



AL-FARABI KAZAKH NATIONAL UNIVERSITY

Department of Recreational geography and tourism

Bases of Tourismology

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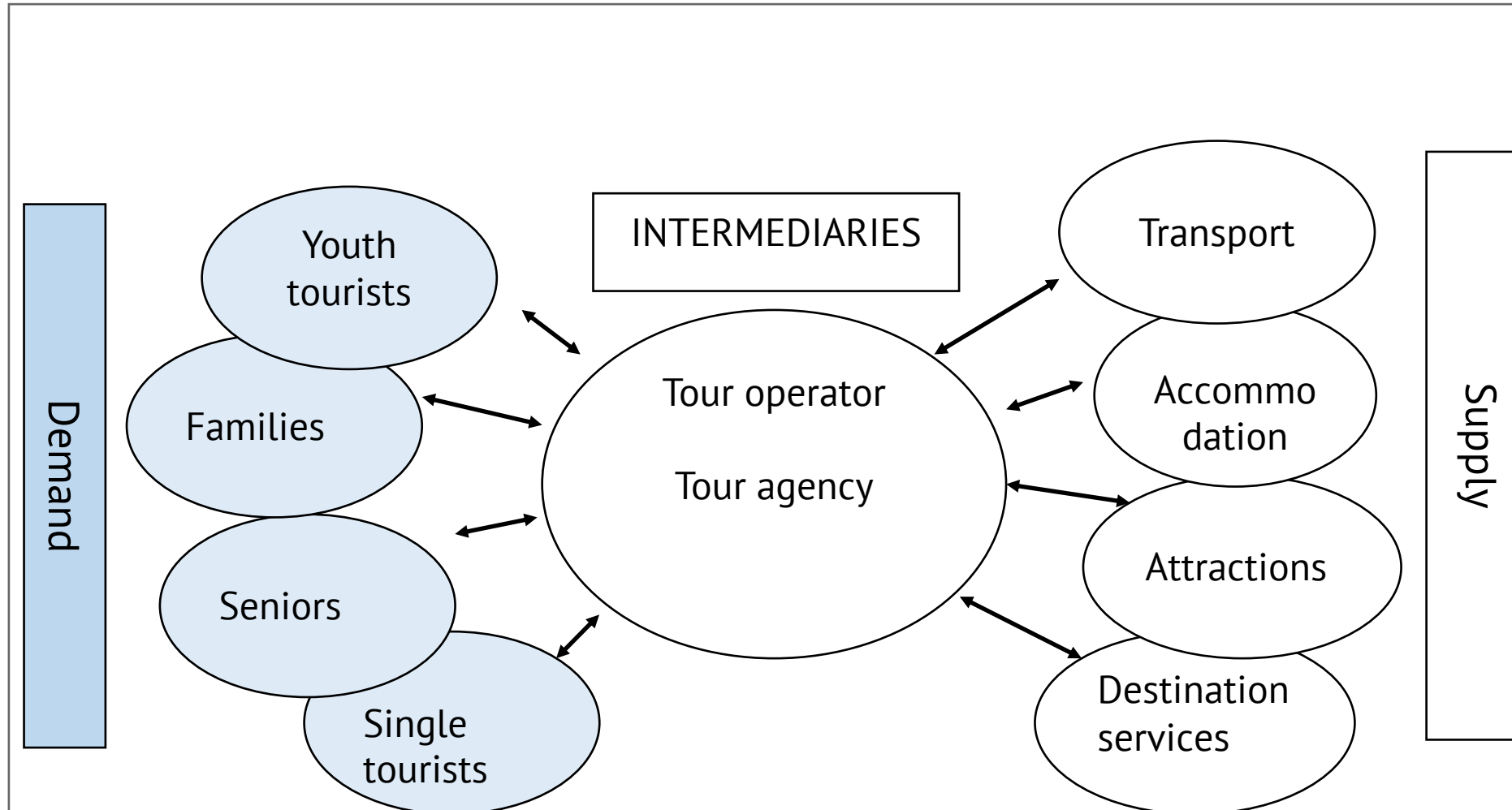
Module 4

Tourism as a social and economic system

Lecture 9

Tourism industry: Demand in tourism

THE SYSTEM OF TOURISM FRAMEWORK



TOURISM DEMAND

Tourism demand is the total number of persons who travel or wish to travel to use the tourist facilities away from their places of work and residence.

(Mathieson and Wall, 1982)

DEFINITIONS OF TOURISM DEMAND

The economic approach introduces the idea of elasticity – which describes the relationship between demand and price, or other variable.

The geographer's definition implies a wide range of influences, in addition to price, as determinants of demand and includes not only those who actually participate in tourism, but also those who wish to, but for some reason do not.

The psychologist scratches underneath the skin of the tourist to examine the interaction of personality, environment and demand for tourism.

CONCEPTS OF TOURISM DEMAND

Effective or **actual demand** is the actual number of participants in tourism or those who are traveling, i.e. de facto tourists. This is the component of demand most commonly and easily measured and the bulk of tourism statistics refer to effective demand.

Suppressed demand is made up of that section of the population who do not travel for some reason.

Suppressed demand

Potential demand refers to those who will travel at some future date if they experience a change in their circumstances. For example, their purchasing power may increase, or they may receive more paid holiday entitlements, and they therefore have the potential to move into the effective demand category.

Deferred demand is a demand postponed because of a problem in the supply environment, such as a lack of capacity in accommodations or maybe terrorists activity.

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THE POLITICAL ENVIRONMENT

Airport regulations and tourism policies), economic policy (e.g. exchange rate stabilization, control of inflation, taxation, trade tariffs) and governmental international policy.

ECONOMIC ENVIRONMENT

can include the price of oil, fuel costs, exchange rates, interest rates, minimum working wages and inflation

SOCIOCULTURAL INFLUENCES

include demographics, e.g. population statistics and profiles, lifestyle, education, holiday entitlement and workforce changes.

TECHNOLOGICAL ENVIRONMENT

The travel sector has always been at the forefront of new technologies; for example, computer reservation systems/global distribution systems (CRS/GDS).

ENVIRONMENTAL ISSUES

can involve climate change, the reduction of natural resources and pollution

LEGAL ENVIRONMENT

This includes the legislation and regulation of companies, which is usually under the control of the government.

POLITICAL FACTORS

Visa requirements, travel restrictions

Transport routes

Political stability

Taxation

Employment regulations
/ working hours /
statuary holiday
entitlements

Public holidays

ECONOMIC FACTORS

- Discretionary income

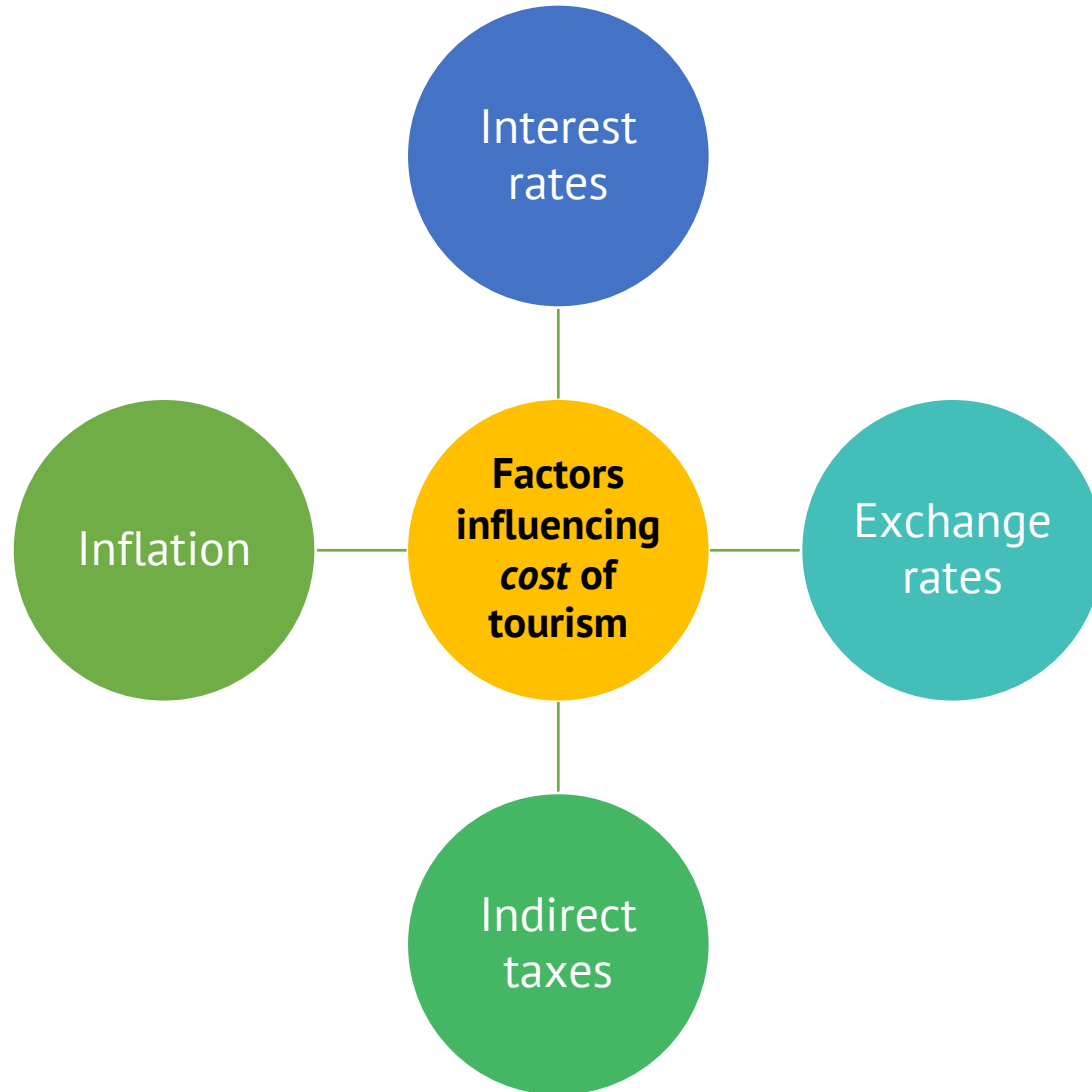
- Saving levels

- Economic confidence

- Employment levels



ECONOMIC FACTORS



SOCIAL- CULTURAL FACTORS

Demographics:

- Population growth, age, sex
- Birth rate
- Geographical and occupational distribution



FAMILY CYCLE

Life stage	Characteristics	Leisure income	Leisure time
Child	Leisure decisions taken by parent	Low	High
Single	High propensity for leisure pursuits and travel. Budget travel popular	Medium	Medium
Partnered	High leisure and tourism propensities underpinned by income, free time	High	Medium
Full nest	Children become preoccupation	Medium	Low
	Tourism must meet requirements		
	Cost per person important		

FAMILY CYCLE

Life stage	Characteristics	Leisure income	Leisure time
Empty nest	Children have left home. Tourism opportunities increase. Exotic destinations sought	High	Medium
Old age	May lack partner, suffer from infirmity. Safe travel, package holidays popular	Low	High

SOCIAL- CULTURAL FACTORS

Lifestyle, attitudes

- Healthier living
- “New tourist”

Social class

- Income
- Employment status

Inter-cultural differences

- Northern Europe vs. Japan

TRAVEL PROPENSITY

Gross TP

- Sweden: 140.2%
- Netherlands: 100.9%
- UK: 102.2%
- USA: 19.4%
- China 1.6%

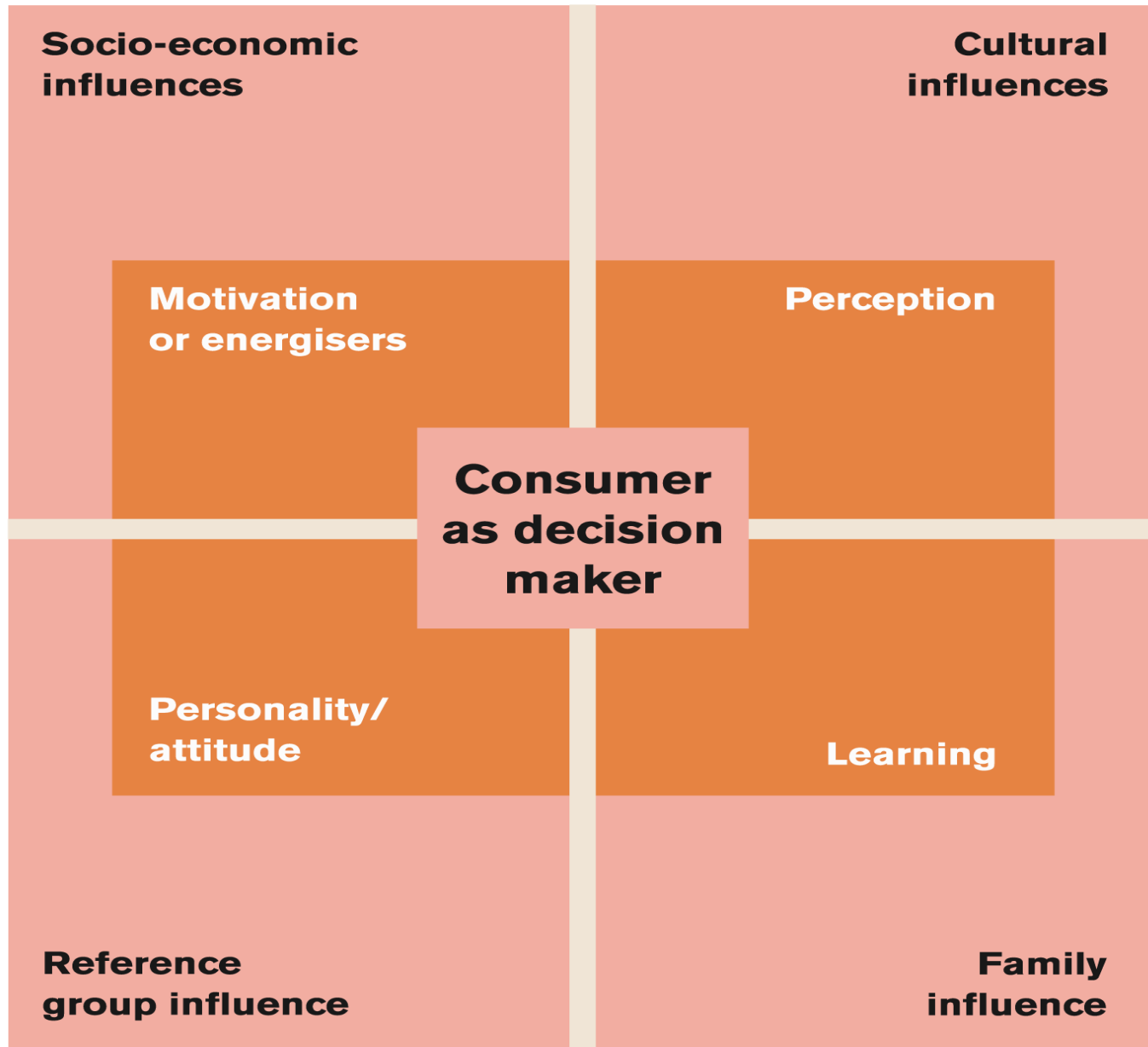
Net TP

- Luxemburg: 77.9%
- Netherlands: 69.6%
- UK: 57.9%
- Portugal: 17%
- Bulgaria: 7.1%

INDIVIDUAL DECISION MAKING

No two individuals are alike and differences in **attitudes, perceptions, images** and motivation have an important influence on travel decisions. It is important to note that:

- **Attitudes** depend on an individual's perception of the world;
- **Perceptions** are mental impressions of a destination or travel company;
- Travel **motivators** explain why people want to travel and they are the inner urges that initiate travel demand;
- **Images** are sets of beliefs, ideas and impressions relating to products and destinations.



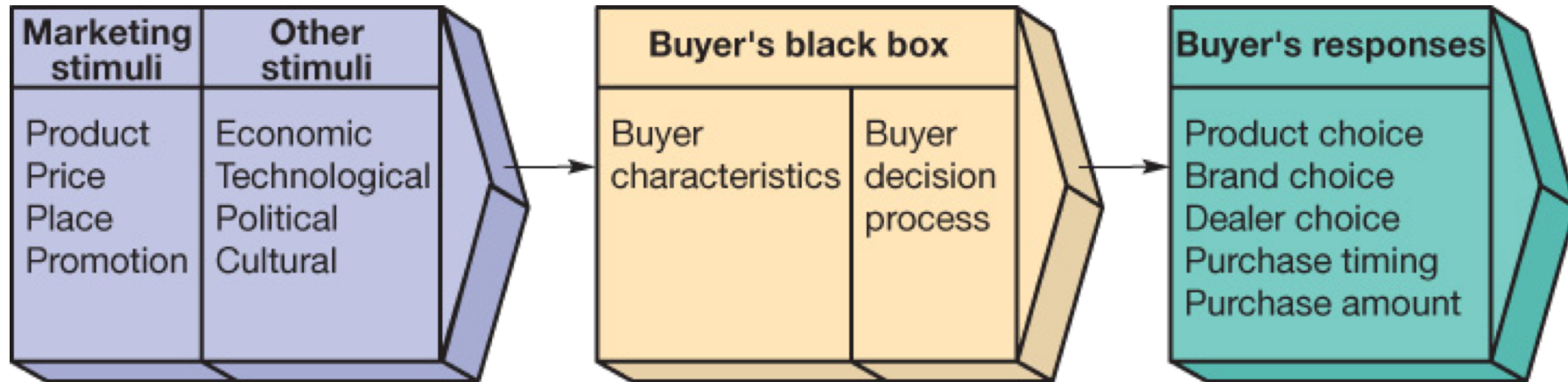
Consumer decision-making framework

WHY IS IT IMPORTANT TO KNOW TOURIST BEHAVIORS?

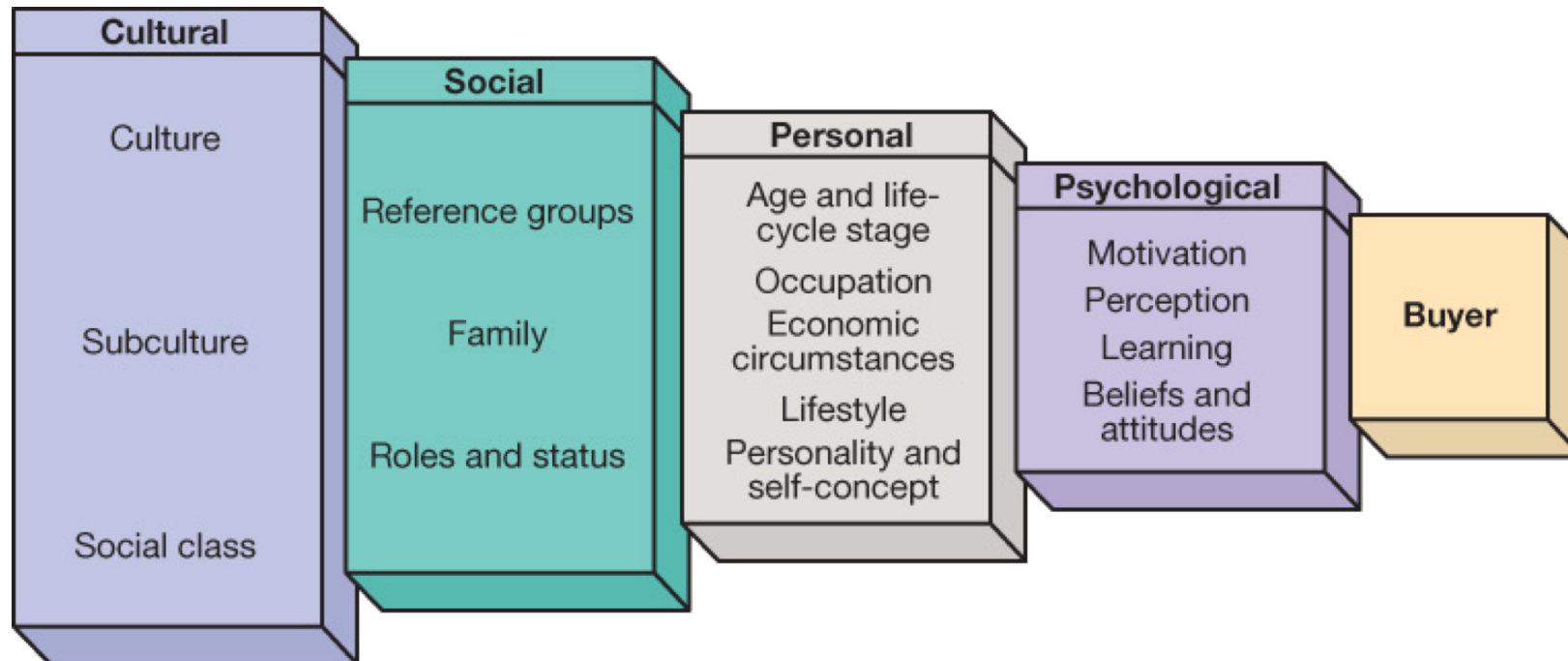
It is important for tourism managers to research and understand the way in which tourism consumers make decisions and act in relation to the consumption of tourism products. We need to study a tourist's consumer behaviour to be aware of:

The needs, purchase motives and decision process

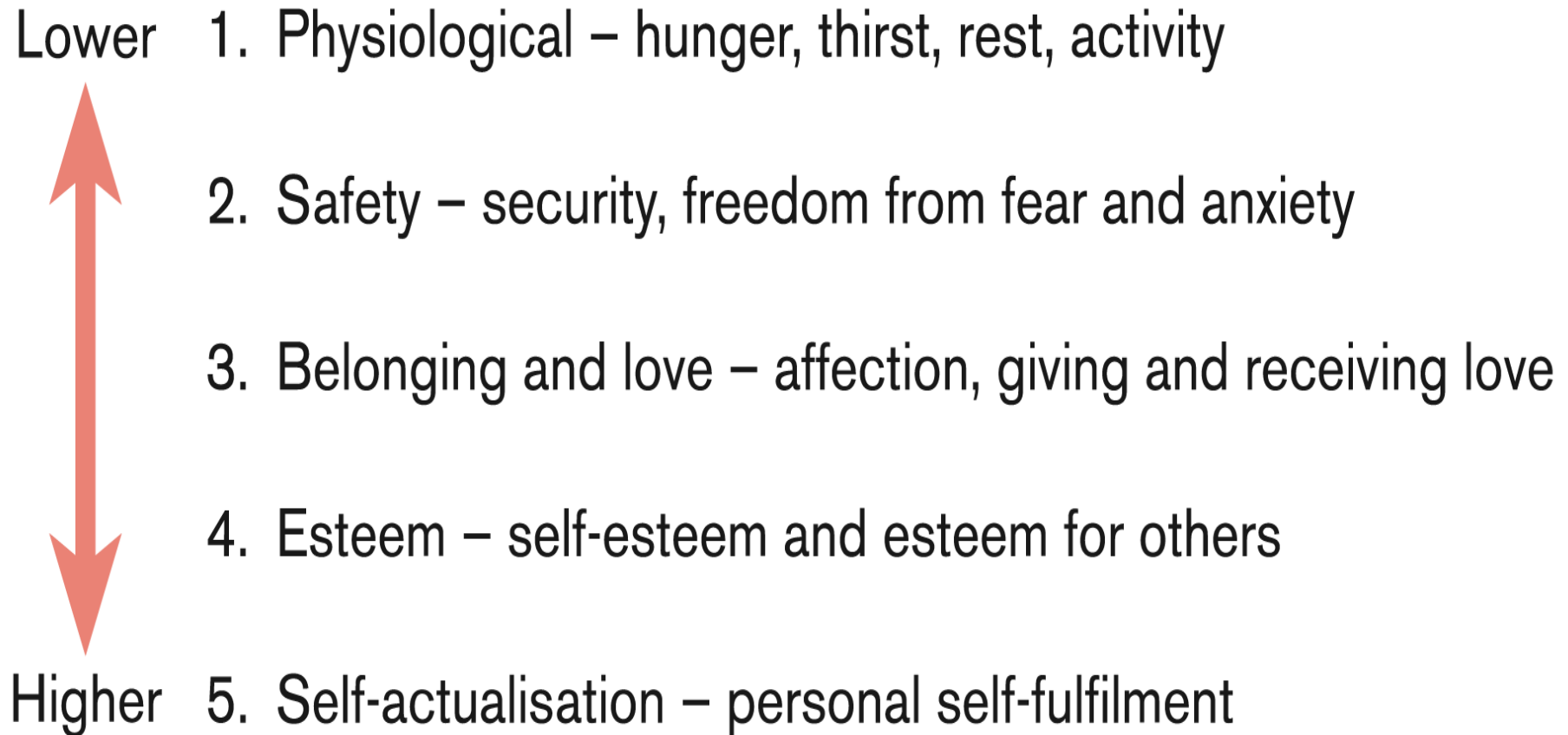
A MODEL OF CONSUMER BEHAVIOR



FACTORS INFLUENCING CONSUMER BEHAVIOR



MASLOW'S HIERARCHY OF NEEDS MODEL



STANLEY PLOG'S MODEL

In 1974, **Stanley Plog** developed a theory which allowed the US population to be classified into a series of interrelated psychographic types. These types range from **two extremes:**

- **Allocentric**
- **Psychocentric**

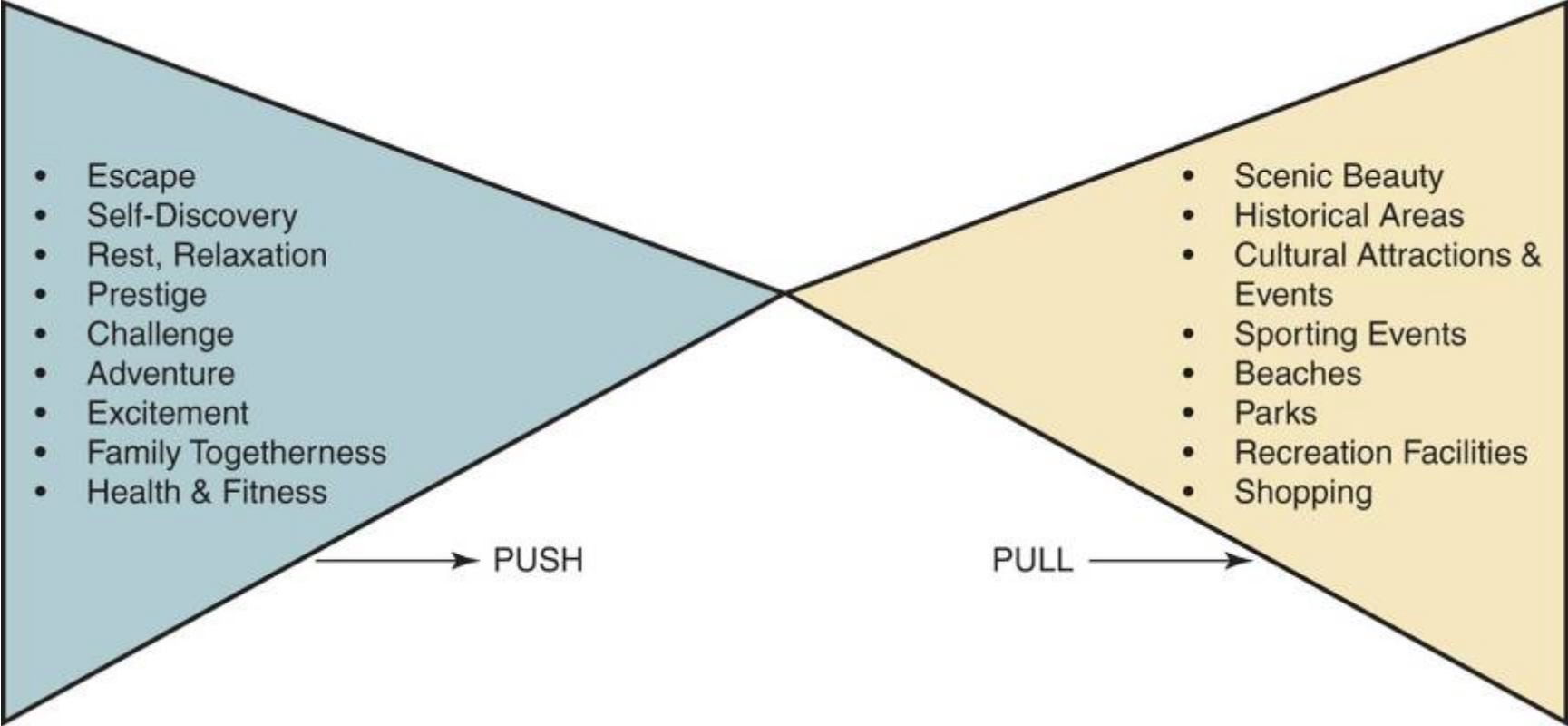
PSYCHOCENTRICS

- The 'psychocentric' type is derived from 'psyche' or 'self-centred' where an individual centres thoughts or concerns on the small problem areas of life.
- Also known as dependables
- These individuals tend to be conservative in their travel patterns, preferring 'safe' destinations and often taking many return trips.
- For this latter reason, market research in the tour-operating sector labels this group as 'repeaters'.
- They have very strong brand loyalty.

ALLOCENTRICS

- The 'allocentric' type derives from the root 'allo' meaning 'varied in form'. These individuals are adventurous and motivated to travel/discover new destinations.
- Also known as **venturers**
- They rarely return to the same place twice, hence their market research label 'wanderers'.

THE PUSH-PULL MODEL



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