
UNIT 10 TOURISM DEMAND AND SUPPLY

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10.0 OBJECTIVES

After reading this unit, you should be able to:

- know the concept of tourism demand and supply;
- comprehend the tourism demand and supply;
- identify the indicators of tourism demand and supply; and
- understand how tourism demand can be measured.

10.1 INTRODUCTION

What is the very first thing that comes to your mind while considering a business venture? The very first thing that one needs to consider is “whether there will be any demand for the product/service being planned to offer and will that demand be enough to financial and otherwise survival of the business” Before answering this question, one need to understand “what is demand”. In economic sense demand is supposed to be there when there is the desire among the potential customers for the product/service being on offer along with the willingness and ability to pay. In more technical sense, “Demand is the quantity/volume of product or services that the potential buyers are willing and able to pay at a given price in a given time frame.” In present unit, we shall apply the concept of demand to tourism business and understand various facets of tourism demand.

On the other hand, supply refers to the availability of goods/services. It refers to the availability of goods/services at a given price in the given time frame. Imagine a scenario, you are trying to book a flight and it is shown that on a particular price no seats are available but on the next higher price, seats are available. This explains the relevance of price in supply. At one price, there was no supply of air seats, but on the higher price, supply was available. Present unit, will also discuss the concept of tourism supply and various factors affecting it.

10.2 TOURISM DEMAND AND SUPPLY

Demand and supply act as two sides of same coin. In order to develop an effective business strategy, it is very important to understand the dynamics of demand and supply in the business under consideration. In case of tourism, this becomes all more difficult on account of complexity of tourism product which not being a single entity rather complex mix of various intangible services.

Tourism demand: Requirement of variety of tourism products (Goods and services) at a particular place / market in a given time on a given price is known as tourism demand. In short, requirement of tourism products is called as tourism demand. Tourism demand involves following requirements by the tourist / consumer:

- 1) Transport services (Hotel transfers and local sight-seeing)
- 2) Accommodation facilities (Stay in hotels, residential hotels, resorts, camp sites, tree houses, house boats, luxury trains and cruises etc.)
- 3) Ancillary services /amenities (Banking services, medical aids, security services, escort and guide facilities, foreign currency exchange and entry tickets to variety of events and cultural performances etc.).
- 4) Tour components together as tour packages.

Tourism supply: The provision of variety of tourism products (*Goods and services*) to tourists / consumers at a particular market / destination in a given time is called as tourism supply. Tourism supply also refers to variety of supply channels. These channels may be wholesale, retail on the basis of distribution. These may also be direct or indirect channels on the basis of interaction between the seller and buyer. Tourism supply can also be online and offline depending upon the mode of purchase of tourism products. Tourism supply involves following provisions:

- 1) Tour packages.
- 2) Tour components.
- 3) Supplementary services including visa facility.
- 4) Creative tourism products.

10.2.1 Characteristics of Tourism Demand

Tourism demand exhibits various characteristics enlisted as follows:

- Tourism demand depends upon requirements of variety of tourism products in a particular market.
- Tourism demand depends upon supply of tourism products.
- Tourism demand is generally continuous except upon certain situations like global lockdowns and administrative failures of countries across the world.
- Tourism demand varies at different markets.
- Tourism demand is flexible.
- Tourism demand is sensitive to different internal and external factors.
- Tourism demand exhibit variations due to numerous dependent and independent variables.

- Tourism demand depends upon numerous factors i.e. Socio-cultural, psychological, geographical, climatic, seasonal, political and international factors.

10.2.2 Characteristics of Tourism Supply

Tourism supply has various characteristics stated as follows:

- Tourism supply depends upon provision of variety of tourism products in a particular market.
- Tourism supply is directly related to tourism demand.
- Tourism supply is generally continuous except upon certain situations like global lockdowns and administrative failures of countries across the world.
- Tourism supply varies across different markets.
- Tourism supply is flexible.
- Tourism supply is sensitive to different internal and external factors.
- Tourism supply varies due to numerous dependent and independent variables.
- Tourism supply depends upon numerous factors i.e. geographical, climatic, seasonal, political and international factors.

10.3 CONCEPT OF TOURISM DEMAND AND SUPPLY

Tourism business is all about demand and supply in broader sense. However, business ethics in tourism demand and supply are important. Demand and supply of tourism products has been enhanced to a larger extent since few years. Both demand and supply are interlinked and affect each other directly. Let's understand the concept of demand first.

Tourism demand

Tourism demand may be defined as requirement of various tourism products (Goods and services) at a particular place or market in a given time period at a given price. More precisely, demand of tourism products is called as tourism demand. It involves demand of tour packages, tour components and variety of services like escort and guide services, catering services and foreign currency exchange etc.

Types of tourism demand: Tourism demand is of following types depending upon its existence:

- 1) Active demand.
- 2) Potential demand.
- 3) Deferred demand.
- 4) Suppressed demand.
- 5) Future demand.
- 6) Creative demand.

Various *types of tourism demand* can be further understood as follows:

- 1) **Active demand:** It refers to total number of people, who are actually utilizing different tourism products in current time at a particular place / market.
- 2) **Potential demand:** It refers to total number of people, who are currently not utilising any tourism product but may utilise or undergo any tour in near future at a particular place /market.
- 3) **Deferred demand:** It refers to all those individuals, who have potential to undergo any tour but they have delayed their plan due to some reasons. These reasons may be lack of leisure / free time, health issue or any family problem etc.
- 4) **Suppressed demand:** It refers to all those people, who can undergo tours but are not utilising any tourism product because of lack of motivation and sufficient information. This demand can be converted into active demand through variety of motivational efforts.
- 5) **Future demand:** It refers to requirement of different tourism products in near future / coming days. It may increase or decrease depending upon changes in lifestyles of people.
- 6) **Creative demand:** It refers to requirement of new types of tourism products with lots of creative aspects. It may involve new tourism trends and exploration and development of new tourism destinations.

Supply in tourism

Supply in tourism refers to provision of different tourism products (*Goods and services*) at a particular place / market in a given time at a given price. The supply of tourism products includes provision of tour packages, individual tour components, variety of services like escort and guide services, catering services insurance services, security services, FOREX services and passport as well as visa services etc.

Suppliers in tourism: There is following types of supply in tourism sector depending upon supplier:

- 1) **Wholesale (*Tour Operator*).**
- 2) **Retail (*Travel agent*).**

The wholesale and retail are two main modes of supply in tourism sector, which are described as follows:

- 1) **Wholesale (*Tour Operator*):** Here, the supplier supplies tourism products (*Tour packages and tour components*) in large quantity at a particular market/ place in a given time. The bulk selling is common practice with comparatively less prices of tourism products.
- 2) **Retail (*Travel Agent*):** Here, the supplier supplies tourism products (*Tour packages and tour components*) in small quantities as per demand of the customers. The retailer works as middleman and remains in contact of both, the wholesaler as well as customer.

Other modes of supply include following:

- 1) **Direct selling-** (*Online sale by parent organization or through wholesale and retail stores*).

- 2) **Indirect selling** - through affiliates, resellers, independent sales representatives and system integrators (*Different sellers both online stores- Amazon and Flipkart etc. and offline stores other than the parent organisation*).
- 3) **Personal selling** - (*Door to door selling*), can also be considered as part of direct as well as indirect selling.

Factors Affecting Demand and Supply in Tourism

Tourism demand as well as supply does not exist in isolation, rather the demand and supply for a specific tourism service is resultant of interplay between various micro and macro factors. These factors can be socio economic factors like purchasing power, paid holidays etc, psychological, geographical, technological or any other.

- 1) **Factors affecting demand in tourism:** Different factors like psychology, economic condition, technology and geography affect tourism demand at large. These may be discussed as follows:
 - **Socio-economic factors:** These factors include income, purchasing power, disposable income, standards of living, economic status, paid holidays availability, organisational incentives. Competitive prices of tourism products, increase in leisure time, and demographic structure of population (*Gender, age, religion, affiliation and type of family*) also affect tourism demand.
 - **Psychological factors:** These factors include personal motives, personal attributes / perceptions / biases, awareness, education, personality type and physiological well-being etc.
 - **Technological factors:** These factors include mobile phones, TV's, computer with internet, electronic displays, mobile apps like Yatra.com, Goibibo, oyo rooms and make my trip etc.
 - **Geographical factors:** These factors include geographic location of destination, landscapes, snowy peaks, rivers, climate, seasons and natural hazards etc.
 - **Factors at destination:** It includes development level, quality of product, tourist / travel formalities, tourism policy of the destination, creative tourism trends, destination image and branding etc.
- 2) **Factors affecting supply in tourism:** There are following factors that affect supply of tourism products at destinations:
 - **Geographical location:** Accessible markets have better supply of tourism products at reasonable prices. The geographical harsh areas / markets have generally poor supply of tourism services.
 - **Technology:** Markets that are empowered with better electronic gadgets are able to receive better supply of tourism products. Consumers can easily access different tourism products through mobile applications and websites of different tour operators. Moreover, consumers can easily remain aware of regular discounts and offers on special occasions.
 - **Service providers:** Presence of service providers i.e. tour operators as well as travel agents given markets affect supply directly. The more service providers generally lead to better supply of tourism products and more competitive prices of different tourism services.

- **Infrastructure:** Better infrastructure like quality hotels, restaurants, public utilities, accessibility up to tourist spots affect supply of tourism product positively and vice-versa.

10.4 DEFINITIONS OF TOURISM DEMAND AND SUPPLY

After having gone through various conceptual dimensions of tourism demand and supply, it will be prudent enough now to have a look at some of definitions given by some noted academicians of this field. After having understood the concepts, the definitions will further enhance the understanding of these concepts.

Definitions of Tourism Demand

- 1) **According to Mathieson and Wall, 1982**, “Tourism demand is the total number of persons who travel or wish to travel to use the tourist facilities away from their places of work and residence.”
- 2) **According to IGI Global Dictionary**, “**Tourism demand** is defined as the number of people that plan to buy **tourism** products supported by sufficient purchasing power and spare time in order to meet **tourism** needs of people.”
- 3) **According to Cooper et al, 1993**, Tourism demand is, “The total number of persons, who travel or wish to travel and use tourist facilities and services at places away from their places of work or residence.”
- 4) **According to Professor H.P. Gray**, tourism demand can be discussed under two sub-parts as:
 - **Wanderlust:** The desire to exchange the known for the unknown, to leave familiar things and to seek new experiences, places, people and cultures.
 - **Sunlust:** A desire to travel and enjoy sunny places.
- 5) **According to Song et al. 2010**, “**Demand** is made of all those travelling to some place (**tourists** and destination). It can be **measured** by taking into account four elements: people (tourists), money (expenditure, receipts), time (stays and travels durations) and space (distances, lengths of trips).

Definitions of Tourism Supply

- 1) **According to Cooper et al, 1993**, Tourism supply has been defined as, “The supply of all assets, services and goods to be enjoyed or bought by visitors and occasioned by the journeys of visitors.”

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“Tourism supply consists of an amalgamation or mix of attractions. Tourism supply shapes the demand for tourism in a country.”

- 2) **According to Sinclair &Stabler (1997)**, “Tourism supply is a complex phenomenon because of both the nature of the product and the process of delivery.”

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“Principally, it cannot be stored (i.e. it is perishable product), it is intangible in that it cannot be examined prior to purchase, it is necessary to travel to consume it, heavy reliance is placed on both natural and human made resources and a number of components are required, which may be separately or jointly purchased and which are consumed in sequence.”

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“It 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.”

Check Your Progress A

- 1) Write two definitions each of tourism demand and tourism supply?

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- 2) Tourism demand includes:

- a) Requirement of medicines
- b) Requirement of tour packages
- c) Requirement of hotel room
- d) Both (b) & (c)

- 3) Tourism supply includes:

- a) Provision of notebooks
- b) Provision of laptops
- c) Provision of tour packages
- d) Provision of mobile phones

10.5 INDICATORS OF TOURISM DEMAND AND SUPPLY

There are many indicators that help in understanding the status of tourism demand and supply in a particular market. Various indicators of tourism demand and supply are enlisted as follows:

Indicators of tourism demand –

- 1) **Economic indicators:** The financial status of people in a market is a major indicator of tourism demand. If the economic condition of people in a market is in growing phase then the demand for tourism products will increase most probably. On the other hand, if the economic condition of people in a market is poor, then the demand for tourism products will decrease at large. The economic indicators are:

- Employment of people, who are part of a market.

- Income of people, who are part of a market.
- Local entrepreneurship in a market.
- Local investment in different ventures.

2) **Socio-cultural indicators:** There are certain social factors that affect the movement of local people for tourism activities. However, the social effect may be positive or negative depending upon multiple aspects (Financial structure of people, lifestyles etc.). The cultural factors that involve exploration and provide ample space for creativity enhance local movement to new places, thereby increase the tourism demand. Contrary to this, cultural restrictions lead to decrease in tourism demand. The socio-cultural indicators are:

- Beliefs and lifestyles of people.
- Social freedom.
- Availability of holidays / leisure time.
- Cultural exploration.
- Cultural exchange.
- Educational tours to different states.
- Research assignments to different destinations.

3) **Psychological indicators:** Psychological aspects of people at any place / market constitute tourism demand in a given time. Educated and motivated people indicate increase in tourism demand and contrary to this less educated and least motivated people indicate decrease in tourism demand. Various psychological indicators are:

- Awareness level of people for tourism activities.
- Motivational atmosphere for tourism activities.
- Family structure and support.
- Marital status.
- Working environment.
- Social status.

4) **Geographical indicators:** Geography of any place / market also indicates demand for tourism products. The places that are well connected through variety of modes of transportation and are easily accessible, generally receive better services and are up to date with current tourism trends. Thus, such places show an effective demand for tourism. Contrary to this, the places located in remote areas lacking multiple modes of accessibility or are not easily accessible, generally receive selective services and are lesser up to date with current tourism trends, show lesser demand for tourism products. Various geographical indicators are:

- Terrain of place / market (Plain region, mountain region, desert or coastal region).
- Ease of accessibility up to or within the place / market.
- Distance of the place from a bigger market.

- Availability of multiple modes of transportation (Roadways, railways, airways and waterways).
- 5) **Climatic indicators:** Climate of any place or market is also an important indicator of tourism demand. The place having better climatic conditions shall lead towards better inflow of tourists to the place and least outflow of people to other destinations, thereby decreasing the demand of local people for tourism products. Contrary to this, the place having harsh / adverse climatic conditions shall lead towards less inflow of tourists to the place and more outflow of people to other destinations, thereby increasing the demand of local people for tourism products. Various climatic indicators are:
- Seasons (Summer, winter, monsoon and spring season).
 - Calamities like cloudbursts, hot winds, landslides and floods etc.
- 6) **Technological indicators:** Technological development of a place / market is important indicator of demand for tourism products. Technological empowerment of local people helps them to utilise available tourism products and new tourism trends in the market, thereby increasing the tourism demand. Contrary to this, lack of technological support, prohibit people from availing tourism products, thereby leading towards decrease in demand for tourism products. Various technological indicators are:
- Availability of smart mobile phones.
 - Availability of internet facility.
 - Availability of mobile applications.
 - Availability of online service providers like MMT, YATRA, OYO rooms, Go ibibo, Taj hotels, Oberoi hotels, Indigo airlines, Air India etc.

Indicators of tourism supply –

- 1) **Geographical indicators:** Geography of any place / market also affects the supply of tourism products. The places that are well connected through variety of modes of transportation and are easily accessible, generally provide better services and are up to date with current tourism trends. Thus, such places show an effective tourism supply. Contrary to this, the places located in remote areas lacking multiple modes of accessibility or are not easily accessible, generally receive selective services and are lesser up to date with current tourism trends, show less effective tourism supply. Various geographical indicators are:
- Terrain of place / market (Plain region, mountain region, desert or coastal region).
 - Ease of accessibility up to or within the place / market.
 - Distance of the place from a bigger market.
 - Availability of multiple modes of transportation (Roadways, railways, airways and waterways).
- 2) **Technological indicators:** Technological development of a place / market is an important indicator of supply of tourism products. Technological empowerment of local people helps them to utilise available tourism

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- Availability of mobile applications.
- Availability of online service providers like MMT, YATRA, OYO rooms, Go ibibo, Taj hotels, Oberoi hotels, Indigo airlines, Air India etc.

3) **Infrastructural indicators:** Status of basic infrastructure at a place / market is an important indicator for supply of tourism products. Developed infrastructure helps in easy provision of tour packages and hotel room etc., thereby facilitating better tourism supply. Contrary to this, least developed infrastructure affects easy provision of tourism products, thereby deteriorating the tourism supply. Various infrastructural indicators are:

- Hotels and resorts.
- Restaurants.
- Roads.
- Recreational parks.

4) **Service provider indicators:** Service providers at a place / market are important indicators of tourism supply. Service providers maintain better supply of tourism products in a market, thereby leading towards effective supply of tourism products. Contrary to this, lack of service providers or limited service providers, provide only limited tourism supply, thereby leading towards poor supply of tourism products. Various service indicators are:

- Tour operators.
- Travel agents.
- Transporters.
- Hoteliers.
- Escorts and guides.
- FOREX (Foreign currency exchange) providers.
- Travel insurance companies.

10.6 MEASURING DEMAND FOR TOURISM

Tourism demand is a continuous phenomenon and it must be measured properly in order to craft tourism infrastructure and thereby providing world class tourism services at various destinations. Tourism demand can also be referred to as travel propensity (*measure of percentage of population engaged in tourism activities*). You might have gone with the basic concept of tourism demand that it is requirement of variety of tourism services at a destination / place / market in a given time. The people who are currently utilising tourism services constitute active tourism demand. Those, who may travel in near future constitute potential

tourism demand. Likewise tourism demand can be easily categorised into different types enlisted as follows:

- 1) On the basis of its origin, the tourism demand can be broadly categorised as:
 - Inbound tourism demand.
 - Outbound tourism demand.
 - Domestic tourism demand.
- 2) Further, on the basis of status (*Actual position*) of tourism demand, it can be categorised as follows:
 - Actual tourism demand.
 - Potential tourism demand.
 - Deferred tourism demand.
 - Suppressed tourism demand.
 - Creative tourism demand,
 - Future tourism demand.

The determinants of tourism demand are the factors that determine the nature and type of tourism products required at a place / market. These are of following two types broadly:

- 1) **Long term determinants.**
- 2) **Short term determinants.**

These determinants are further elaborated as follows:

- 1) **Long term determinants of tourism demand:** These are the factors that affect the tourism demand in a long run. Long term determinants are enlisted as follows:
 - Economic status.
 - Availability of leisure time.
 - Demographic factors.
 - Legislative scenario.
 - Availability of trained manpower.
 - Sources of financial support.
 - Extent of local involvement.
 - Development level of people.
 - Status of communication development.
 - Status of fundamental and basic education.
 - Status of language barriers.
 - Infusion of business planning skills.
 - Status of trained tourist escorts and guides.
 - Status of communication skills in employed tourism man-power.

2) **Short-Term Determinants of Tourism Demand:** Short term determinants affect the tourism demand in small proportions and in short run. These are enlisted as follows:

- Decreasing income level of tourists leading towards less disposable income.
- Opportunities of employment especially in developed countries.
- Changing rates of currency exchange across the world.
- Absence of developing business limiting the level of earnings, thereby decreasing the confidence of consumers.
- Uncertainty on the future dimension of viruses like H1N1 influenza virus, Corona virus and their spread. It is indeed a cause for concern as still there are cases of infection being reported across the world.
- Advanced booking in proportions to numbers of seats available with the airlines.

Levels of tourism demand: Concept of tourism demand measurement involves following three levels:

- 1) Product level (total product and tourism items).
- 2) Geographical level (world, country or destination).
- 3) Time level-(present, short, medium and long term).

Statistics of tourism demand: While measuring tourism demand, following three aspects are taken into consideration. These are:

- 1) Volume statistics.
- 2) Value statistics.
- 3) Visitor profile statistics.

1) **Volume statistics** refers to following aspects:

- Total number of individual tourist arrivals and the total number of tourist departures. It is added by following equilibriums:
 - No. of trips= (No. of individuals) (Number of trips per individual)
 - Total tourist nights= (No. of trips) (Average length of stay)
- Arrival in accommodation establishment.
- Business trip.
- Country of residence.
- Domestic tourist.
- Inbound tourist.
- Outbound tourist.
- International tourist.
- Duration of trip.

Various travellers not included in tourism statistics are border workers, immigrants, nomads, transit passengers, refugees, members of armed forces, consulates and diplomats.

- 2) **Value statistics:** Value statistics while measuring tourism demand includes following:
- Measurement of economic value of foreign visitors and outgoing visitors (expenditure).
 - International tourism expenditure.
 - International tourism receipts.
 - Leisure trip.
- 3) **Visitor profile statistics:** Visitor profile includes following details:
- Visitor name.
 - Age.
 - Sex.
 - Group type.
 - Occupation.
 - Income level.
 - Origin and destination.
 - Mode of transportation.
 - Purpose of visit.
 - Length of stay.
 - Accommodation used.
 - Activities.
 - Tour package / independent travel.

While measuring tourism demand, following broad spectrum are taken into consideration:

$D = f(\text{Propensity, resistance})$

In which D stands for tourism demand.

Propensity = Person's predisposition to travel

= How willing is the person to travel.

= What types of travel experiences he / she prefer.

Resistance = Relative attractiveness of various destinations.

= Economic crunches (Time and cost involved in travelling).

= Cultural distance - extent of cultural differences.

= Cost of services.

= Quality of service.

= Seasonality.

Now the question arises that how we can measure tourism demand at a particular place in a given time? The answer can be surely sought in following description:

Tourism demand can be measured as travel propensity, with emphasis on population study. We know that travel propensity is effective measure of tourism demand. It is further of two types as net travel propensity and gross travel propensity. Net travel propensity refers to the percentage of population that has taken at least one trip in a year or given time. On the other hand gross travel

propensity refers to average number of trips undertaken by people in a year or given time. The travel movement of people depends upon many factors like economic, geographic, climatic, cultural, psychological, health, political as well as cross border ties between countries. Travel movement is also determined by the status of supply of tourism products (goods and services). Urbanisation of any place / market leads towards development of local economy, thereby enhancing employment opportunities, income, standard of living and leisure time. With enhanced income people utilise their free time in exploring new places for recreation and enjoyment. The educational development makes people much aware about latest tourism trends and urges them to utilise tour packages across the country and even throughout the world. With enhanced medical facilities, the average age of people also increases, which enable aged people to utilise their earned money and time in experiencing tourism products. Tourism demand assessment is an important aspect in order to determine the share of tourism business in economy of any place.

The travel propensity is measured as:

- 1) **Net Travel Propensity:** Net travel propensity refers to the percentage of population that has taken at least one trip in a year or given time.
- 2) **Gross Travel Propensity:** Gross travel propensity refers to average number of trips undertaken by people in a year or given time.
- 3) **Travel Frequency:** It is the ratio of gross travel propensity to net travel propensity.

Based upon, various factors, determinants and available feedback from market, the tourism demand at a particular place / market in a given time frame can be calculated more accurately and effectively.

Check Your Progress B

- 1) What are various indicators of tourism demand?

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- 2) What are various indicators of tourism supply?

.....

- 3) Indicators of tourism demand is / are:
 - (a) Geographical (b) Economic indicators
 - (c) Both (d) None

- 4) Travel propensity measures:
 - (a) Tourism supply (b) Tourism demand
 - (c) Foreign currency exchange (d) Tourism trends

10.7 LET US SUM UP

After reading this unit, you must have understood the meaning, concepts and characteristics of tourism demand and supply. Requirement of tourism products (*goods and services*) at a place / market is known as tourism demand. Likewise provision of tourism products at a given place / market is known as tourism supply. You might have also gone through the definitions of tourism demand and tourism supply narrated by various social scientists, tourism entrepreneurs and organisations. Various indicators of tourism demand and supply have also been discussed in the unit comprehensively. Indicators of tourism demand are geographical, climatic, socio-cultural, economic, psychological and technological aspects. Likewise, indicators of tourism supply are geographical, technological, infrastructural aspects and service providers. Moreover, you might have been familiar with measurement of tourism demand including types of tourism demand on the basis of origin and current status (*actual position*); determinants of tourism demand (*long and short term determinants*); level of tourism demand (*product, geography and time level*); statistics of tourism demand (*volume, value and visitor profile statistics*) and travel propensity comprehensively including net travel propensity, gross travel propensity and travel frequency.

10.8 KEY WORDS

Various words that are relevant and used comprehensively in the unit are described briefly as follows:

Tourism: The word tourism is comprised of two sub-words 'Tour' and 'ism'. The sub-word 'Tour' means movement of individual / group of individuals from one place to another in order to explore new places, least explored places and popular places. Sub-word 'ism' means to know. So, tourism means to know about each and every technical aspect about the movement of individual/ s for exploration of places.

Tourism product: Tourism product means bundle of goods and services. It involves both the tangible (touchable) as well as intangible (untouchable) components. Tourism product involves dominating part as service part i.e. transportation, accommodation, catering and sight-seeing. Tourism industry is also known as service industry, because of dominating service components in tourism products.

Tourism demand: Tourism demand means requirement of tourism products (goods and services) at a particular place / market in a given time.

Tourism supply: Tourism supply refers to provision of variety of tourism products at a particular place / market in a given time.

10.9 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress A

- 1) Refer to section 10.4
- 2) d.
- 3) c.

Check Your Progress B

- 1) Refer to section 10.5
- 2) Refer to section 10.5
- 3) c.
- 4) b.

10.10 TERMINAL QUESTIONS

- 1) Describe the significance of analysing tourism demand status for drafting tourism business model for a particular destination?
- 2) What are various strategies that can be adopted for betterment of tourism products supply at a particular place or market?
- 3) What are various types of tourism demand on the basis of its status or current position?

