

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

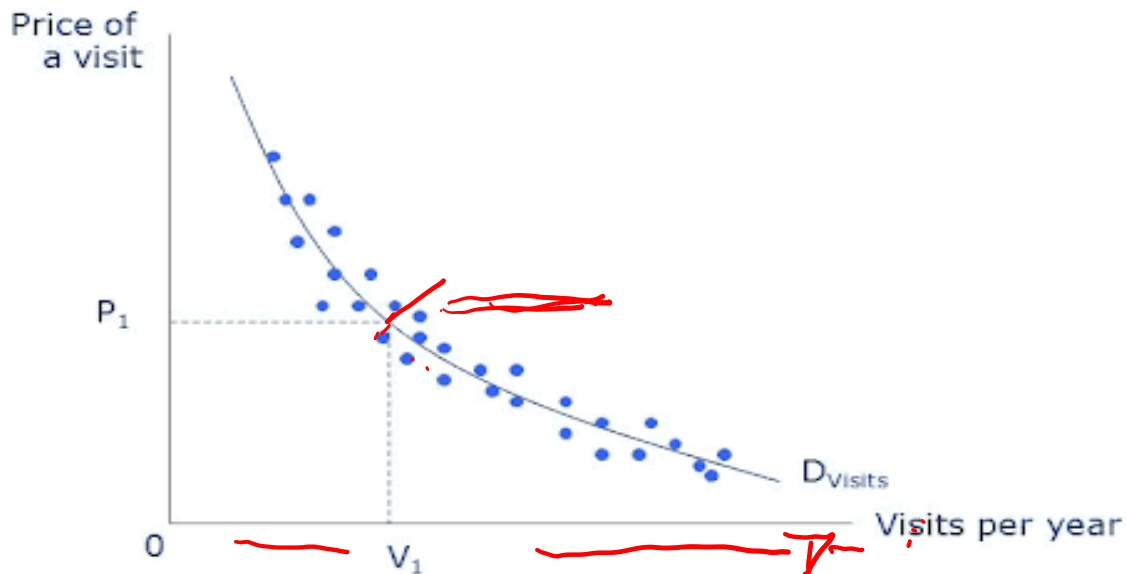
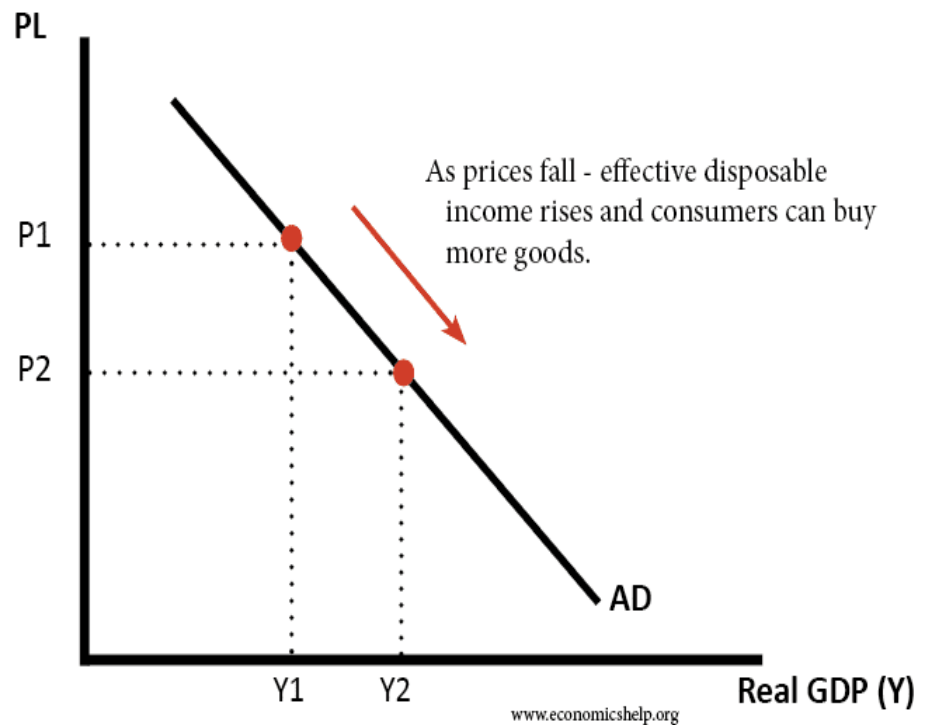
Students should be able to:

- 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.

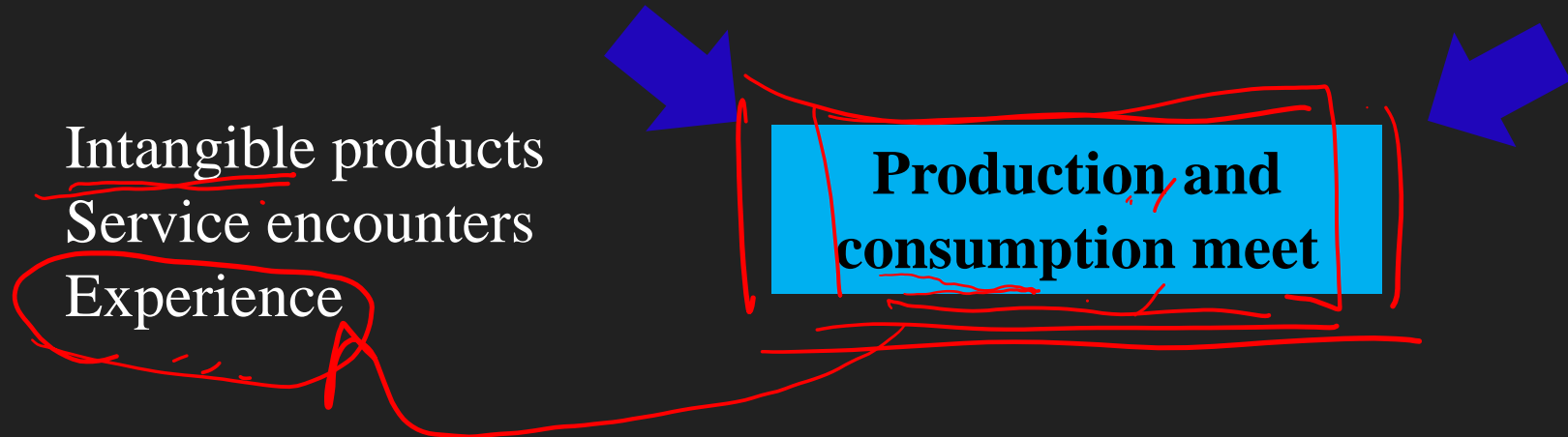


Demand and Supply

- Demand refers to how much (quantity) of a product or service is desired by buyers.
- The quantity demanded is the amount of a product people are willing to buy at a certain price.
- The relationship between price and quantity demanded is known as the demand relationship.
- Supply represents how much the market can offer.
- The quantity supplied refers to the amount of certain goods producers are willing to supply when receiving a certain price.



Tourism Demand and Supply and Tourism Consumers' Decision Making Model



The concept of tourism demand and supply for marketing concerns:

- ❖ “What and how marketing strategies should be implemented from the different stages of tourist decision making process”
- ❖ “Designing the marketing mix strategies”

5 characteristics of service products

② Intangibility

Intangible

Inseparability

separate

Inseparable

Heterogeneity

Experiences

Heterogeneous

Perishability

Perishable

Lack of Ownership

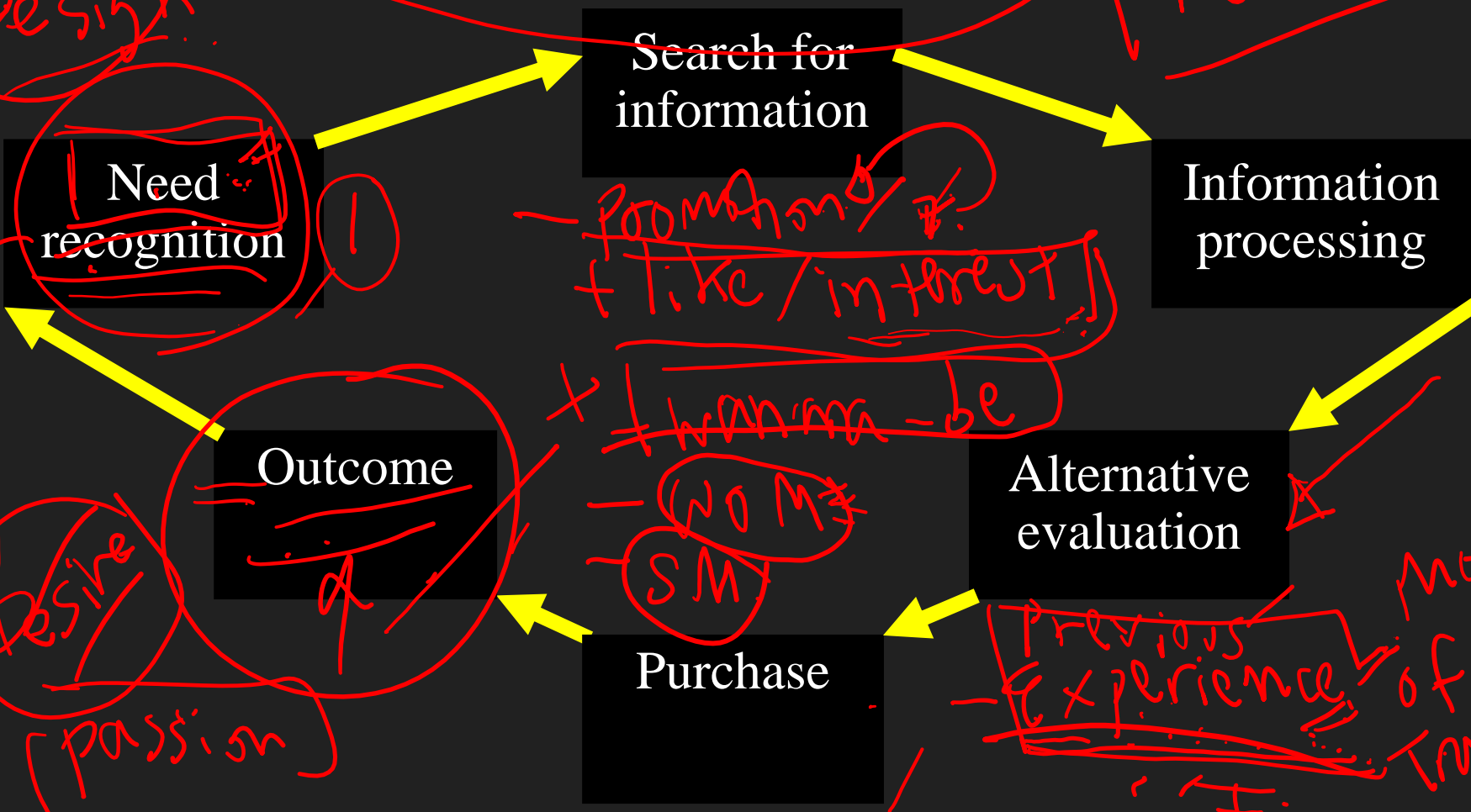
bet





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

Pull
Push
Free & Easy



- Need recognition (drawn from memory)
- Search for information – internal (memory) and external (marketer dominated) + user-created content (fountists)
- 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/ buying
- Outcome (such as satisfaction and dissatisfaction)

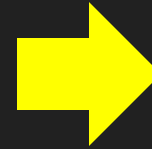
digital

+ user-created content (fountists)

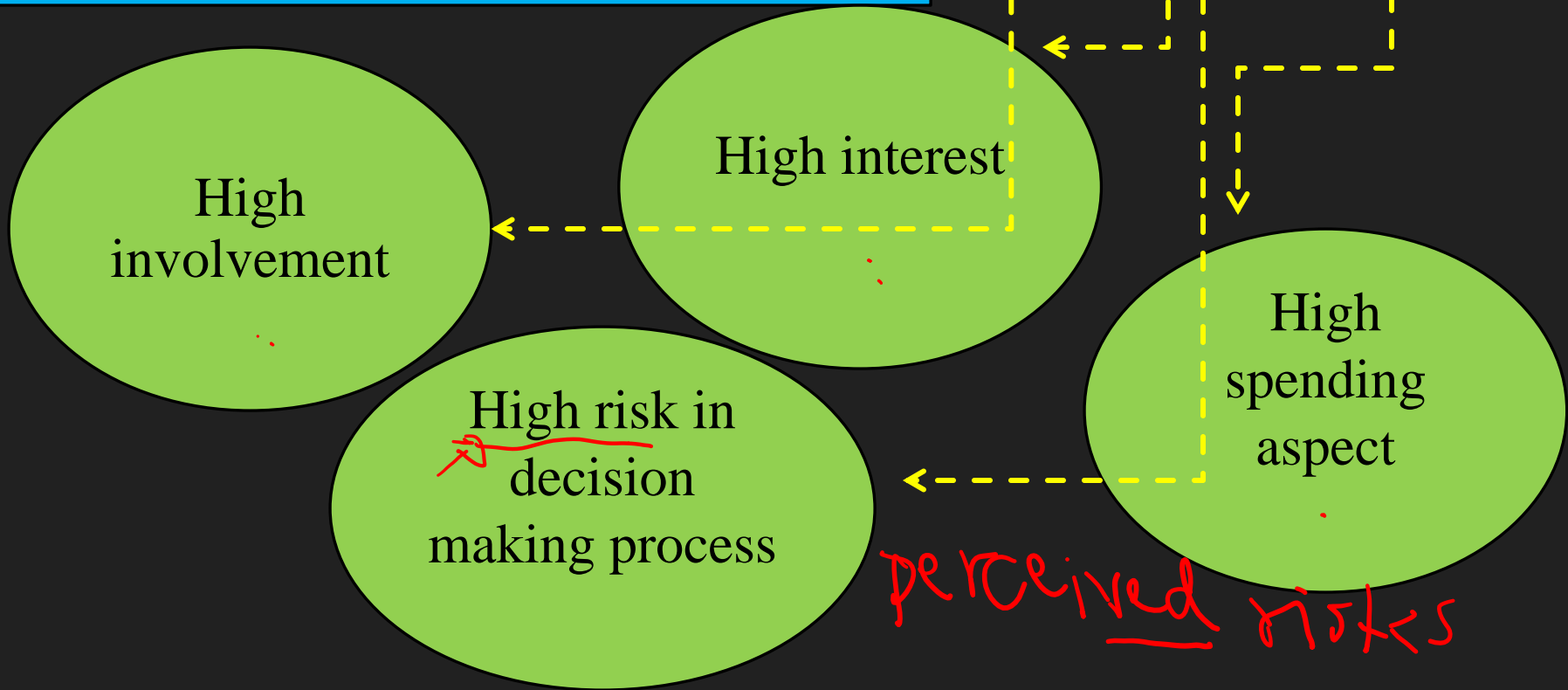




The intangible nature of the service offering will have a considerable effect on the consumer during the decision-making process involved with purchase.



Tourism purchase decision making





“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)



Potential customers in the tourism industry usually engage with the following 5 stages.

- Anticipation or expectation during pre-purchase stage
- Travel to the “site segment”
- An “on-site experience”
- “A return travel” component
- An “extended recall” and “recollection stage”

Symbolic Value
+ Image.

Survival



The tourist's home region

PHASE 3

RECOLLECTION PHASE:

- Impressions
- Diffusion of experiences
- Souvenirs and photographs
- Virtual visits on Internet

PHASE 1

ANTICIPATION PHASE:

- Perceptions
- Diffusion of information
- Choice of holiday
- Choice of destination

PHASE 2

REALISATION PHASE

Return journey

Outward journey

Destination

- Activities
- Hospitality
- Life-enhancing experiences

Anticipation phase

- Use tourism websites to get information
- book service

Travel-to phase

- *Transportation-scene*

e-WOM platforms

- Social media platform
- Integrated tourism website
- Official website

On-site phase

- *Hotel-scene*
- *Destination-scene*
- *Restaurant-scene*

Travel-back phase

- *Transportation-scene*

= premises
- S 76

→ use to know

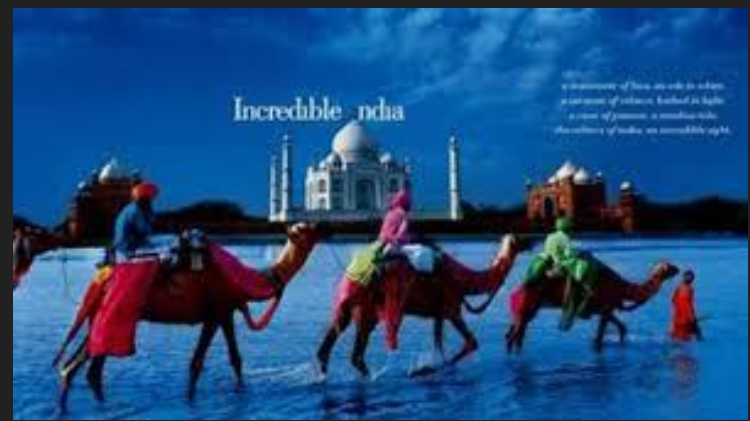
Consideration of the facts about tourism products and consumers in tourism

- ❖ Tourism is **social business** or people- to- people business.
- ❖ Tourism is **experience product** which can be **“augmented”**.
- ❖ Tourism product relates to **emotions**.
- ❖ Tourists have **high involvement**.
- ❖ Tourists have high **perceived risk**.
- ❖ Tourists have **expectation** formed by existing **images** towards particular tourism products (i.e. tourist destination, travel companies, behavior of local people...).
- ❖ Tourists have some **limitations** in engaging travel activities.

Activity on Padlet: Find the definition/ brief explanation of these words.

- Tourism experience (Pipo)
- Tourism augmented product level (Mine)
- Tourism supporting product level (Beck)
- Tourist's emotional engagement (Pak)
- Perceived risk (Team)
- Tourist's expectation (Film)
- Destination image (Ram)
- Tourist's experience (Gus)
- Tourist's recollection (Blue)

Tourism Marketing and the Concept of Experience in Tourism

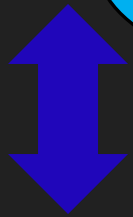


Quality of tourist experience concerns not only tourism supply side, but also tourist behaviour and their level of physical and emotional involvement/ engagement during their visitation to destinations and their engagement (joining) in tourism activities en route and at destinations.



Co-creation

In Situ/ On site Experience



Experience in tourism

- Is subjective
- Is based on sensations
- Involves participation in activities
- Results in learning or knowledge acquisition

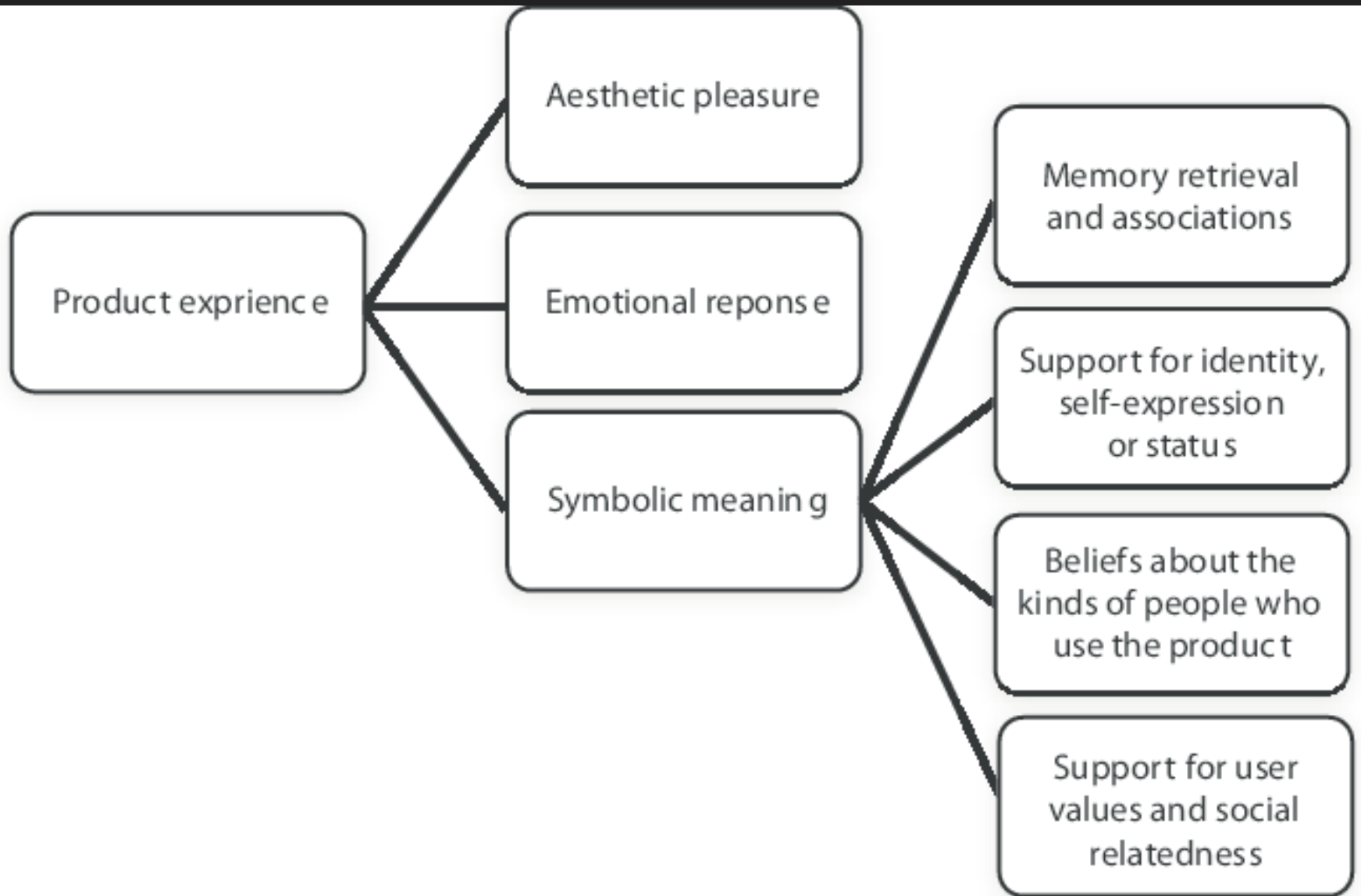


Selection of Definitions of Tourist and/ or Leisure Experiences

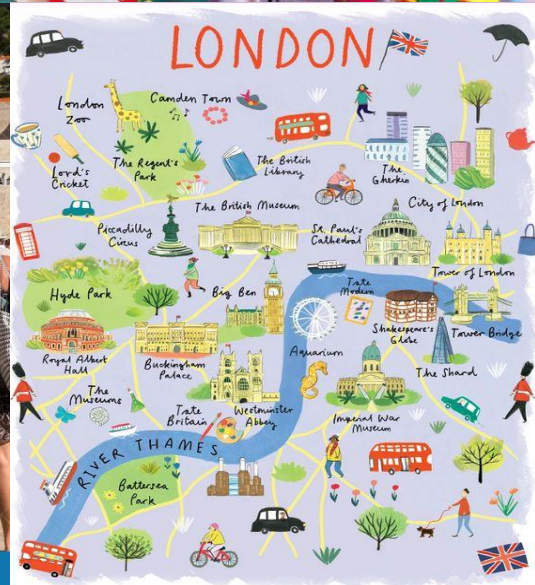
Definition	Source
An experience is “any sensation or knowledge acquisition resulting from a person’s participation in activities”	Smith (2003: 233)
An experience is “the subjective mental state felt by participants during a service encounter”	Otto and Ritchie (1996: 166)
An experience can be seen as “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)

Core features of tourist experience

- Series of events or activities
- Meaning of experience constructed by the information available in the experience setting
- Symbolic value/ meaning to participant
- Expression of memories through stories
- Experience has multi- facet
- Physical places and the characteristics of these places and their management influence experience
- Social interactions
- Choice, expected benefit (benefit-sought) or value, desired lifestyle and/ or personal interests
- Tourist experiences depart in some way from everyday experiences



Symbolic value created by built landscape design, maps and products



Implication for Tourism Marketing

Marketing should incorporate these ideas:

- ❖ **Sense of place** for marketing and branding (**place- making marketing**)
- ❖ **Site interpretation** to promote the meanings and understandings brought to or influenced by or negotiated at the site (**involving public environmental education and visitor communication.**)
- ❖ **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, training and marketing (i.e. internal marketing)
- ❖ **Information and content design** both by offline and online channel, or printed and digital content



