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Subject : Structure of Tourism Markets- Assignment 2

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1- Define tourism demand. Explain the difference between actual, suppressed, and latent demand, providing one real-world example for each type.

2- Economic factors are considered the most influential determinants of tourism demand. Discuss the role of income, time, and price in shaping tourism demand.

The 1st question asks about Tourism Demand, and the different kinds of Tourism Demand.

Tourism demand is the total number of travelers or potential travelers wishing to have access to tourist facilities/amenities at locations outside of their workplace/residence.

It is helpful to understand the reasons behind the traveler's intentions and to differentiate among the three basic forms of tourism demand.

Actual Demand refers to the population currently involved in tourism who do indeed travel to a specific destination.

Examples of actual demand include international travelers to hotels in Paris during the summer months.

Suppressed Demand refers to individuals that want to travel however there exists an external reason which prevents them from doing so at present -- e.g. a temporary closure of a country's borders due to political unrest or a suspension of visa issuance for holidays. In these cases, travelers will defer their travel plans until such restrictions are lifted.

Latent Demand is defined as the demand that cannot be met immediately by current infrastructure and/or policies but can eventually be fulfilled once these constraints are alleviated.

An example of latent demand includes a demographic group with a desire to visit a remote island after construction has begun on a new airfield.

What are the primary economic influences on tourism demand? What are some of the economic influences that impact tourism demand?

Economic factors play an essential role in determining the demand for tourism; specifically income, leisure time and costs associated with travel determine demand.

Income: Disposable personal income represents the money an individual has available to devote to "extras." Income has a direct relationship to travel;

higher levels of income result in a greater likelihood of travel, increased amounts of discretionary time and expenditures for high quality travel products.

Time: An individual's level of leisure time is influenced by employment status, vacation entitlements, work schedules and availability of discretionary time. It is essential to note that discretionary time is needed to convert an individual's income into travel experiences.

Travel Costs (transportation, accommodations, food, etc.) influence both an individual's choice of destination(s) and frequency of travel. For example, changes in currency exchange rates, increases in fuel prices, etc. increase the price of travel and therefore decrease demand for a specific destination.