II. TOURIST DEMAND
Demand for tourism is the result of activities and decisions made in the generating region.

Demand for tourism is a fundamental element in the tourism system.

International tourism recently become so prevalent in the developed world.
Universal Declaration of Human Rights

“Everyone has the right to rest and leisure including...periodic holidays with pay” (1948.)

Manila Declaration on World Tourism (1980.g.)
Definitions of demand vary according to the subject perspective of the author

**Economists**
- Amount of any product or service that people are willing and able to buy at each specific price in a set of possible prices during a specified period of time

**Geographers**
- 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 residence
DEFINITIONS OF TOURISM DEMAND (2)

Economic approach

Idea of elasticity – which describes the relationship between demand and price, or other variables

Geographic approach

Implies a wide range of influences, in addition to price, as determinants of demand
Potential demand refers to those who will travel at some future date if they experience a change in their circumstances.

Deferred demand is a demand postponed because of a problem in the supply environment.

Effective or actual demand is the demand that has been realized.

Suppressed demand is demand postponed because of a problem in the supply environment.

No demand is the absence of demand.
The opening of new tourism supply – say resort, attraction or accommodation - will:

- redirect demand for similar facilities in the area;
- substitute demand from other facilities; and
- generate new demand
Tourism demand results in flows between the generating region and the destination region.
DEMAND SCHEDULES (1)

- Refers to the quantities of product that an individual wishes to purchase at different price at a given point of time.

The higher the price of the product, the lower is the demand; the lower the price the greater is the demand.

$$e_i = \frac{\% \text{ change in quantity}}{\% \text{ change in price}}$$
DEMAND SCHEDULES (2)

The critical value of $e_i$ is 1.0

**Own-price elasticity greater than 1**
- Demand is elastic
- Luxury items – overseas holidays or dining out

**Own-price elasticity less than 1**
- Good is classed as a necessity
- Quantity adjustments respond to sluggishly to price changes
- Food is classed as a necessity
DEMAND SCHEDULES (3)

Individual tourists

Factors effecting demand

Market demand
ATTITUDES depend on an individual’s perception of the world

PERCEPTIONS are mental impressions

TRAVEL MOTIVATORS do explain why people want to travel

IMAGES are sets of beliefs, ideas and relating to products and destinations
THE FUNDAMENTALS OF CONSUMER BEHAVIOUR AND TOURISM

Consumer behaviour of tourists to be aware of:

• Needs, purchase motives and decision process associated with the consumption of tourism
• Impact of the different effects of various promotional tactics, including the Internet
• Possible perception of risk for tourism purchases, including the impact of terrorist incidents
• Different market segments based upon purchase behaviour
• How managers can improve their chance of marketing success
<table>
<thead>
<tr>
<th>ENERGISERS OF DEMAND</th>
<th>The forces of motivation that lead a tourist to decide to visit an attraction or go on holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFFECTORS OF DEMAND</td>
<td>The consumer will have developed ideas of a destination, product or organisation</td>
</tr>
<tr>
<td>ROLES AND THE DECISION-MAKING PROCESS</td>
<td>The important role is that of the family member who is normally involved in the different stages of the purchase</td>
</tr>
<tr>
<td>DETERMINANTS OF DEMAND</td>
<td>The consumer decision-making process for tourism is underpinned by the determinants of demand</td>
</tr>
</tbody>
</table>
• Definition of motivation is derived from the word “motivate”, which is to cause a person to act in a certain way or to stimulate interest.

• Word “motivate” is concerned with initiating movement or inducing a person to act.
• Best-known theory of motivation

**Two motivational types:**
- deficiency or tension-reducing motives, and
- inductive or arousal-seeking motives.

• Theory of motivation is holistic and dynamic and can be applied to both work and non-work spheres of life
MASLOW’S HIERARCHY OF NEEDS (2)

- Questiones that Maslow does not answer:

  - It is not clear from his work why he selected five basic needs.
  - Why are the needs ranked as they are?
  - Khow could he justify his model when he did not carry out clinical observation or experiment?
  - Why did he never try to expand the original set of motives?
THE STUDY OF MOTIVATION IN TOURISM

DANN
There are 7 elements within the overall approach to motivation

- Travel as a response to what is lacking yet desired
- Destination pull in response to motivational push
- Motivation as a fantasy
- Motivation as a classified purpose
- Motivational typologies
- Motivation and tourist experience
- Motivation as auto-definition and meaning
THE STUDY OF MOTIVATION IN TOURISM (2)

MCINTOSH, GOELDNER I RITCHIE
Four categories of motivation

1. Physical motivators
2. Cultural motivators
3. Interpersonal motivators
4. Status and prestige motivators
### THE STUDY OF MOTIVATION IN TOURISM

#### Psychocentric
- Lower end of income scale
- Desire the comfort of a well-developed and “safe” destination
- Type is derived from “psyche” or “self-centred”
- Tend to be conservative in their travel patterns
- Labeled as “repeaters”

#### Midcentric
- The majority of the population fall in between extremes
- Type derives from the root “allo” meaning “varied in form”
- Motivated to travel/discover new destinations
- Labeled as “wanderers”

#### Allocentric
- Prefer destinations at the frontier of tourism, unspoilt and undiscovered by the travel trade
- Type derives from the root “allo” meaning “varied”
- Motivated to travel/discover new destinations
- Labeled as “wanderers”
SUMMARY OF THE CONCEPT OF MOTIVATION

Travel is initially need-related and this manifests itself in terms of wants and the strength of motivation or “push” as the energiser of action.

Motivation is grounded in sociological and psychological aspects of acquired norms, attitudes, culture, perceptions, etc.

Image of destination created through various communication channels will influence motivation and subsequently affect the type of travel undertaken.
• Tourist can be characterised into different typologies or roles as follows:

**TOURIST TYPOLOGIES**

- Motivation
- Personal needs
- Goal-oriented forms of behaviour
- Roles can be studied in relation to:
  - Holiday choice activity
  - Understanding tourist roles provides us with deeper understanding of consumer segments
COHEN’S CLASSIFICATION OF TOURISTS

INSTITUTIONALISED TOURISM
Dealt with routinely by the tourism industry – tour operators, travel agents, hoteliers and transport operators

NON-INSTITUTIONALISED TOURISM
Individual travel, shunning contact with the tourism industry except where absolutely necessary

THE ORGANISED MASS TOURIST
- Low on adventurousness
- Purchasing a ready-made package tour off-the-shelf, little contact with local culture or people

THE INDIVIDUAL MASS TOURIST
- Similar to the above but more flexibility and scope for personal choice to built in
- Tour is still organised by the tourism industry

THE EXPLORER
- The trip is organised independently and is looking to get off the beaten track
- Comfortable accommodation and reliable transport are sought

THE DRIFTER
- All connections with the tourism industry are spurned
- With no fixed itinerary, lives with local people, paying his/her way and immersing him/herself in their culture

Familiarity

Novelty
ROLE AND FAMILY INFLUENCE

Each member of a family fulfils a special role within the group:
- Husband / father
- Wife / mother
- Son / brother
- Daughter / sister

The family acts as a composite buying unit with the different role patterns leading to particular forms of tourism product purchasing.

Fundamental social unit of group formation
Acts as the purchasing unit which may be supplying the needs of two or more generations
Acts as a wider reference group
THE IMPORTANCE OF IMAGE

Individual’s awareness of the world is made up:

- EXPERIENCES
- LEARNING
- EMOTIONS

WTO defines image as follows:

- Artificial imitation of the apparent form of an object
- Form resemblance, identity (e.g. art and design)
- Ideas, conceptions held individually or collectively of the destination

EVALUATION OF SUCH EXPERIENCES, LEARNING, EMOTIONS AND PERCEPTIONS
Tourist may possess a variety of images in connection to travel:

- Mayo examined regional images and regional travel behaviour (1973.)

- Image of a destination is critical factor when choosing a destination
Two levels of image (Gunn, 1972.):

**“Organic” Image**
- Sum of all information that has not been deliberately directed by advertising or promotion of a country and destination.

**“Induced” Image**
- Formed by deliberate portrayal and promotion by various organisations involved with tourism.
4 stages in the development and establishment of a holiday image:

1. Vague, fantasy type of image advertising, education and word of mouth

2. Decision is made to take a holiday

3. Holiday experience itself

4. After-image, the recollecting of the holiday
Three phases that characterise the development of consumer behaviour theory:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>The early empiricist phase</td>
<td>- Covered the years between 1930 and the late 1940s</td>
</tr>
<tr>
<td></td>
<td>- Dominated by empirical commercial research</td>
</tr>
<tr>
<td>The motivational research phase</td>
<td>- 1950’s</td>
</tr>
<tr>
<td></td>
<td>- Stress was placed on Freudian and drive-related concepts</td>
</tr>
<tr>
<td>The formative phase</td>
<td>- 1960s</td>
</tr>
<tr>
<td></td>
<td>- Formative years of consumer behaviour modelling</td>
</tr>
<tr>
<td></td>
<td>- First general consumer behaviour textbook become available in 1968</td>
</tr>
</tbody>
</table>
Several commonalities:

- They all exhibit consumer behaviour as a decision process.
- They believe that consumers limit the amount of information taken in.
- They provide a comprehensive analysis focusing mainly on the behaviour of the individual consumer.
- All the “grand models” include a notion of feedback.
- They share the belief that behaviour is rational.
- The models envisage consumer behaviour as multi-stage triggered by the individual’s expectation that a produce will satisfy their needs.
- They view buying behaviour as purposeful.
The buying decision process in tourism (1)

- The stages can be thought of as:
  - Need arousal
  - Recognition of the need
  - Level of involvement
  - Identification of alternatives
  - Evaluation of alternatives
  - Decision choice made
  - Purchase action
  - Post-purchase behaviour
THE BUYING DECISION PROCESS IN TOURISM (2)

• Models according to the degree of search or problem-solving behaviour by the consumer:

**LIMITED PROBLEM-SOLVING MODELS (LSP MODELS)**
- Applicable to repeat or mundane purchases with low level of consumer
- Apart from short trips near to home these are not applicable to tourism

**EXTENDED PROBLEM-SOLVING MODELS (EPS MODELS)**
- Apply to purchases associated with high levels of perceived risk and involvement
- Models of tourist behaviour fall into this category
Variable models:

- Initial framework
- Conceptual alternatives
- Fact gathering

No tangible return on investment

Consider expenditure in relation to earned income

Purchase is not spontaneous or capricious

Expense involves saving and pre-planning

Forecast of consequences

Design of stimulus

Definition of assumptions

Cost-benefit of alternatives

Decision

Outcome
• Model is built upon:

- Motivations
- Desires
- Needs
- Expecations
- Personal and social determinants of travel behaviour
<table>
<thead>
<tr>
<th>FIELD 1: Travel stimuli</th>
<th>FIELD 2: Personal and social determinants</th>
<th>FIELD 3: External variables</th>
<th>FIELD 4: Destination characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Comprise external stimuli in the form of promotional communication, personal and trade recommendations</td>
<td>• Determine customer goals in the form of travel needs and desires, expectations and the objective and subjective risks thought to be connected with travel</td>
<td>• Involve the prospective traveller’s confidence in the service provider, destination image, learnt experience and cost and time constraints</td>
<td>• Consist of related characteristics of the destination or service that have a bearing on the decision and its outcome</td>
</tr>
</tbody>
</table>
MAYO AND JARVIS

• Borrowed from basic Howard-Sheth three-level decision making approach:
  • Extensive problem-solving
  • Limited problem-solving
  • Routinised problem-solving
<table>
<thead>
<tr>
<th><strong>MATHIESON AND WALL</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Four interrelated factors:</strong></td>
</tr>
<tr>
<td><strong>TOURIST PROFILE</strong></td>
</tr>
<tr>
<td><strong>TRAVEL AWARENESS</strong></td>
</tr>
<tr>
<td><strong>DESTINATION RESOURCES AND CHARACTERISTICS</strong></td>
</tr>
<tr>
<td><strong>TRIP FEATURES</strong></td>
</tr>
</tbody>
</table>
TRAVEL-BUYING BEHAVIOUR (1)

1. Felt need / travel desire
2. Information collection and evaluation by image
3. Travel decision (choice between alternative)
4. Travel preparations and travel experience
5. Travel satisfaction outcome and evaluation
<table>
<thead>
<tr>
<th><strong>Felt need or travel desire</strong></th>
<th>A desire to travel is felt and reason for and against that desire are weighted.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information and evaluation</strong></td>
<td>Popotential tourists utilise travel intermediaries, brochures and advertisements as well as friends, relatives and experienced travellers.</td>
</tr>
<tr>
<td><strong>Travel decision</strong></td>
<td>Stage advancement occurs with destination, mode of travel, accommodation and activities being selected.</td>
</tr>
<tr>
<td><strong>Travel preparation and travel equipment</strong></td>
<td>Travel takes place once bookings are made and confirmed, budgets organised, clothing and equipment arranged.</td>
</tr>
<tr>
<td><strong>Travel satisfaction evaluation</strong></td>
<td>During and after travel the overall experience is evaluated and the results influence subsequent travel decisions.</td>
</tr>
</tbody>
</table>
Two types of inputs:

1. The marketing inputs of product, promotion, place and price as the key external inputs.

2. The tourist’s internal variables, including experience, socio-demographic variables, lifestyle and values.
Motives provide travellers with expectations for activities, and destinations are seen as offering these activities.
## Linking Consumer Decision Models with Marketing

### Issues at Particular Purchase Stages

<table>
<thead>
<tr>
<th>Stage</th>
<th>Consumer Considerations</th>
<th>Marketing Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-Purchase Stage</strong></td>
<td>- How does a consumer decide that he/she needs a travel product?</td>
<td>- How are consumer attitudes towards travel products formed and/or changed?</td>
</tr>
<tr>
<td></td>
<td>- What is the level of involvement/commitment on the part of the purchaser of a travel</td>
<td>- For example, why is the mass tourism experience, so popular in the 1970s, now less popular?</td>
</tr>
<tr>
<td></td>
<td>product?</td>
<td>- What cues does the consumer use to infer which products are superior to others – a critical piece of information for promotion and positioning of travel products.</td>
</tr>
<tr>
<td></td>
<td>- What are the best sources of information to learn more about alternative choices, and,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>given the intangible nature of the travel product, which sources have more authority and influence?</td>
<td></td>
</tr>
<tr>
<td><strong>Purchase Stage</strong></td>
<td>- Is acquiring a product a stressful or pleasant experience and does this influence the</td>
<td>- How do situational factors such as time pressure, family pressure or travel agent displays affect the consumer’s purchase decision?</td>
</tr>
<tr>
<td></td>
<td>nature of intermediary used – or indeed whether an intermediary is bypassed?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- What does the destination and type of holiday arrangement purchased say about the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>consumer?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Does the travel product provide pleasure or perform its intended function?</td>
<td></td>
</tr>
<tr>
<td><strong>Post-Purchase Stage</strong></td>
<td>- How is the travel product consumed and are there environment or social consequences to</td>
<td>- What determines whether a consumer will be satisfied with the travel experience or whether he/she will buy it again?</td>
</tr>
<tr>
<td></td>
<td>the travelling activity?</td>
<td>- Does this person tell others about his/her travel experiences and therefore affect their purchase decision?</td>
</tr>
</tbody>
</table>
THANK YOU FOR YOUR ATTENTION!