

Lecture Note

Course Title: ITM 2310 Marketing in Tourism Management

Credits: 3(3-0-6)

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Program: Tourism Management

Week 2

Unit 2: Concept of Tourism Demand and Supply for Tourism Marketing

Topic

- Tourism demand and supply and tourism consumers' decision making model
- Tourism marketing and the concept of experience in tourism
- Implication for tourism marketing

Objectives

After the completion of this unit, students should be able to:

- Make a linkage of how the study of consumer decision making model relates with tourism marketing
- Identify tourist demands and supplies in each stage of consumer decision making.
- Recall an importance of tourism experience in tourism marketing.
- Explain how tourist physical and emotional engagement in tourism can promote success of tourism destination marketing.

1. Tourism Demand and Supply and Tourism Consumers' Decision Making Model

As mentioned in Unit 1, tourism product is intangible and services and experiences are the products produced at destinations or premises where particular service encounters and experiences take place. The concept of tourism demand and supply for marketing thus concerns what and how marketing strategies should be implemented from the different stages of tourist decision making process (designing the marketing mix strategies), which are:

- Pre- trip stage (pre- purchase stage)
- During- trip stage (consumption stage)
- Post- trip stage (evaluation stage)

Based on the study of consumer behaviour in tourism, the most simplified model of consumer behaviour can be seen in Figure 1, which is divided into a number of stages. And at its final is the decision- process stage.

- Need recognition (drawn from memory)
- Search for information – internal (memory) and external (marketer dominated)
- Information processing (exposure, attention, comprehension, acceptance, retention)
- Alternative evaluation (comparison of different products and brands) until the choice is narrowed to a preferred alternative
- Purchase
- Outcome (such as satisfaction and dissatisfaction)

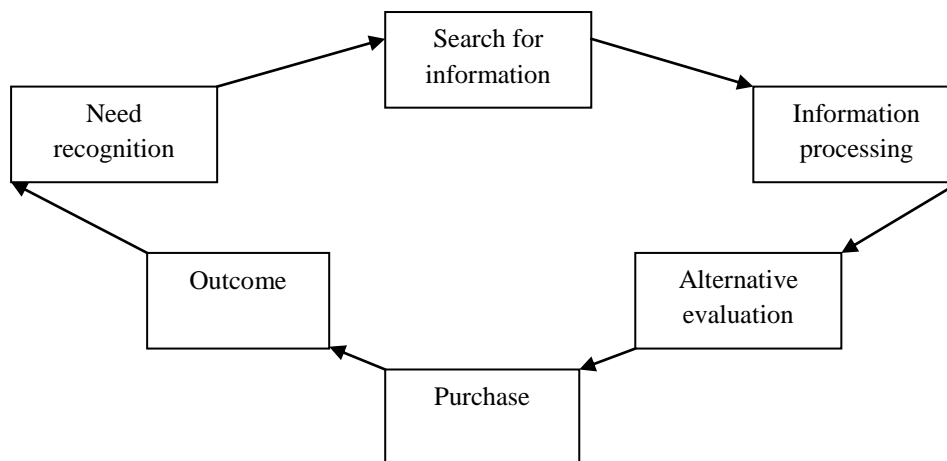


Figure 1: Simplified consumer decision making process

The models of consumer behaviour later have emphasized on the marketing aspect which has effect on consumer behaviour and decision making. The intangible nature of the service offering will have a considerable effect on the consumer during

the decision- making process involved with purchase. In tourism, purchase rather means high spending aspect, resulting in consumer decision- making process of consumer having high risk. This will mean that the consumer will be highly interested and involved in the decision- making process, since there is a considerable amount of risk associated with the purchase decision. The statement below can explain about risk in decision- making process for tourism product purchase and its effect to be occurred during the real consumption.

“They involve committing large sums of money to something which cannot be seen or evaluated before purchase. The opportunity cost of a failed holiday is irreversible. If a holiday goes wrong that it is for another year. Most people do not have the additional vacation time or money to make good the holiday that went wrong.” (Seaton, 1994)

In summary, the models of consumer behaviour in tourism can be explained with the following statements:

- (1) All models are decision process/ behaviour process.
- (2) The process is rational, not random.
- (3) Decision making process is influenced by internal and external factors.
- (4) The consumer searches and evaluates information that is both stored internally (the consumer has experience and they can remember) and is available from outside sources (i.e. marketing efforts or reference groups).
- (5) The consumer makes a choice from alternatives.
- (6) A feedback mechanism means that future decisions are affected by past experience.
- (7) Some models are complex due to complexity of tourism products.

Therefore, in order to do marketing in tourism, tourism marketers or marketing organizations, or marketing department should take into account the process where consumers go through, and what consumers will be engaged in each stage.

Moreover, tourism marketers need to understand that when people have need recognition to travel, they will certainly engage in the following 5 stages.

- (1) Anticipation or expectation during pre- purchase stage (pre- trip stage)
- (2) Travel to the site segment (taking transportation service)
- (3) An on- site experience (at destinations/ service premises)
- (4) A return travel component (traveling back home/ leaving destinations/ service premises)
- (5) An extended recall and recollection stage ((post- trip stage/ evaluation stage for the finished trip and for future re-purchase)

Lastly, it should be emphasized here that in discussing about model of consumer behaviour in tourism, the following facts for tourism products and consumers in tourism should be considered:

- (1) Tourism is social business or people- to- people business.
- (2) Tourism is experience product which can be augmented.
- (3) Tourism product relates to emotions.
- (4) Tourists have high involvement.
- (5) Tourists have high perceived risk.
- (6) Tourists have expectation formed by existing images towards particular tourism products (i.e. tourist destination, travel companies, behaviour of local people-- i.e. smile or not).
- (7) Tourists have some limitations in engaging travel activities.

Thus, the analysis of demand and supply during each stage is very significant. Understanding of roots of tourism demands will facilitate ways to manage tourism supplies and thus leading to effective, integrated and successful marketing.

2. Tourism Marketing and the Concept of Experience in Tourism

Experience in tourism is an emerging concept in consumer behaviour in tourism. The concept emphasizes that quality of tourist experience concerns not only tourism supply side, but also tourist behaviour and level of physical and emotional involvement during visiting destinations and engaging in tourism activities en route and at destinations. New terms are used in this regards as “*co- creation*”, “*in- situ experience, or on site experience*”. The concept of experience in tourism emphasizes that skilled tourist behaviour can be an important factor influencing tourist performance, satisfaction and learning, in which tourists know how to act or respond in cross- cultural situations¹.

Tourism experiences can be interpreted and felt in many ways based on individuals and social interaction. This is due to the importance of experience in tourism, including the following:

- (1) Tourism experience is subjective.
- (2) Tourism experience is based on sensations.
- (3) Tourism experience is involving participation in activities.
- (4) Tourism experience is resulting in learning or knowledge acquisition.

Table 1 demonstrates different definitions of nature of tourist experiences by different researchers.

¹ L.P., Philip (2005). Tourist Behaviour: Themes and Conceptual Schemes, p.138

Table 1: Selection of Definitions of Tourist and/ or Leisure Experiences

Definition	Source
An experience is “any sensation or knowledge acquisition resulting from a person’s participation in activities”	Smith (2003: 233)
An experience is “the subjective mental state felt by participants during a service encounter”	Otto and Ritchie (1996: 166)
An experience can be seen as “events that engage individuals in a personal way”	Bigne and Andreu (2004: 692)
“Experience is the result of a process of assimilating the world into a structure of cognitive ‘maps’ or schemas”	Vitterso et al. (2000: 434)
“Tourism experience is a multi- functional leisure activity, involving either entertainment or learning, or both, for an individual”	Li (2000: 865)
“An experience is a complex concept with many dimensions, influenced by situational and personal variables, and composed of many characteristics”	Den Breejen (2007: 1418)

The 8 cores features of tourist experience

From the table above, it concludes that there are 8 core features of tourist experience as follows:

- (1) Experiences are made up of a series of events or activities (Smith, 2003);
- (2) A key element of experiences are tourists’ constructions of meaning from the information available in the experience setting (Uriely, 2005) and experiences have symbolic value to participants (Kim, 2001);
- (3) Tourists express their memories of experiences through stories (Gretzel et al., 2006; Willson and McIntosh, 2007);
- (4) Experiences have multiple phases that emerge over time (Den Breejen, 2007);
- (5) Experiences happen within physical places and the characteristics of these places and their management do influence experience (Uriely, 2005);
- (6) Social interactions are an important component of experiences (Trauer and Ryan, 2005);
- (7) Tourist experiences involve choice and have some expected benefit or value for the participants (Ateca- Amestoy, Serrano- del-Rosal, and Vera-Toscana, 2008), and this value is often related to desired lifestyle and/ or personal interests (Gross and Brown 2006); and
- (8) Tourist experiences depart in some way from everyday experiences (Uriely, 2005).

3. Implication for Tourism Marketing

Marketing to be carried out for tourist products or “experiences” therefore should incorporate the following ideas.

- Sense of place
- Site interpretation to promote the meanings and understandings brought to or influenced by or negotiated at the site² (Interpretation is a key success that influences the conceptions visitors or tourists hold and negotiate with others as they experience the site. Interpretation is also referred to as both public environmental education and visitor communication³.)
- Built- environment design where motivations of physical movement and emotional or sensual interaction will be fostered and encouraged.
- Service- orientation design which concerns people management and marketing
- Information and content design both by offline and online channel, or printed and digital content

It can be concluded that marketing in tourism should incorporate a holistic approach, and tourist destination marketing and place branding must go together.

Learning Activities and Medias

- Lecturer gives lecture on the unit.
- Lecturer applied KWL. Individual paper (10 marks)
 - Find a case study or news as an example that reflects tourist demands and the supplies of the tourism industry. Read, analyze and write in paper in the following:
 - What are the tourist demands?
 - What are the supplies from the tourism industry/ firm/ organization?
 - What experiences do tourists receive?
 - From your analysis, please summarize the lesson about the relationship of tourism demand and supply.

² L.P., Philip (2005). Tourist Behaviour: Themes and Conceptual Schemes, p.136

³ L.P., Philip (2005). Tourist Behaviour: Themes and Conceptual Schemes, p.147-148