

Structure of Tourism Markets

European Institute of Innovation, Entrepreneurship and Technology
Lessingstraße 79, 13158 Berlin, Germany

Mahmoud Abdou| Berlin

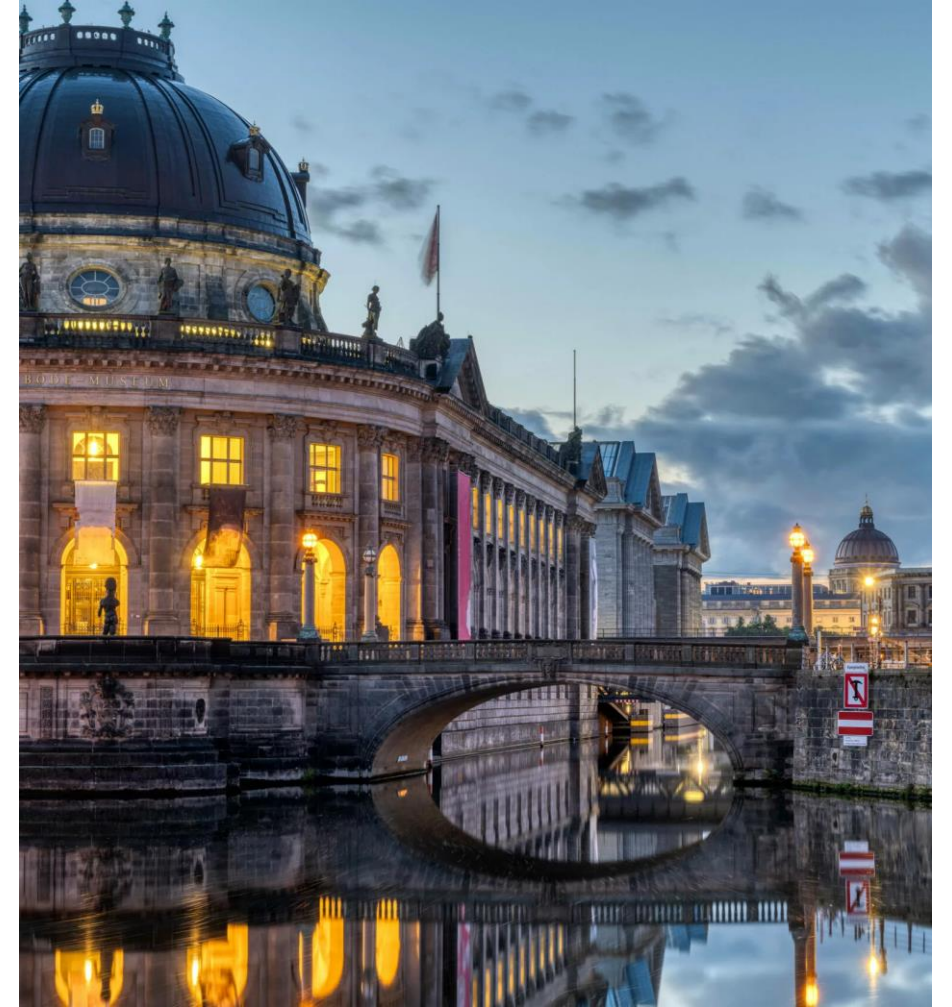


**Lessingstraße 79,
13158 Berlin, Germany
Phone: +49 30 233618555
Fax: +49 30 233618556
Email: info@eiiet.com**

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Outline

1. Definition of Tourism Demand
2. Determinants of Tourism Demand
3. Consumer Behaviour in Tourism
4. Travel Behaviour in Tourism
5. Tourist Roles and Typologies



1- Definition of Tourism Demand

Market Demand

- In an economic sense:

“Demand is supposed to be there when there is the desire among the potential customers for the product/service being offered along with the willingness and ability to pay”

- Example in Tourism

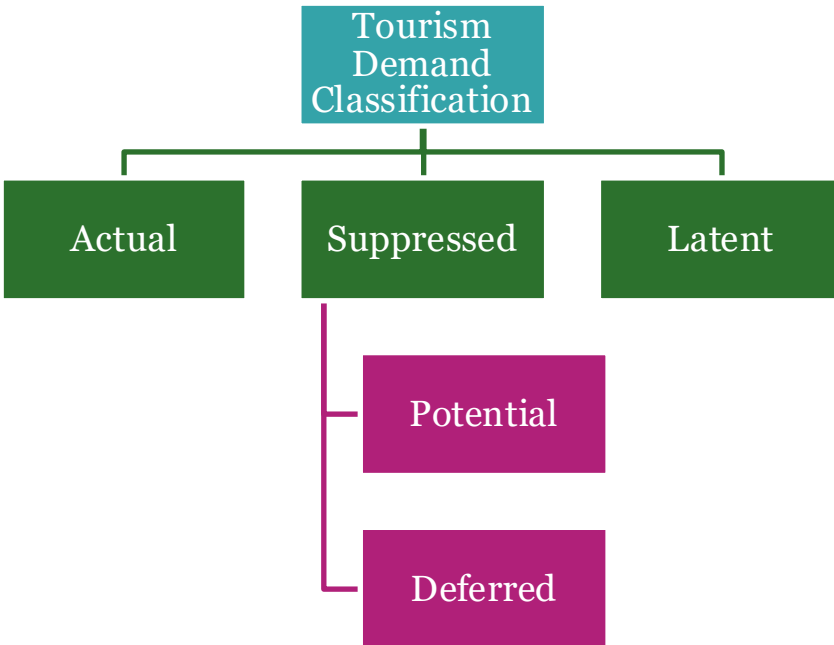
- A traveler may want to visit Paris, but demand only exists if they:

- Have enough money for the trip.
- Are willing to spend that money.
- Plan to travel during a specific period.

Without willingness and ability to pay, desire alone does not constitute demand.

1- Definition of Tourism Demand

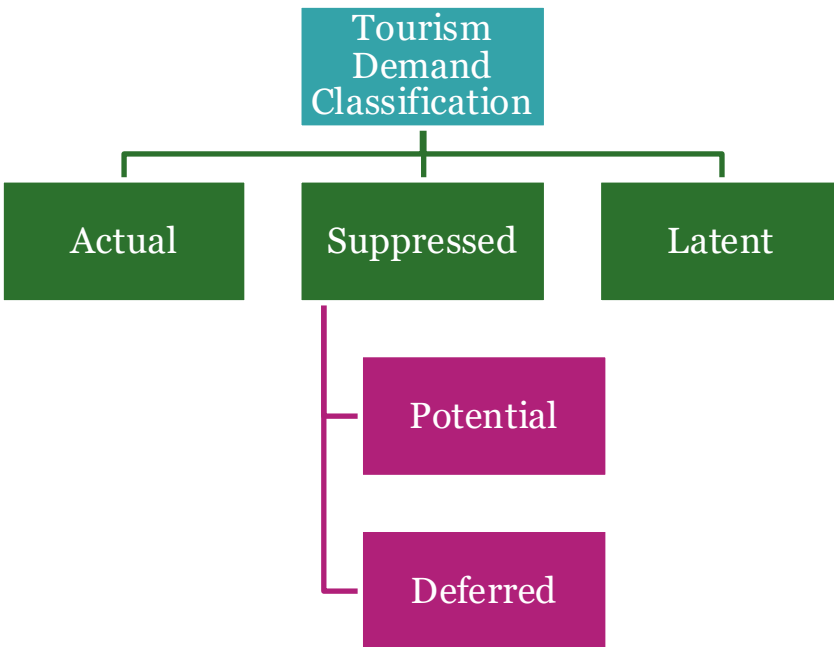
Classification of Tourism:



- Tourism demand can be divided into three main types:
- Actual Demand (Effective Demand)
- Suppressed Demand
 - Potential Demand
 - Deferred Demand
- Latent Demand

1- Definition of Tourism Demand

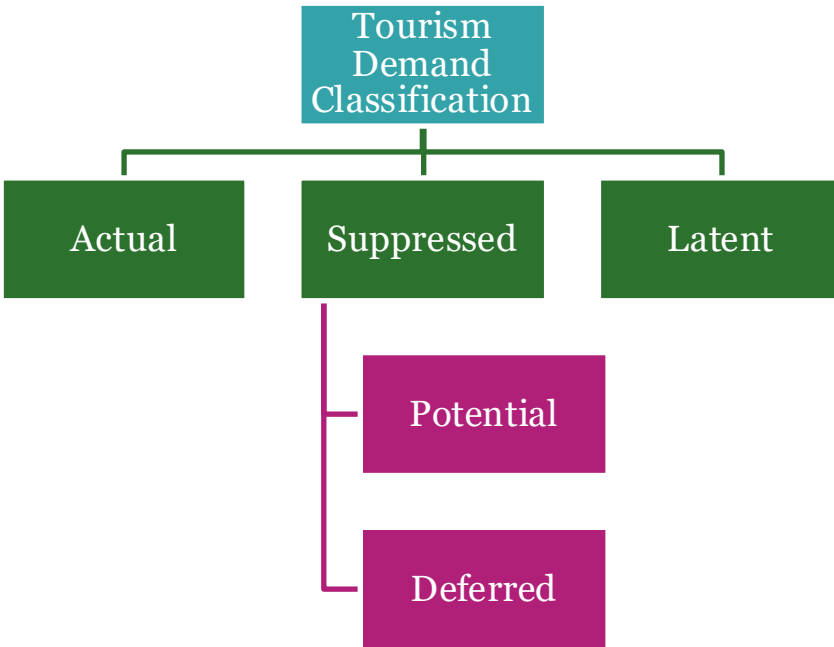
A- Actual Demand



- Represents tourists who are actively participating in tourism activities.
- It refers to the people who actually travel and consume tourism products.
- **Characteristics:**
 - Easy to measure through tourism statistics.
 - Includes:
 - Tourist arrivals
 - Overnight stays
 - Tourism expenditure

1- Definition of Tourism Demand

B- Suppressed Demand



- Refers to people who would like to participate in tourism but cannot travel due to certain limitations.

- Two categories:

1- Potential Demand

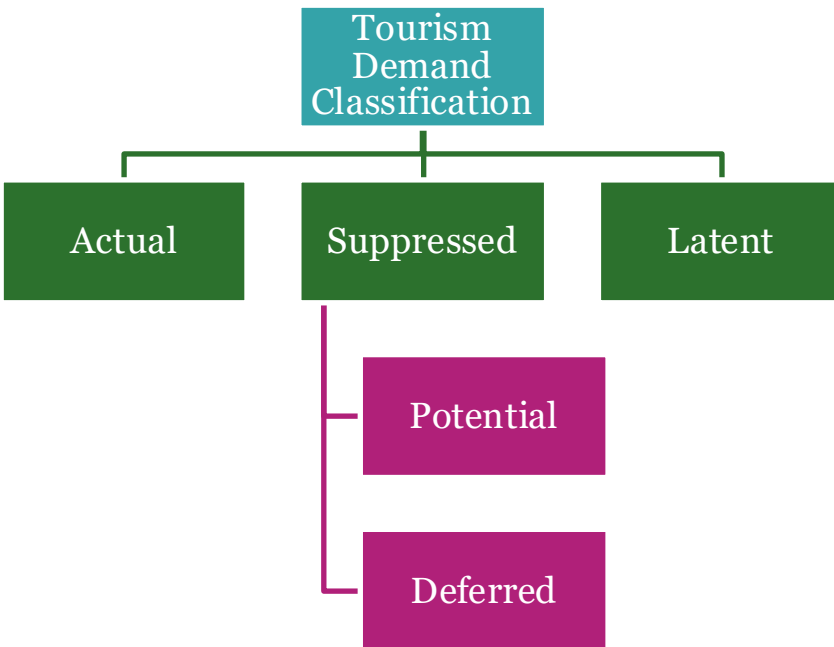
➤ People who have the desire to travel but are unable to do so because of personal circumstances.

2- Deferred Demand

➤ Travel demand that exists but is postponed because of problems in the tourism supply environment.

1- Definition of Tourism Demand

C- Latent Demand



- Refers to demand related to the specific location, time, or capacity of tourism services.

- **Characteristics:**

➤ Demand exists but cannot be satisfied due to limitations at a particular destination.

- **Examples:**

➤ Demand for hotel rooms exceeds available capacity during a major event.

➤ Visitors wanting to access a popular attraction when tickets are unavailable.

2- Determinants of Tourism Demand

What are the Determinants of Tourism Demand?

- Determinants of tourism demand are the factors that influence and limit the demand for holidays and travel within a society.
- They explain why people in some countries travel more frequently than those in others.

The determinants of tourism demand can be conceptualized as:

“Those factors at work in any society that drive and set limits to the volume of a population's demand for holiday and travel.”

2- Determinants of Tourism Demand

**Determinants vs. Tourist
Motivation**

- Determinants

- External factors that affect the ability and opportunity to travel.
- Influence the overall level of tourism demand.

- Motivation

- Internal factors such as needs, wants, and desires.
- Influence individual tourism choices and destination selection.

2- Determinants of Tourism Demand

Determinants vs. Tourist Motivation



- Determinants

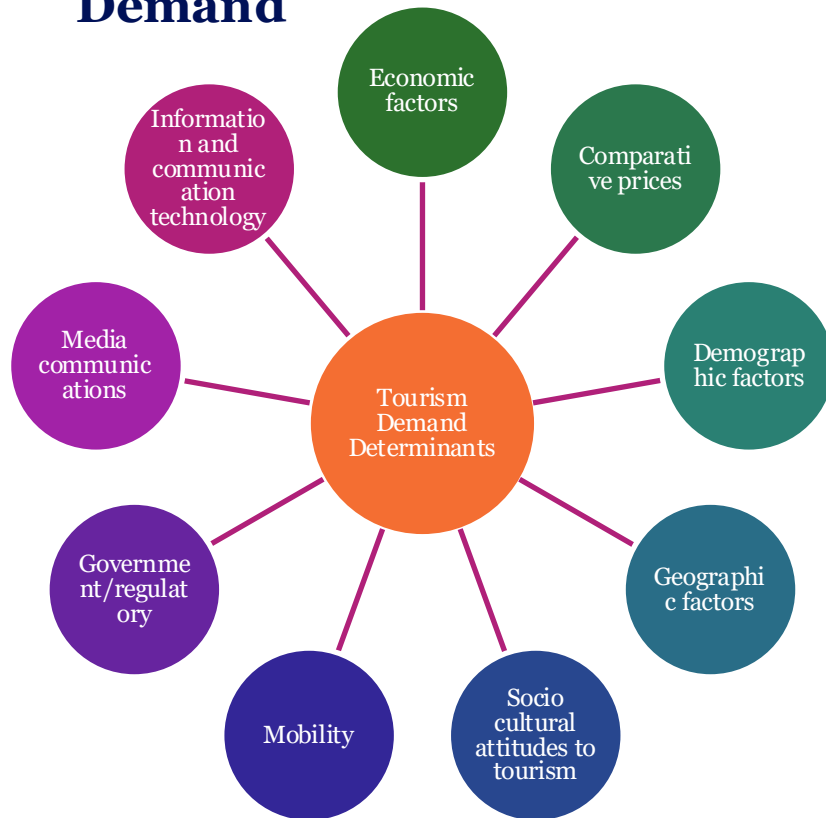
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2- Determinants of Tourism Demand

- Determinants of Tourism Demand



- Economic factors
- Comparative prices
- Demographic factors
- Geographic factors
- Socio-cultural attitudes to tourism
- Mobility
- Government/regulatory
- Media communications
- Information and communication technology.

2- Determinants of Tourism Demand

A- Economic Factors



- Economic factors are among the most influential determinants of tourism demand because they determine people's ability to afford travel.

- The three main economic determinants are:

- Income
- Available Time
- Price

- These factors directly influence whether people travel, how often they travel, and how much they spend.

2- Determinants of Tourism Demand

A- Economic Factors



Income as an Economic Determinant

- Income, particularly disposable income, is the strongest predictor of tourism demand.

- Types of income

- Personal income
- Disposable income (income after taxes)
- Discretionary income (income remaining after essential expenses)

- Example

- When fuel or energy prices increase, households have less discretionary income, reducing tourism demand.

2- Determinants of Tourism Demand

A- Economic Factors



- Income Elasticity of Tourism Demand

- Income elasticity measures how tourism demand changes with changes in income.

- Characteristics

- Tourism is generally income elastic.
- A 1% increase in income usually results in more than a 1% increase in tourism demand.

- Other Considerations

- Tourism spending often depends on future income expectations.
- Consumers may increase or reduce travel based on optimism or economic uncertainty.

2- Determinants of Tourism Demand

A- Economic Factors



- Time as an Economic Determinant

- Available Time

- Travel requires both money and free time.

- Factors influencing available time

- Paid annual leave
- Working hours
- Flexible work schedules
- Retirement age

2- Determinants of Tourism Demand

A- Economic Factors



- Time as an Economic Determinant

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2- Determinants of Tourism Demand

A- Economic Factors



- Price as a Determinant of Tourism Demand

- Price strongly influences destination choice and travel frequency.

- Price Elasticity

- Price elasticity measures how demand responds to price changes.

- Characteristics

- Tourism demand is generally price elastic.
- A 1% increase in tourism prices often leads to about a 1% decrease in demand.

2- Determinants of Tourism Demand

A- Economic Factors



- Factors Affecting Tourism Prices

- Transportation costs
- Accommodation prices
- Inflation
- Competition
- Technological improvements
- Low-cost airlines

Result

- Lower prices make tourism more affordable and stimulate demand.

2- Determinants of Tourism Demand

B- Comparative Prices



- Tourists compare prices before choosing a destination.

- Cross-price elasticity

➤ Demand for one destination changes when the price of a competing destination changes.

- Example:

➤ If holidays in Spain become more expensive, tourists may choose Portugal, Greece, or Italy instead.

- Exchange Rates

➤ Currency appreciation or depreciation changes travel costs.

➤ A stronger tourist currency increases purchasing power abroad.

➤ A weaker currency discourages international travel.

2- Determinants of Tourism Demand

C- Demographic Factors



- Demographic factors influence the size and characteristics of tourism markets.

- Main demographic influences:

1- Population Size and Growth

- Larger populations create larger potential tourism markets.
- Growth of generating markets increases tourism demand.

2. Age Structure

- Different age groups have different travel patterns.
- The growing senior population represents an important tourism segment.

2- Determinants of Tourism Demand

D- Geographic Factors



- Location, Climate, and Urbanization

- Geographic characteristics influence both:

- Tourism generation
- Tourism attraction

- Important geographic factors:

- Climate

- Warm climates encourage beach tourism.
- Seasonal climate differences influence travel patterns.

- Urbanization

- Cities are major tourism generators and attractions.

2- Determinants of Tourism Demand

E- Socio-cultural Attitudes Toward Tourism



- People's attitudes toward holidays influence tourism participation.

- **Examples of socio-cultural influences:**

- **Holiday as a Right**

- In many Western countries, holidays are considered necessary for:

- Stress reduction
- Well-being
- Quality of life

2- Determinants of Tourism Demand

F- Government and Regulatory Factors



- Government policies can significantly influence tourism demand.

- Government influences include:

1- Market Regulation

➤ Ensuring fair competition among tourism suppliers

2- Consumer Protection

➤ Protecting tourists' rights and safety

3- Travel Facilitation

➤ Visa policies

➤ Border regulations

➤ International agreements (Schengen Area)

2- Determinants of Tourism Demand

E- Socio-cultural Attitudes Toward Tourism



4- Tourism Planning

- Environmental regulations
- Sustainable development policies
- Transport regulations
- Environmental Impact Assessments (EIA)

2- Determinants of Tourism Demand

G- Media Communications and Tourism Demand



- The media plays an important role in creating:

- Destination awareness
- Travel expectations
- Tourism images

- Television Influence:

- Shows destinations and attractions to millions of viewers.
- Creates travel desires and expectations.
- Can also negatively affect demand

2- Determinants of Tourism Demand

H- Information and Communication Technology



- The Internet has transformed tourism behaviour.

- Functions of ICT:

- Information source
- Marketing channel
- Booking platform
- Distribution channel
- Review and recommendation system

- Examples:

- Online travel agencies (OTAs)
- Social media influencers
- Online reviews
- Virtual destination experiences

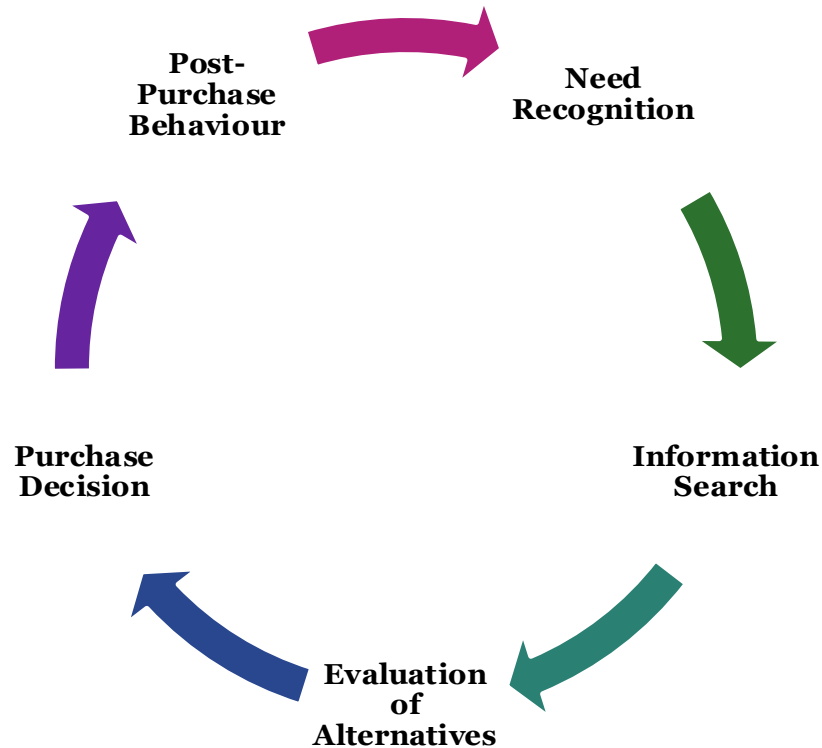
3- Consumer Behaviour in Tourism

Travel Behaviour

- Focuses on the decision-making process before travel.
- It explains:
 - The stages tourists go through before booking a trip.
 - How personal background, experiences, and social influences affect purchasing decisions.

3- Consumer Behaviour in Tourism

What is Consumer Behaviour?



- The Tourism Decision-Making Process

- Five Stages of Consumer Decision Making

- Need Recognition
- Information Search
- Evaluation of Alternatives
- Purchase Decision
- Post-Purchase Behaviour

4- Travel Behaviour in Tourism

What is Travel Behaviour?

- Focuses on tourists' actions during the trip.
- It explains:
 - How tourists behave at the destination.
 - What activities they participate in.
 - Different types of tourists and travel patterns.

5- Tourist Roles and Typologies

1.1- Gray's Classification of Tourists

- Gray (1970) classified tourists based on the primary purpose of their trip, identifying two main types of tourists:

A- Sunlust Tourists

- Primary Motivation: Rest and relaxation

- Characteristics:

- Seek the 3 S's: Sun, Sea, and Sand
- Prefer warm climates and beach destinations.
- Value comfort, convenience, and familiar surroundings.

B- Wanderlust Tourists

- Primary Motivation: Exploration and discovery

- Characteristics:

- Seek new experiences and adventure.
- Interested in local culture, history, and traditions.
- Enjoy interacting with local communities.

5- Tourist Roles and Typologies

1.2- Cohen's Tourist Typology (1972)

- Cohen (1972) classified tourists according to their relationship with:
 - The tourism industry
 - The destination environment
 - The level of familiarity and strangerhood
- Tourists travel within an "environmental bubble" shaped by:
 - Home environment
 - Culture
 - Social background
 - Previous experiences
- The strength of this bubble influences how tourists interact with new places and cultures.

5- Tourist Roles and Typologies

1.2- Cohen's Tourist Typology (1972)

- Tourist Relationship with the Environmental Bubble

A- Strong Environmental Bubble

- Tourists prefer familiar surroundings.
- Seek comfort, security, and similarity to home.
- Depend more on tourism services and organized experiences.

- Weak Environmental Bubble

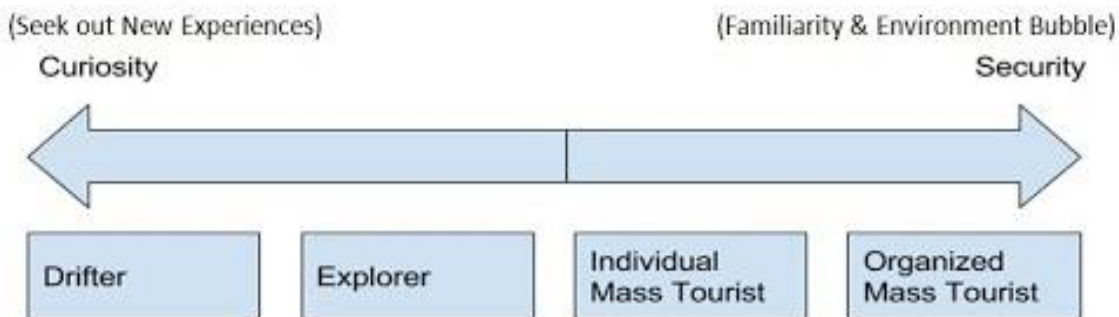
- Tourists seek authentic experiences.
- More willing to interact with local people and cultures.
- Prefer independence and exploration.

5- Tourist Roles and Typologies

1.2- Cohen's Tourist Typology (1972)

TYPOLGY OF TOURISTS (ERIC COHEN.1972)

Classification according to psychological characteristics



A- Organized Mass Tourist

- The organized mass tourist is the least adventurous tourist type and seeks familiarity, security, and comfort.

- Travel Behaviour

- Prefers highly organized package holidays.
- Travels according to prearranged itineraries.

- Destination Preferences

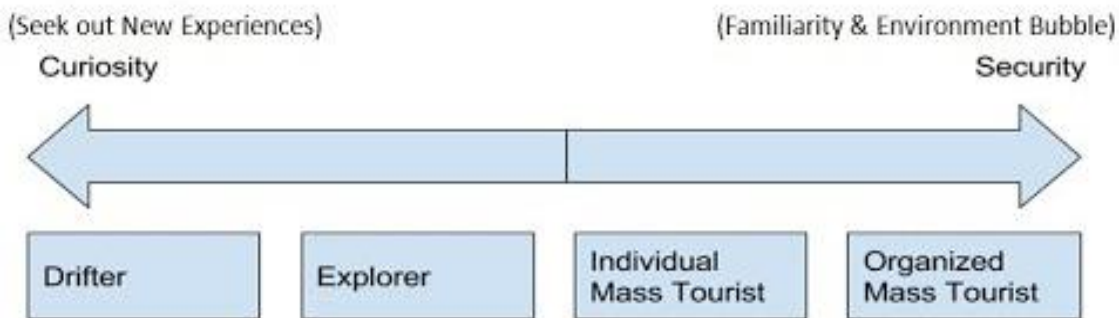
- Familiar destinations and environments.
- They often stay within their own country or visits well-developed international destinations.

5- Tourist Roles and Typologies

1.2- Cohen's Tourist Typology (1972)

TYPOLGY OF TOURISTS (ERIC COHEN.1972)

Classification according to psychological characteristics



B- Individual Mass Tourist

- The individual mass tourist is similar to the organized mass tourist but seeks greater independence and personal choice.

- Travel Behaviour

- Uses established tourism infrastructure.
- Maintains greater control over the travel itinerary.

- The individual mass tourist often uses:

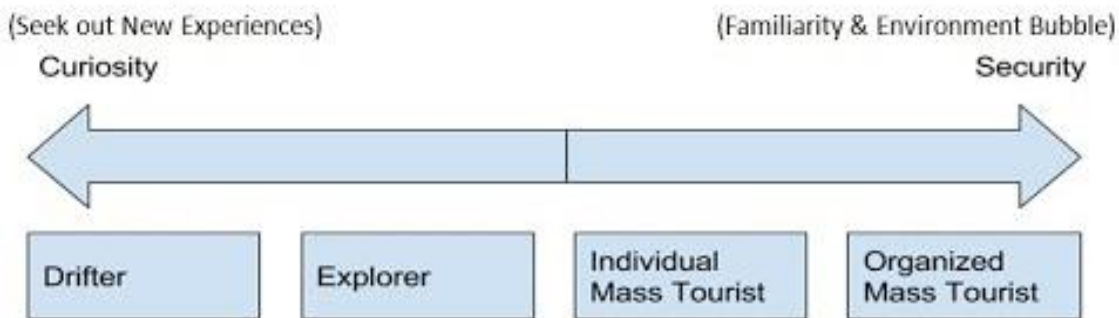
- Scheduled flights
- Travel agencies
- Tour operators

5- Tourist Roles and Typologies

1.2- Cohen's Tourist Typology (1972)

TYPOLGY OF TOURISTS (ERIC COHEN.1972)

Classification according to psychological characteristics



C- Explorer Tourist

- The explorer is an independent traveller who seeks authenticity while maintaining some level of comfort and security.

- Travel Behaviour

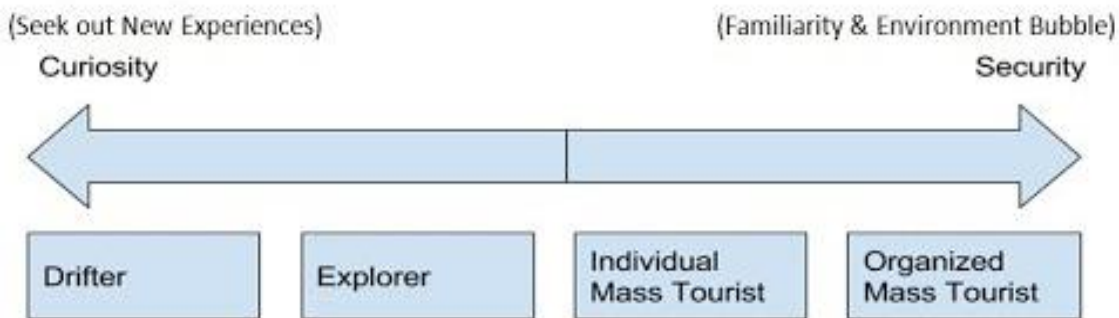
- Organizes travel arrangements independently.
- Avoid mass tourism routes and popular tourist paths.
- Seeks local experiences and interaction with residents.

5- Tourist Roles and Typologies

1.2- Cohen's Tourist Typology (1972)

TYPOLGY OF TOURISTS (ERIC COHEN.1972)

Classification according to psychological characteristics



- Drifter Tourist

- The drifter represents the most independent and adventurous tourist type.

- Travel Behaviour

- Makes no fixed travel plans or itinerary.
- Avoids organized tourism services.
- Seeks complete immersion in local life.
- Maintains close contact with local communities.

5- Tourist Roles and Typologies

1.3- Plog's Tourist Typology (200

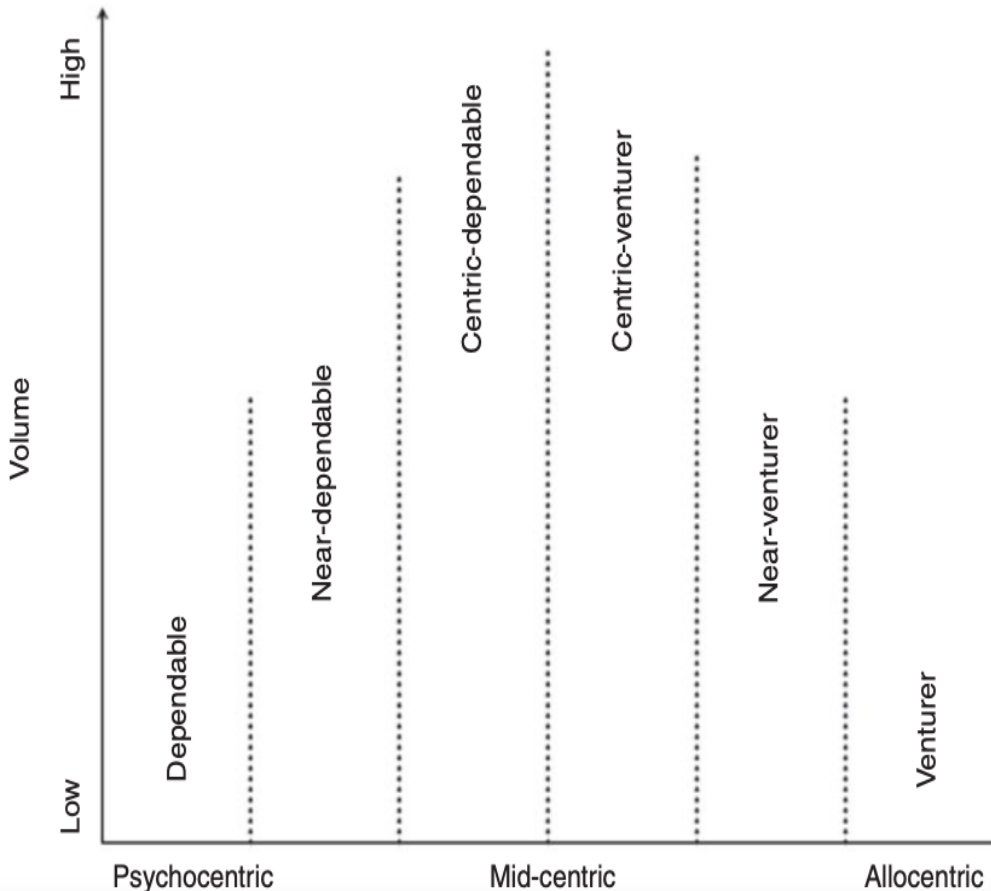
- Plog (2001) classified tourists based on their personality traits, suggesting that personality influences destination choice and travel behaviour.

- Key Factors:

- Level of adventure desired
- Preference for familiarity or novelty
- Nature of the travel experience

5- Tourist Roles and Typologies

1.3- Plog's Tourist Typology



A- Venturers (Allocentric Tourists)

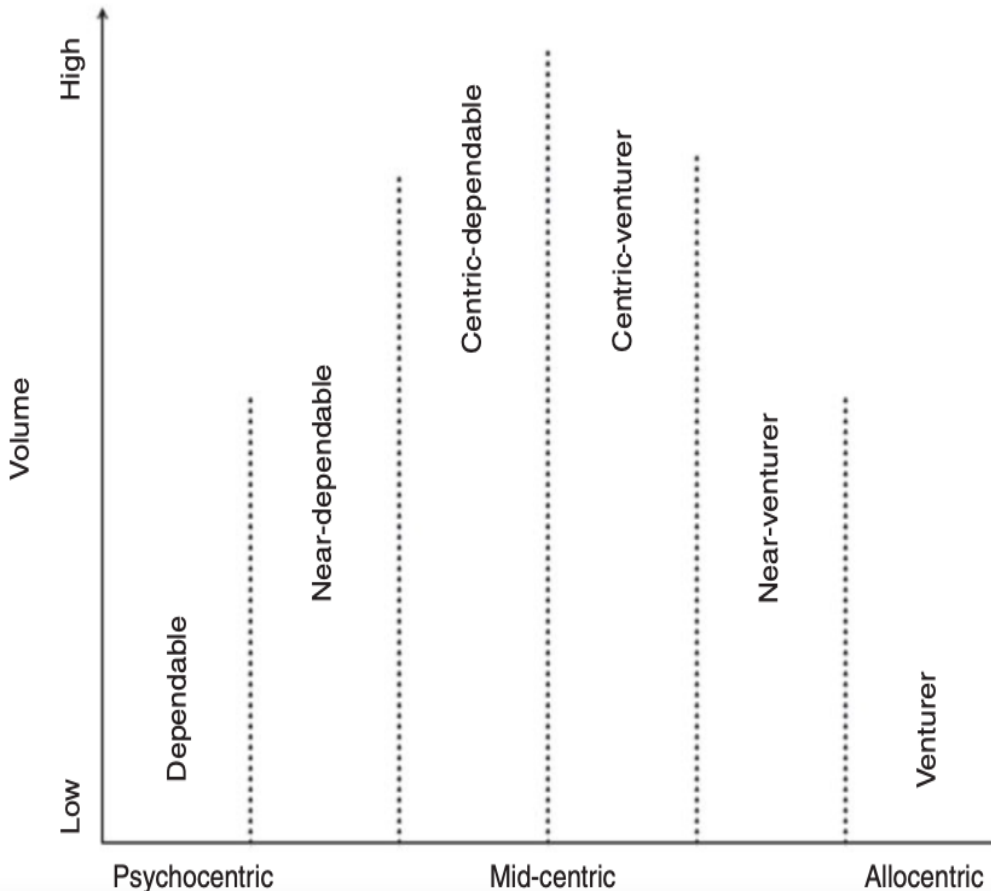
- Venturers are adventurous travellers who seek novelty, exploration, and authentic experiences.

Characteristics:

- Confident and adventurous
- Curious and open to new experiences
- Willing to take risks
- Independent decision-makers
- Frequent travellers, often taking longer trips

5- Tourist Roles and Typologies

1.3- Plog's Tourist Typology



B- Dependables (Psychocentric Tourists)

Dependables prefer comfort, familiarity, safety, and predictable travel experiences.

- Characteristics:

- Cautious and risk-averse
- Prefer familiar environments
- Conservative and home-loving
- Travel less frequently and take shorter trips
- Often rely on well-known brands and destinations

Thank you



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