

3.1. TRAVEL MOTIVATIONS

Motivators And Deterrents

- Holiday demand is driven by needs, motives, and expectations, its realization depends on the individual economic situation and the freedom to travel.
- External factors may have an impact on tourism demand by affecting the *ability* to travel (freedom, time, money, fitness) and the *motivation* to do so.
- driven by internal factors (e.g. motives, abilities etc.). Thus, the impact of a change in a single external factor is limited.

4 basic travel motivators:

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1. Physical Motivators

include those related to physical rest, sports participation, beach recreation, relaxing entertainment, and other motivations connected with health.

4 basic travel motivators:

2. Cultural Motivators

include the desire to know about other countries

4 basic travel motivators:

3. Interpersonal Motivators

Pertain to the desire to meet other people, visit friends or relatives, escape from routine, from family and neighbors.

4 basic travel motivators:

4. Status and Prestige Motivators

Ego needs and personal development. Included in this group are trips related to business, and conventions, study, and pursuit of hobbies education. Travel will enhance one's recognition and group reputation.

Maslow's Hierarchy of Needs

- Need satisfaction motivates human behavior
 - There are five levels of basic needs (see next slide)
 - As each need is satisfied, a person moves up to the next level



Maslow's Hierarchy of Needs

This hierarchy suggests that lower needs demand more immediate satisfaction than the satisfaction of higher needs. The first **need** is physical; the other four are psychological. **To** this original list, two intellectual needs were added. These are:

1. **To know and understand** – acquiring knowledge.
2. **Aesthetics** – appreciation of beauty.

Table 1. Maslow's Needs and Motivations Listed in Travel Literature

Need	Motive	Tourism Literature References
Physiological	Relaxation	Escape Relaxation Relief of tension Sunlust Physical Mental relaxation of tension
Safety	Security	Health Recreation Keep oneself active and healthy for the future
Social	Love and Affection	Family togetherness Enhancement of kinship relationships Companionship Facilitation of social interaction Maintenance of personalities Interpersonal relations Ethnic Roots Show one's affection for family members Maintain social contacts
Self-esteem	Achievement Status	Convince oneself of one's achievement Show one's importance to others Prestige Social recognition Ego enhancement Professional / business
Self-actualization		Personal Fulfillment

3.3. GIT, FIT, AFFINITY TRAVEL GROUP

FIT – Free Independent Traveller

- Free independent travellers (FIT) are travellers who plan their own trips and prefer to travel alone or in small groups. They are the opposite of mass tourists, who travel in large groups and buy predefined travel packages.
- Free Independent Traveler or Tourist is a type of travel where a small number of tourists, usually fewer than five persons or couples or even individuals, who prefer to take tours at their own preferred times. Such travelers have a more individualistic approach towards travel. Free Independent Travelers are generally enthusiasts and off the beaten track explorers. The leisure travelers are tourists who are independent, planning their own travel. Itinerary and routes are done with or without the assistance of a tour guide and they can have pre-arranged schedules or as per the travelers' choice.

GIT – Group Inclusive Tour

- **GIT** – Group Inclusive Tour, is a special travel program that provides vacations for a group, usually comprising of more than five travelers, at some special fares. Group Inclusive Tours are specifically beneficial for those looking for vacations are cheaper rates and are even suitable for the ones travelling alone, as they get the benefit of having a company of few travelers.

Affinity Travel Group

- Affinity groups are the most popular form of group travel. These may include family reunions, destination weddings, or class trips.
- Niche or Affinity communities are places where people who share similar interests, education and professional backgrounds or lifestyles decide to live in the same place.
- Affinity groups are what most people think of when they hear “group travel.” The travelers in an affinity group have a common bond or purpose for their trip. These groups often have an established leader or someone who steps up to be the primary point person for the trip. The group leader communicates regularly with the travel agent and with the rest of the group. Even if the whole group doesn’t know one another, each traveler is connected to the group some way.
- For example, a destination wedding is an affinity group. In this group, the couple getting married act as the group leaders. The travelers share the common bond of being invited to the wedding and communicate with the couple, which in this case may include typical methods as well as invitations and RSVPs.
- For a travel agent, affinity groups are more straightforward than speculative groups and are more likely to follow-through with travel.

3.4. FACTORS INFLUENCING THE GROWTH OF TOURISM

TOURISM TRENDS

- only after the 1980's
- A National Policy on tourism in 1982
- 1988, the National Committee, a comprehensive plan for sustainable growth
- In 1992, a National Action Plan was prepared
- 1996 the National Strategy for Promotion
- In 1997, new tourism policy in tune with the economic policies of the Government and the trends in tourism development was published for public debate. The draft policy is now under revision

- Panchayati Raj institutions, local bodies, non-governmental organizations and the local youth have been involved in the development process
- India Tourism Development Corporation in 1966 to promote India as a tourist destination
- Tourism Finance Corporation in 1989 to finance tourism projects
- 21 Government-run Hotel Management and Catering Technology Institutes and 14 Food Craft Institutes were also established for imparting specialized training in hoteliering and catering.

Attractions

- lavish and heartfelt treatment of all visitors, no matter which corner of the world they come from
- diverse traditions, varied lifestyles and cultural heritage and colorful fairs and festivals pose an irresistible attraction for the tourists
- sensuous beaches, dense green forests and wild life and landscapes for eco-tourism,
- snow, river and mountain peaks for adventure tourism,
- technological parks and science museums for science tourism;
- centers of pilgrimage for spiritual tourism;
- heritage trains and hotels for heritage tourism.
- Yoga, Ayurveda and natural health resorts also attract tourists with the promise of rejuvenating their souls and bodies
- Indian handicrafts, particularly, jewelry, carpets, leather goods, ivory and brass hold international appeal.
- 40%of the tourist expenditure on shopping is spent on such items.

Thrust Areas

- Ninth Five Year Plan (1997-2002). The areas where there has been conspicuous development are infrastructure, products, trekking, winter sports, wildlife and beach resorts and streamlining of facilitation procedures at airports, human resource development and facilitating private sector participation in the growth of infrastructure.

Boosting Tourism

- incentives for promoting private investment in the form of Income Tax exemptions, interest subsidy and reduced import duty
- hotel and tourism-related industry has been declared a high priority industry for foreign investment - direct investment up to 51 per cent of foreign equity
- allowing 100 per cent non-resident Indian investment and simplifying rules regarding the grant of approval to travel agents, tour operators and tourist transport operators.
- huge untapped potential for generating employment
- increasing air seat capacity, trains and railway connectivity to important tourist destinations, four-laning of roads connecting important tourist centers.
- Accommodation facilities have been redefined for the convenience of the visitors. Heritage hotels have been brought into the fold of the hotel industry as well.

Other Factors

- Double income families
- Increased disposable income
- Flexible work timings
- Annual holidays
- Incline towards experience

4.1. DEMAND AND SUPPLY IN TOURISM

TOURISM DEMAND

The total number of persons who travel, or wish to travel, to use tourists facilities and services at places away from their places of work or residence

APPROACHES TO STUDY TOURISM DEMAND

- **Economists-** Demand measured in monetary returns gained within a period of time. Price, elasticity, quality, revenue and expenditure.
- **Psychologists-** Demand related to motivation, behavior, personality and environment.
- **Geographers-** Demand based on geographic boundaries, demographics.

TYPES OF DEMAND

- **Effective or Actual Demand-** People actually traveling at a point of time.
- **Potential Demand-** People who could travel if motivated.
- **Deferred/Postponed Demand-** People who wish to travel, but are not traveling presently due to temporary reasons, of self or supply end.
- **Suppressed Demand** – People not interested in travel.

TRAVEL PROPENSITY – LIKELIHOOD TO TRAVEL

- **Net Travel Propensity-** Percentage of population of the overall population who makes at least one trip during a given period of time.

$$= \frac{\text{Number of population taking at least one trip} \times 100}{\text{total population}}$$

- **Gross Travel Propensity-** Total number of trips undertaken as a percentage of the population.

$$= \frac{\text{Number of Total Trips} \times 100}{\text{Total Population}}$$

HIGH AND LOW TRAVEL PROPENSITY

High Travel Propensity

- High Education
- More Awareness
- More Income
- Private Vehicle
- Better Travel Facilitation
- Good Exchange Rate
- Shorter Travel Distance
- Low Travel Cost
- Young Age

Low Travel Propensity

- Low Education
- Low Awareness
- Low Income
- No ownership of Vehicle
- Poor Travel Facilitation
- Poor Exchange Rate
- Long Travel Distance
- High Travel Cost
- Old Age

FACTORS DETERMINING TOURISM DEMAND

1. Individual
2. Economic
3. Geographic
4. Destination
5. Political

INDIVIDUAL FACTORS

- Education and Awareness
- Mobility
- Age, Gender, Religion
- Income and employment, disposable income, household income, DINKS
- Paid holiday
- Family Influence
- Nature of Family-joint, nuclear
- VALS
- Stage of Family Life Cycle
- Gap Year Opportunities

ECONOMIC FACTORS

- Cost of Travel
- Cost of Products
- Competitive Prices
- Exchange Rate

GEOGRAPHIC FACTORS

- Seasonality
- Accessibility, location and distance
- Attractions Available
- Urban or Rural population or Economy

DESTINATION FACTORS

- Image – organic and induced
- Promotion: travel channels, awareness, deals
- Technology and development
- CRS technology
- Development Level
- Credibility
- Safety and Security
- Attraction and Events
- Quality of Product
- Travel Formalities

POLITICAL FACTORS

- Government regulation on supply and tourists
- Visas, formalities, health checks, currency, prohibitions
- Transport regulation, accessibility, bilateral agreements

CHARACTERISTICS OF TOURISM DEMAND

- Planned demand
- Involves a lot of expenditure
- There is no tangible return or purchase
- Highly price elastic
- Can be price inelastic too
- Seasonality
- Is not subject to law of diminishing returns
- Changing demand patterns

TOURISM SUPPLY

- The supply of all assets, services and goods to be enjoyed or bought by visitors and occasioned by the journeys of visitors.
- Tourism supply is a composite product involving transport, accommodation, catering, natural resources, entertainment, and other facilities and services, such as shops and banks, travel agents and tour operators.

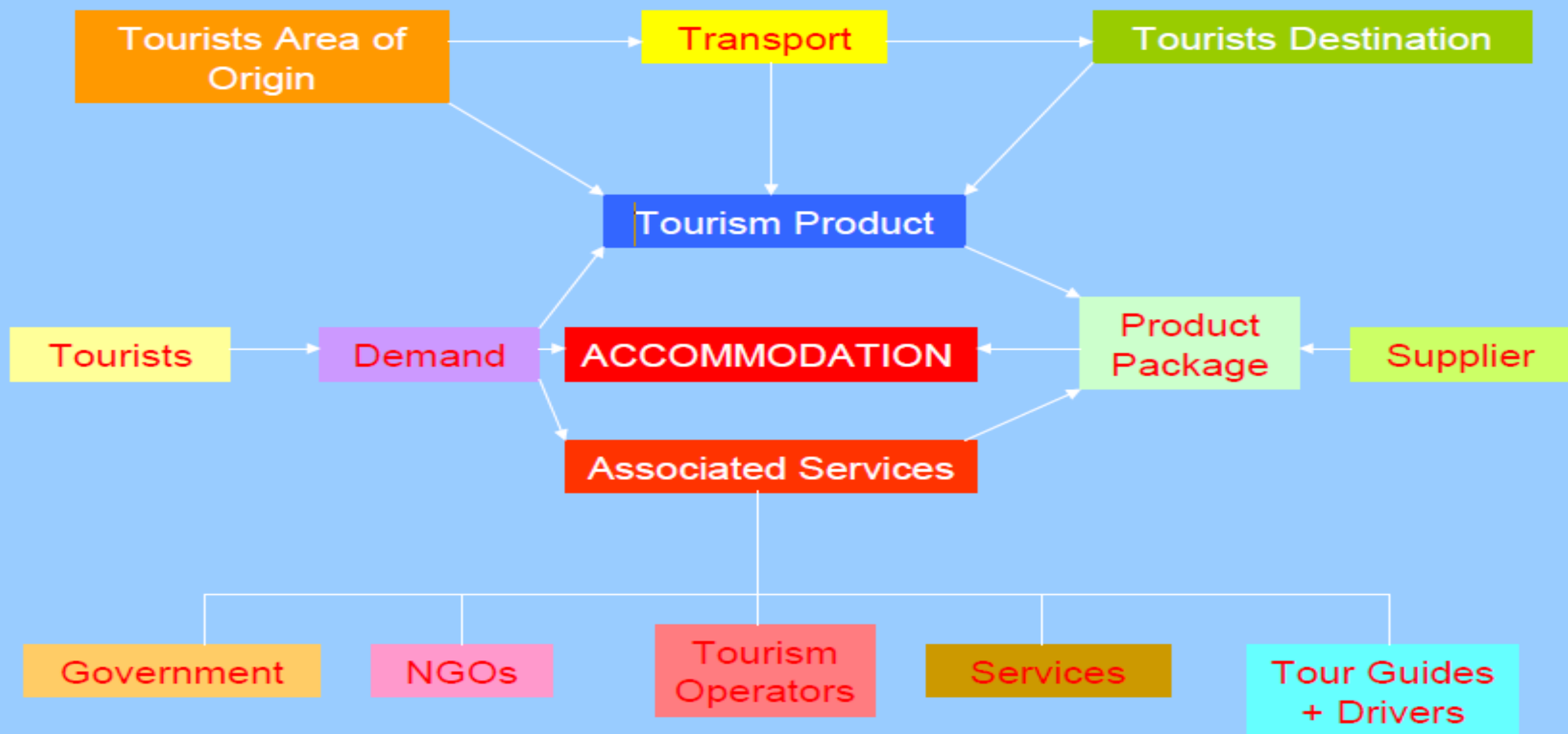
COMPONENTS OF TOURISM SUPPLY

- **Infrastructure** (telecommunications, accommodation and transport)
- **Superstructure** (include facilities constructed primarily to support visitation and visitor activities.)
- **Attractions** (theme parks, museums, buildings, ski-slopes)
- **Marketing/Promotion and Destination Image**

FACTORS AFFECTING TOURISM SUPPLY

1. Economic
2. Political
3. Geographical
4. Legal
5. Technological
6. Social

Components of Tourism Supply (supply chain)



SUPPLY COMPONENTS

- **Natural or environmental resources** (physiographic of the area, landforms, flora, fauna, water bodies, air quality and similar natural phenomena)
- **Built or man-made resources** (infrastructure, superstructure)
- **Transportation**
- **Hospitality and cultural resources** (friendliness, courtesy, sincere interest and willingness to serve and to be better acquainted with visitors)

4.2. IMPACTS OF TOURISM

Types of Tourism Impacts

ECONOMIC IMPACTS



SOCIO-CULTURAL IMPACTS



ENVIRONMENTAL IMPACTS



Economic Impacts of Tourism

POSITIVE

1. Foreign exchange earnings
2. Contribution to government revenues
3. Generation of employment
4. Balance of payment / trade account balance
5. Stimulation of infrastructure investment
6. Contribution to local economies

NEGATIVE

1. Inflation
2. Opportunity costs
3. Dependency
4. Seasonality
5. Leakage
6. Enclave tourism
7. Seasonal character of jobs
8. Prostitution and the underground economy

Socio-cultural Impacts of Tourism


POSITIVE/BENEFITS

- Preservation and restoration of cultural heritage
- Revival of traditional arts and crafts
- Cultivation of cultural pride and sense of identity
- Cross-cultural exchange

NEGATIVE/COSTS

- Loss of cultural character
- Loss of authenticity and meaning of traditional arts and crafts
- Commercialization of human relationships
- Potential misunderstandings and conflicts between residents and tourists

ENVIRONMENTAL BENEFITS

- 
- A tropical island with a wooden pier leading to a white sandy beach and turquoise water. The island is lush with green palm trees and a few buildings. The sky is clear blue.
1. Environmental awareness.
 2. Enhancements of local environment.
 3. Protection and conservation of wildlife.

ENVIRONMENTAL COSTS



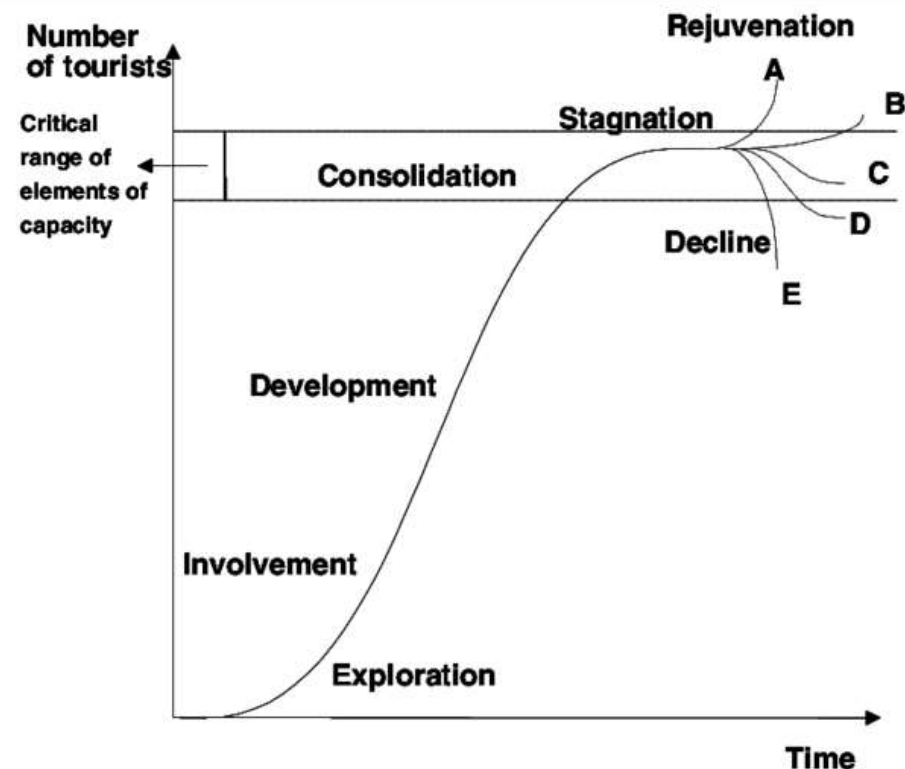
1. Inappropriate development
2. Loss of natural habitat and effects on wildlife
3. Pollution
4. Loss of spirit
5. Overcrowding and traffic congestion
6. Activities (affecting the natural environment)

4.3. TOURISM AREA LIFE CYCLE (TALC)

Intro to the Tourism Area Life Cycle Model

The **Tourism Area Life Cycle (TALC) model** was first put forward by Butler in 1980, as a means of showing how the majority of tourism destinations move through a cycle beginning with (almost) nil tourism, to massive development and boom times, and then eventual stagnation and decline. This cycle can be represented as an S-shaped curve where the X-axis represents **time** and the Y-axis represents a key tourism variable - usually **visitor numbers** (but could be the amount of tourist facilities, visitor spending etc)

The purpose of the TALC model is to consider how and why tourist resorts grow and develop. The tourist industry, like all industries, is dynamic and constantly changing. The popularity of resorts is affected by the 'pull' of their locations and facilities, which in turn is influenced by the changing interests and demands of visitors. These real world aspects can be compared to the TALC model which has **six stages, with a variable sixth stage.**



Intro to the Tourism Area Life Cycle Model (Contd.)

The Tourism Area Life Cycle (TALC) model stems from the belief that **tourist resorts are essentially products**, i.e. they have normally been developed and modified to meet the needs of specific markets (holidaymakers) in a similar way to the production of other goods and services. As such, therefore, it is reasonable to make the assumption that resorts would follow a generally similar pattern of development to that of most other products, namely, to have a 'life cycle' of acceptance and rejection as the market first desired the product and then eventually found it old-fashioned and unattractive.

*Examples from other industries, such as automobiles, reveal how markets in most cases slowly accept a new product, then become enthusiastic, mirrored in a rapid growth in sales, and eventually grow tired of the model and sales decline. Only in a very few cases do sales take off immediately (E type Jaguar), continue for decades (Volkswagen Beetle) or experience a rebirth (Mini), and these are normally a reflection of an element of genius and/or true innovation in the original model concerned. **Tourist resorts are little different, except in one fundamental element, that of control.** Most commercial products are manufactured by one company which has control over the product design, production and marketing, whereas most tourism resorts are rarely under a single controlling force and their component parts often display a remarkable lack of ability to co-ordinate either product offering or marketing. This is mainly because they are comprised of so many elements of vastly differing size, ambition and focus.*

Intro to the Tourism Area Life Cycle Model (Contd.)

The TALC model reflects the **nature of tourism in the 1970s**, when the rapid expansion of destinations was underway following the technological innovation of jet aircraft, along with increased levels of affluence in western countries, decreased restrictions on travel, and rapid increases in mobility. Travel abroad was no longer the privilege of a small elite, and **mass tourism** in its modern form was well established.

The purpose of the model was to draw attention to the dynamic nature of destinations and **propose a generalised process of development and potential decline which could be avoided by appropriate interventions of planning, management and development (i.e. the management of resources)**. It did this by proposing a common pattern of development of resorts that had multiple stages (exploration, involvement, development, consolidation, stagnation, and then a range of possibilities from rejuvenation to decline. Key to this was the concept of **carrying capacity**. If the carrying capacity of the resort was exceeded, the relative appeal of the resort would decline, it would become less competitive, and this would be reflected in declining visitor numbers, investment, and development. The appropriate interventions noted above would be the key to ensuring that the various carrying capacities (economic, social-cultural and environmental) of the resort were not exceeded, or where possible, were increased to meet growing pressures.

The Tourism Area Life Cycle Model (simplified)

1. Exploration – small numbers of visitors. Not many facilities

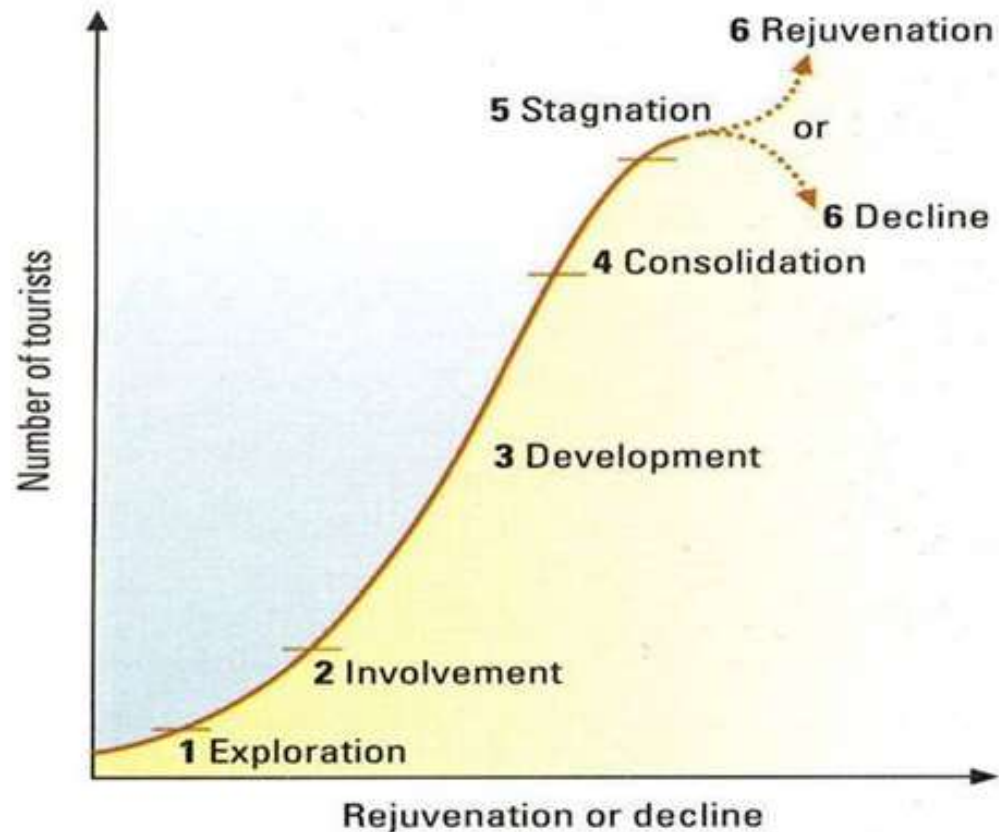
2. Involvement – local people start providing facilities so more tourists come

3. Development – more facilities are built, often by large companies, and many more tourists come

4. Consolidation – tourist numbers are beginning to level off

5. Stagnation – visitor numbers have peaked, facilities are no longer as appealing

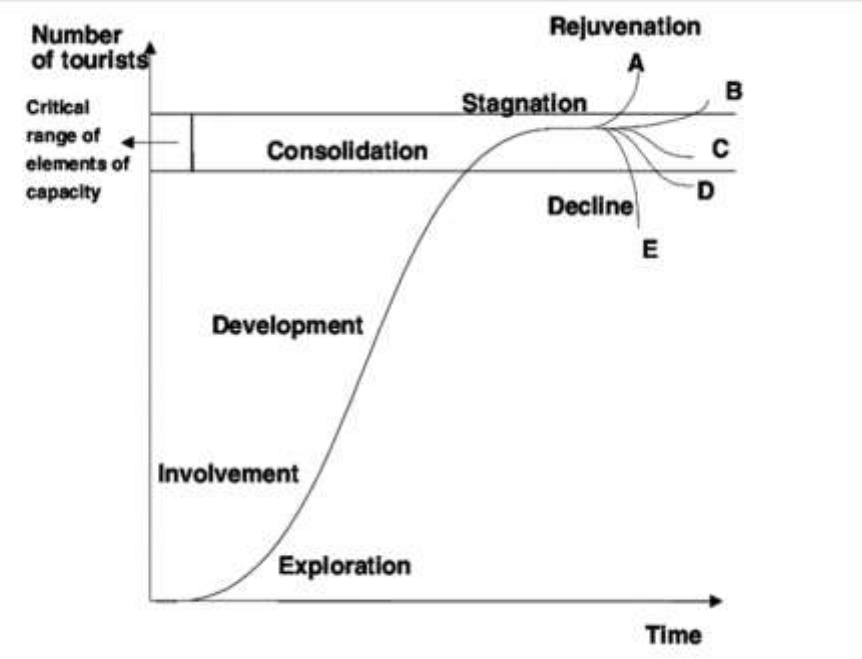
6. Rejuvenation – new 'must-see' facilities are built which attract more visitors. Area becomes smarter and economy grows



6. Decline – fewer visitors come as the facilities fail to attract interest. Area becomes run-down and economy suffers

The Tourism Area Life Cycle Model (more complex)

- 1. Exploration** – destination begins as a relative unknown, visitor numbers are small due to lack of access, facilities and local knowledge. Tourism has no economic or social value to locals
- 2. Involvement** – Word spreads about its attractions, tourists accepted by local people who become involved in new facilities. ‘Tourist season’ develops
- 3. Development** – Tourist arrivals grow rapidly, TNCs become involved in new facilities and take more control, package tours develop
- 4. Consolidation** – Tourism is well-established. Resentment develops among locals due to congestion, growth rate decreases but numbers still rise
- 5. Stagnation** – Carrying capacity is reached or exceeded (environmental and social limits), negative publicity, appeal of area wanes, decline sets in with level or falling tourist numbers



6. Final Stage (5 different scenarios)

- Successful redevelopment and rebranding leading to new growth in tourist numbers (**rejuvenation**)
- Modest growth in tourist numbers
- Development of new activities and niche markets levelling tourist numbers (**stabilisation**)
- Lack of investment and withdrawal of some TNCs leading to a gradual decline in tourist numbers
- Collapse of tourist numbers caused by catastrophic events, such as natural disasters, terrorism or war (**rapid decline**)

Affecting factors on the TALC

- **Internal factors**
 - 1) uniqueness of resources and attractions
 - 2) Local residents and their attitudes
 - 3) Quality of tourism resource itself.
 - 4) Management and service.
- **External factors**

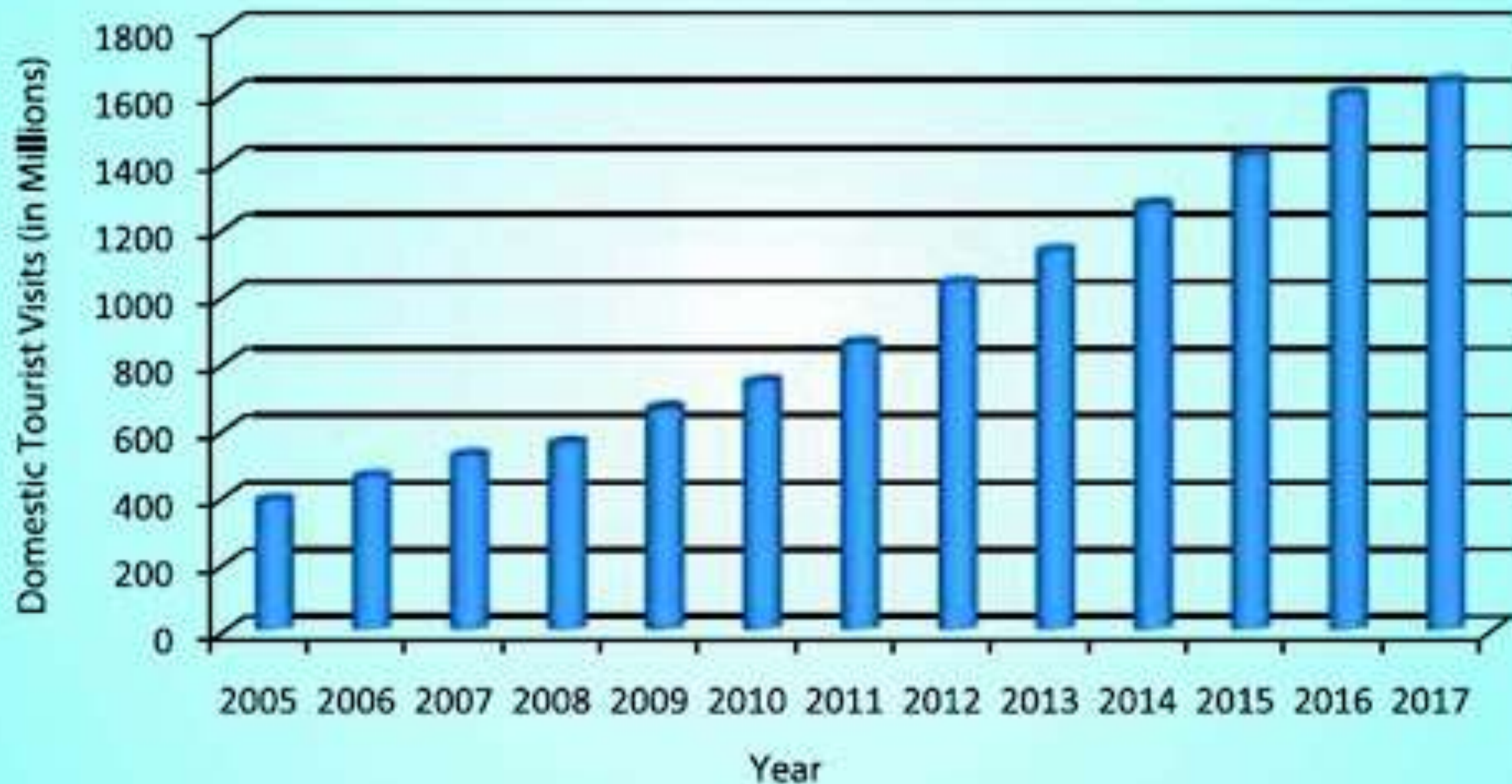
producers, consumers, and regulating authorities

4.4. PRESENT TRENDS IN DOMESTIC AND GLOBAL TOURISM

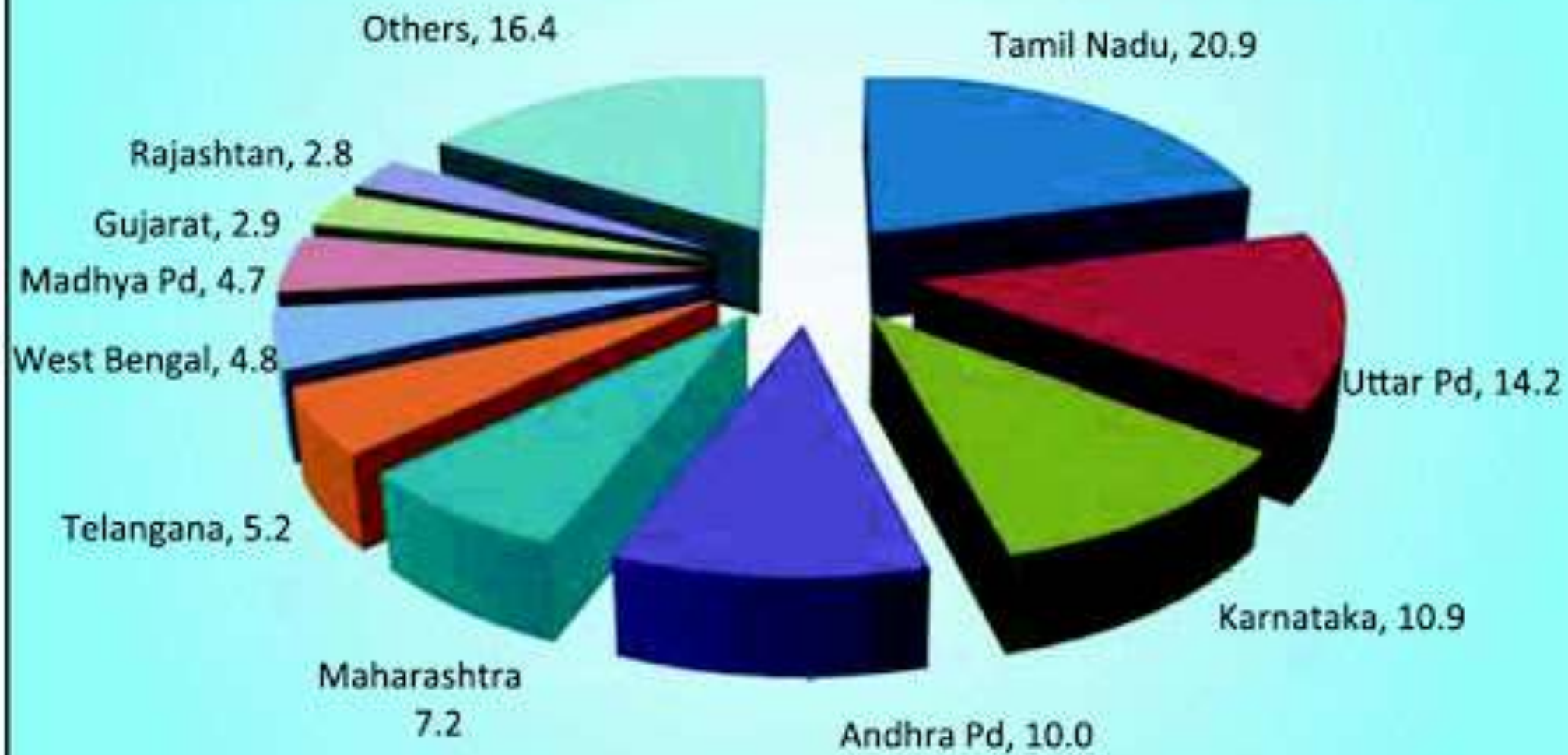
Domestic Tourism Trends

- Domestic tourism in India is about 6 to 7 times more compared to outbound
- Domestic tourism contributes more compared to other types
- Tamil Nadu stands at No. 1 in terms of highest number of FTAs
- Spiritual Tourism & Religious tourism is topping the chart
- Medical tourism is fast emerging in the country

Year-wise Domestic Tourist Visits to States/UTs during 2005-2017

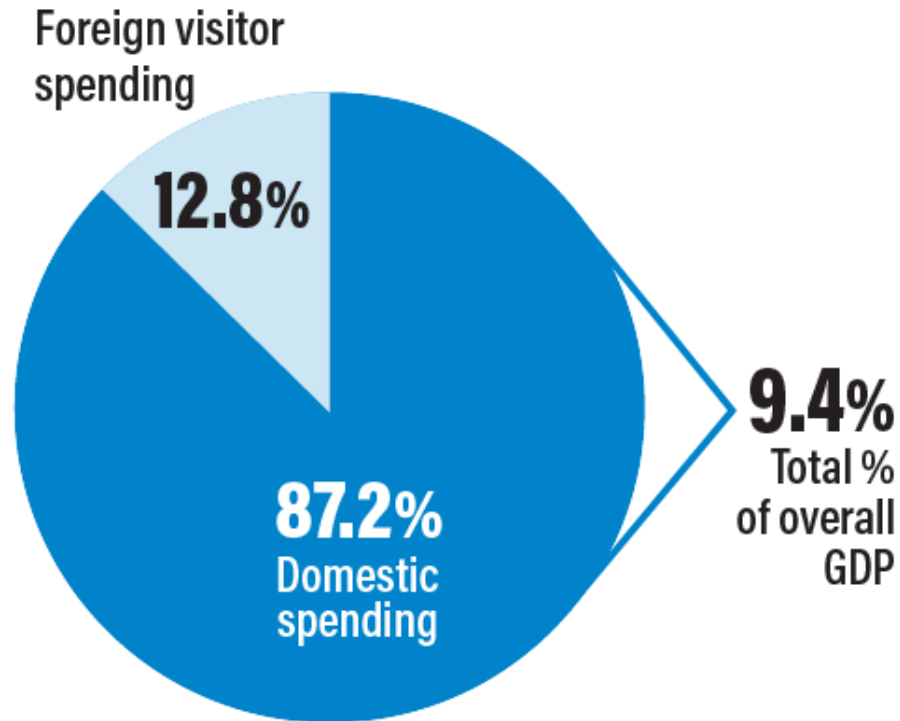


Percentage share of top 10 States/UTs in India in Domestic Tourist Visits in 2017



Global Tourism Trends

INDIA TRAVEL AND TOURISM'S CONTRIBUTION TO GDP, 2017



Source: World Travel and Tourism Council

MAKING WAY FOR INDIA

OUTBOUND TRAVEL

50

INDIA WILL ACCOUNT FOR 50 MILLION OUTBOUND TOURISTS BY 2020

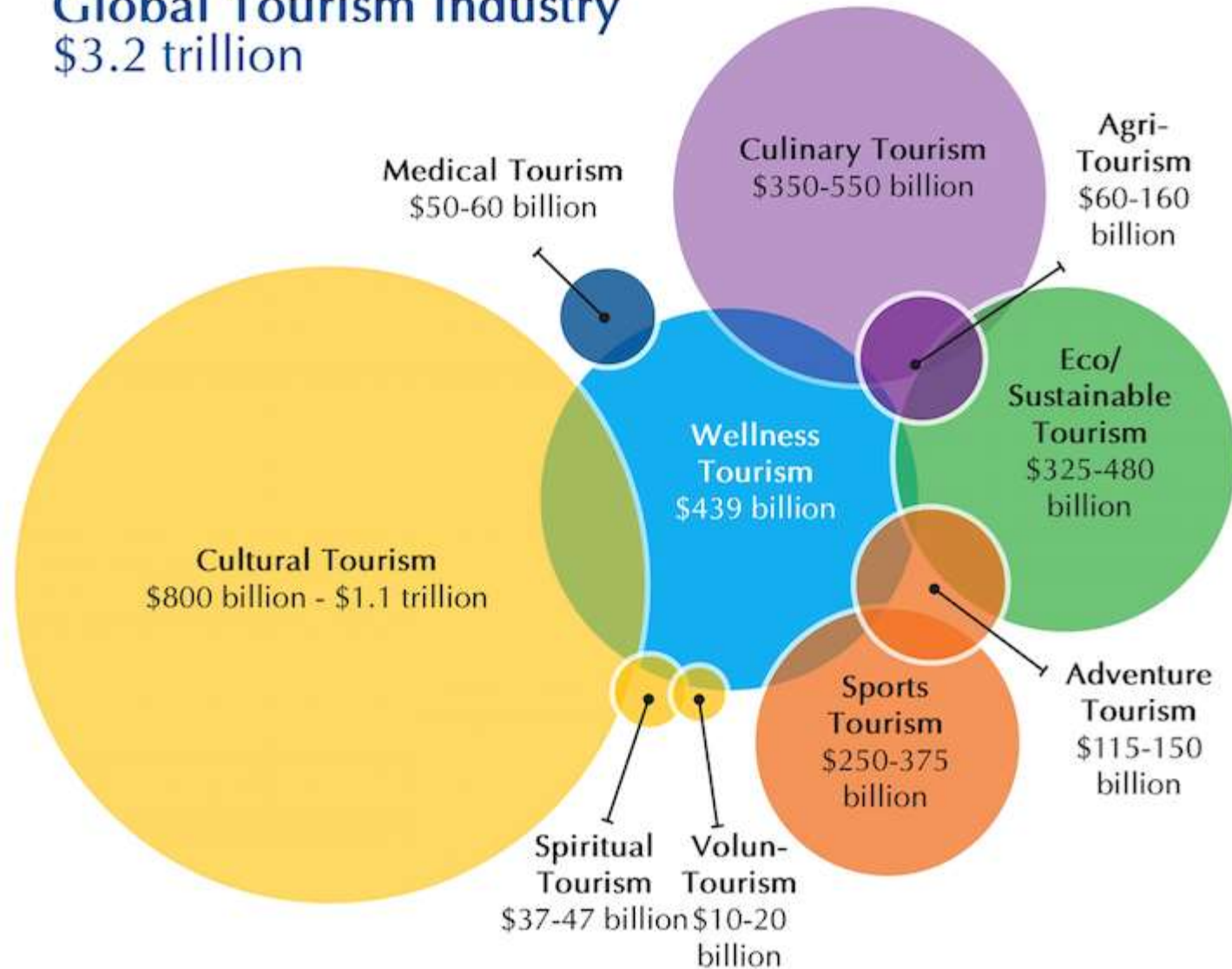
DEMAND FOR OVERSEAS VACATIONS HAS SOARED UP BY 22 PER CENT



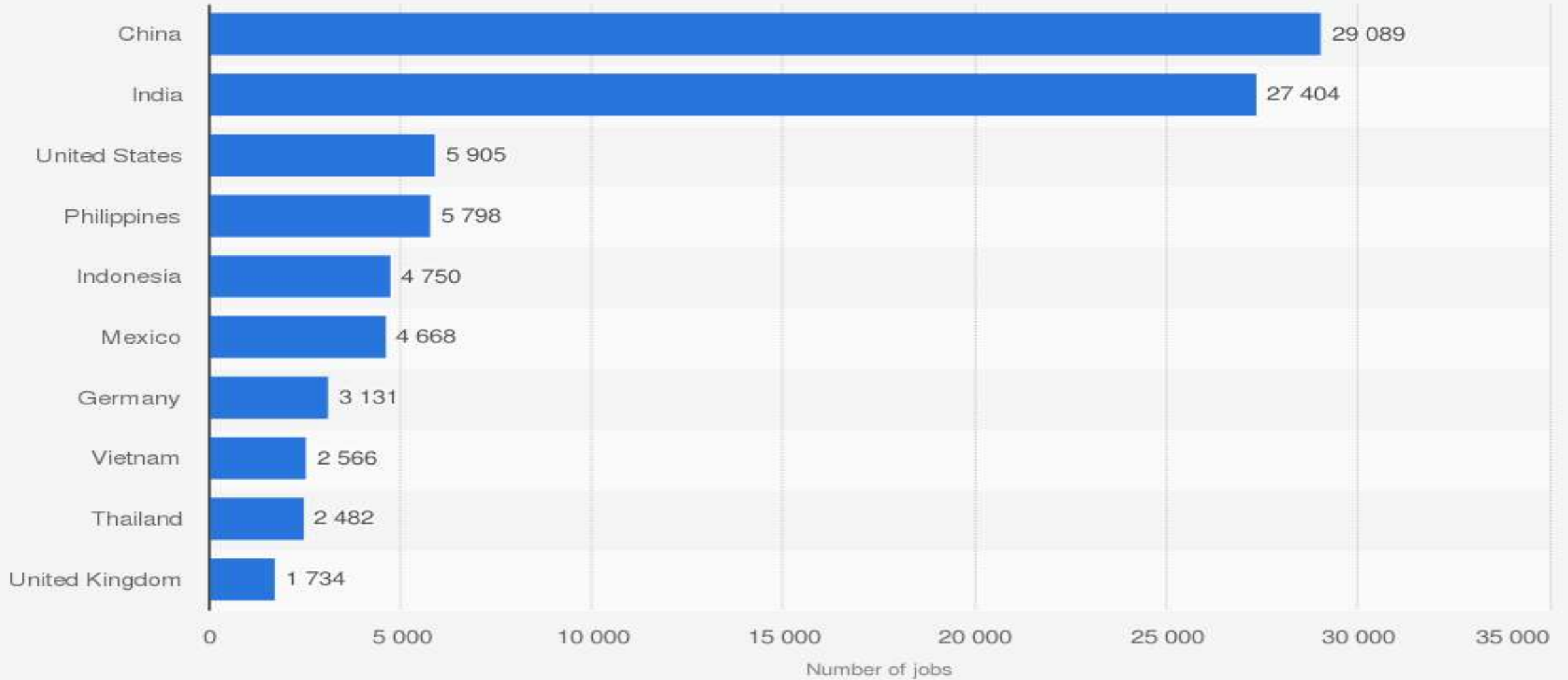
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Global Tourism Industry \$3.2 trillion



Countries with the highest employment in the travel and tourism industry worldwide in 2019 (in thousands)



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