THE TOURISM SYSTEM
“One of the leading models of tourism attraction systems was created by Leiper in 1990’s: Leiper consider the phenomenon tourism as a system, which is functioning under various environment.
Real WTS are people, place, organization that interact in certain roles when tourism happens.

Five elements in every WTS

- At least one tourist
- One tourist generating place (where trips begin and end)
- At least one tourist destination place
- At least one tourist route
- At least one tourism industry
Tourist Generating Region (THRs)

- TGRs are places where a tourist’s trip begins and normally ends. The Generating regions are the place for the essential markets of the tourist business and it is the basis of tourist industry.
Transit Route Region (TRR’s)

- The area between the Traveler Generating Region and the Tourist Destination Region is known as the Transit Route.
- While a long haul journey a Temporary stoppage is called transit route.
- Here traveler stay for some time in manner to change flight or for refuelling.
Tourist Destination Region (TDR’s)

- TDR’s are places where a tourist’s main visiting activities occurs. It’s important for TDR to have some special features, activities to attract tourist
# A simplified Tourism Value Chain

<table>
<thead>
<tr>
<th>Category</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accommodation</strong></td>
<td>Hotels/Lodges/camps/etc.</td>
</tr>
<tr>
<td><strong>Food &amp; Beverages</strong></td>
<td>Restaurants, Markets, Wholesalers, retailers; Producers, farmers</td>
</tr>
<tr>
<td><strong>Attraction</strong></td>
<td>Nature, Man Made</td>
</tr>
<tr>
<td><strong>Souvenir</strong></td>
<td>Souvenir shops, markets, sellers; Craftsmen, local producers</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>International, Regional &amp; Local; Airplane, Bus, taxi, car rental, etc.</td>
</tr>
<tr>
<td><strong>Intermediaries</strong></td>
<td>Guides, tour operators, travel agencies, etc.</td>
</tr>
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</table>
WHOLE TOURISM SYSTEM

TRAVELLER GENERATING REGION

DEPARTING TRAVELLERS

TRANSIT ROUTE REGION

RETURNING TRAVELLERS

TOURIST DESTINATION REGION

Theme 1: Changing motivations & behaviour of market

Theme 2: Pattern of tourist flows

Theme 3: Need for planned tourism development

Theme 4: Pressure for sustainable tourism

Theme 5: Concern for economic, social and cultural impacts of tourism

TGR: Traveller-Generating Region “Push”
TDR: Tourist Destination Region “Pull”
Travel Patterns

**Type P1  Point-to-Point Patterns**

- P1a  Single Point-to-Point
- P1b  Repetitive Point-to-Point
- P1c  Touring Point-to-Point

**Type P2  Circular Patterns**

- P2a  Circular Loop
- P2b  Stem and Petal

**Type P3  Complex Patterns**

- P3a  Random Exploratory
- P3b  Radiating Hub

◆ = Accommodation
● = Attraction Site or Stop
Why do people travel?

- **Push Factor: Why Go?**
  - Needs and Wants
  - Self-fulfillment
  - To learn and experience

- **Pull Factors: Why There?**
  - Attraction in destination
  - Needs and wants fulfillment
  - Gains: real or perceived
Push and pull factor

- **Push Factor.**
  - Factors which encourage individuals to move away from their home setting through tourism

- **Pull Factor.**
  - Those attributes of a different place which attract or pull them towards it
PUSH FACTOR BASED ON VISITOR BEHAVIOR AND DECISION-MAKING
Why is this important for destination marketers?

To be aware of:

- The needs, purchase motives and decision process associated with choice of destination;
- The impact of the different effects of various promotional tactics;
- The possible perception of risk for destinations;
- The differences in purchase behaviour among market segments; and
- How destination managers can improve their chance of marketing success.
<table>
<thead>
<tr>
<th>Need</th>
<th>Motive</th>
<th>Desire / Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physiological</td>
<td>Relaxation</td>
<td>Escape; relaxation; relief of tension; sunlust; relaxation</td>
</tr>
<tr>
<td>Safety</td>
<td>Security</td>
<td>Health; recreation; keeping oneself active; exercise</td>
</tr>
<tr>
<td>Belonging</td>
<td>Love</td>
<td>Family togetherness; enhancement of kinship relationships; companionship</td>
</tr>
<tr>
<td>Esteem</td>
<td>Achievement</td>
<td>Convince oneself of one’s achievements; prestige; social recognition</td>
</tr>
<tr>
<td>Self-actualization</td>
<td>Be true to one’s self</td>
<td>Exploration and evaluation of nature; self-discovery; satisfaction of inner desires</td>
</tr>
<tr>
<td>To know and understand</td>
<td>Knowledge</td>
<td>Cultural education; wanderlust; interest in the unknown</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>Appreciation of beauty</td>
<td>Environmental, scenery</td>
</tr>
</tbody>
</table>
Travel purchase behavior (decision making) process

**Need recognition**
- Commercial
- Interpersonal
- Personal

**Information search**
- Destination-dominated info
- Interpersonal and third-party info
- Internal sources

**Alternative evaluation**
- Objective criteria
- Subjective criteria

**Purchase**

**Consumption**

**Post-purchase evaluation**

**SERVQUAL**
- **Reliability**: the ability to perform the promised service dependably and accurately
- **Assurance**: the knowledge and courtesy of employees and their ability to convey trust and confidence
- **Tangibles**: the appearance of physical facilities, equipment, personnel and communication materials
- **Empathy**: the provision of caring, individualized attention to customers
- **Responsiveness**: the willingness to help customers and to provide prompt service

**Perceived risks**

**Expectations**

**Performance**
Target market

- Market: Actual and potential buyers of a product or service
- Market Segmentation: The process of dividing the market into subgroups of similar customers
- Market Segment: Subgroup of people that share similarities which can be used for more efficient seller/buyer relationship
- Target Market: Subgroup of people that present the greatest opportunity for targeting
Tourist/Market Segmentation

Rationale

- From a destination marketing perspective we need:
  - To identify unique tourist market segments
  - To assess the stability and demand patterns of each segment
  - To evaluate the returns or profit contributions realized from each segment
  - To allocate resources to attracting each segment, in other words, making cost-benefit analysis in the tourism sector
Why do we segment?

- Increased understanding of customer wants and needs
- Different product for different group
- Better match between customer wants and product benefits
- Maximise the use of available resources
- Focused marketing expenditure
- Competitive advantage
How to segment

- No single way to segment a market
- Few common variables documented in literature:
  - Geographic
  - Demographic
  - Psychographic
  - Behavioural
Common segmentation variables for consumers market

- Geographic
  - Country
  - Region
  - City size
  - Density
  - Climate

- Demographic
  - Age
  - Gender
  - Family size
  - Life-cycle
  - Income
  - Education
  - Religion

- Psychographic
  - Social class
  - Lifestyle
  - Personality

- Behavioural
  - Occasions
  - Benefit
  - User status
  - Loyalty
  - Attitude
  - User rate
How to assess segments?

- Commonly used criteria, segments should be
  - Substantial
  - Accessible
  - Actionable
  - Measurable
  - Differentiable
How to select segments for targeting?

- Need to take into account:
  - Available company resources
  - Segment growth potential
  - Segment profitability
  - Competitive environment
  - Company long term objective
Psychographic Segmentation Case Study

- Which traveler type(s) would be most interested in your place?
I. Segmentation by Purpose:

(a) Recreational purposes (leisure)
   (i) Holiday    (ii) Health and Sports   (iii) Religion VFR, Study
   Holiday purposes include sunlust and wanderlust

(b) Business purposes

   (i) Company Business   (ii) Convention   (iii) Sales trips   (iv) Incentive trips
Tourist Segmentation 2

**Psychographic Segmentation**: uses psychological variables.

- A limited number of traits which are important for tourists: **venturesomeness, hedonism, dogmatism, intellectualism**.
- These traits influence tourist activity or the **purchasing** characteristics of tourists.
- A commonly used model segments tourism markets based on their venturesomeness:
  
  (a) **Allocentric**: highly venturesome;
  make own travel arrangements, visit remote and unfamiliar destinations, learn local culture, and rarely repeat visit to the same place.

  (b) **Mid-centric**: liking to explore but with comfort; uses travel distributors, but make own package, travel reasonably far but to known destinations, balance novelty with home comforts.

  (c) **Psychocentric**: disliking unfamiliarity and risks; use organized inclusive tours (package tours), travel often to familiar destinations culturally similar to home, board in mass accommodation or, often repeat visit.
3. **Interactional Segmentation**: to segment tourists with respect to the effect on the tourism destination.

(a) **Explorer**: small in numbers, virtually no consumption of tourism products, negligible economic impact

(b) **Elite**: relatively small number, price-inelastic demand for very high quality products, may cause investment to follow into destinations.

(c) **Hosted or second homers**: constant travel demand, but boarded by hosts or in own accommodation, hence low consumption product, but cause increase in general local expenditure

(d) **Individual**: numerous, wide ranging travel, demand maybe price-elastic, significant demand for domestic tourism products

(e) **Mass-or charter**: very numerous, sectors of the travel industry wholly dependent on them, major impact and costs at destination, may cause significant investment in destination by generator owned business.
Other variations between types of tourists:

1. **Length of stay**: from a week to 30 days

2. **Overall & seasonal demand stability**:

   (a) VFR and luxury recreational tourism is the least sensitive to demand variation

   (b) Leisure Travel is constrained by school vacations, work entitlements, climatic conditions

   (c) Business Travel is influenced by the long term stability of demand affected by economic cycle in Tourist Generating Regions.

3. **Repeat visiting & Marketing Costs**:

   (a) The psycho-centric tourists and second home owners are most likely to repeat a visit to a destination. Because they are willing to visit familiar destinations

   (b) Cruise passengers exhibit high repeat purchasing (because of strong brand loyalty)

   (c) Repeat visiting decreases tourism marketing costs.