145 countries and territories which the World Tourism Organization actively monitors. A breakdown of these increased tourism figures across the continents indicated that:

- Europe welcomed an additional 29 million visitors raising its total for 2013 to 563 million visitors
- Asia and the Pacific grew by 14 million to reach 248 million visitors
- The Americas increased by 6 million reaching 169 million visitors
- Africa attracted an additional 3 million reaching a new record of 56 million visitors.

(UNWTO, 2014).

Tourism's economic contribution

The World Travel and Tourism Council – WTTC (2014) reported that 2013 was another successful year for the travel and tourism sector, off the back of an improving economy. The direct contribution of travel and tourism to the world economy grew by 3.1% in 2013, contributing US\$2.2 trillion to the world gross domestic product (GDP) and 101 million jobs.

This economic growth for the third consecutive year outperforms other global sectors such as manufacturing, retail and distribution, public services and financial and business services. Travel and tourism represents US\$7.0 trillion (2013 prices), 266 million jobs, US\$754 billion in investment and US\$1.3 trillion in exports.

1.4 million new jobs were generated directly in the sector in 2013, and in total, 4.7 million new jobs were created as a result of tourism activity. Travel and tourism's contribution equates to 9.5% of total GDP, which is essentially 1 in 11 of the world's total jobs (WTTC, 2014)

Tourism trends

The travel and tourism industry is estimated to add over 70 million jobs through the next decade, supporting a total of 328 million jobs – or 10% of the world’s workforce. Two-thirds of those jobs will be created in Asia, where finding, training, developing and retaining talent is already a challenge (UNWTO, 2014). Hosting this humongous number of tourists is a lucrative business, which is why the hospitality industry is also growing exponentially. Not limited to hotels, restaurants and meeting venues, the hospitality boom offers multiple options to the customer, creating tough competition for the players.

But that’s not where it stops. The WTTC estimate that by 2030, international tourist arrivals will reach 1.8 billion. That’s a lot of people on the move, all requiring accommodation, food and beverages (which will include alcoholic drinks, served, it is hoped, in an informed and responsible manner).

The retail industry

The retail industry encompasses the sale of goods and services from individuals or businesses to the end-user. Retailers are part of an integrated system, and the last link in the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through a wholesaler, and then sells smaller quantities to the consumer for a profit. Retailing can be done in either fixed locations like stores or markets, door-to-door or by delivery. In recent years an increasing amount of retailing is done using online websites, electronic payment, and delivery service providers. Retail establishments which sell alcohol can range from individual off-licenses to mixed trading premises where alcohol is sold in addition to other goods (for example supermarkets, convenience stores, petrol filling stations) (RRAI, 2010).

The structure of the retail industry

The retail business is still dominated by small family-run stores, but this market is increasingly being taken over by large retail chains (i.e. supermarkets and high street stores). Gradually the high street stores are being re-grouped into shopping malls. These are more defined and planned spaces for retail stores and their respective brands.

Ferrara (2014) states that the retail industry is usually classified by the type of products they sell, for example food, which typically requires cold storage facilities; soft goods or consumables, which includes clothing, other fabrics, footwear, cosmetics, medicines and stationery, and other goods that are consumed after one use or have a limited period in which you may use them.