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UNDERSTANDING TOURISM MARKETS

M.T.M.-9

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**Sample Preview
of the
Solved
Sample Question
Papers**

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QUESTION PAPER

Exam Held in
February – 2021

(Solved)

UNDERSTANDING TOURISM MARKETS

M.T.M.-9

Time: 3 Hours]

[Maximum Marks: 100

Note: Attempt any five questions. All questions carry equal marks.

Q. 1. Describe the emerging trends in Tourism with special reference to marketing.

Ans. Ref.: See Chapter-1, Page No. 2, 'Profiling Tourism Marketing' and Page No. 10, 'Features of Tourism Markets For India'.

Q. 2. Discuss the importance of information and various sources of information in the tourism business.

Ans. Ref.: See Chapter-2, Page No. 16, 'Importance of Information' and Page No. 18, 'Sources of Information-I' and 'Sources of Information-II'.

Q. 3. What are the stages of research study? Discuss with the help of an example related to domestic tourism.

Ans. Ref.: See Chapter-3, Page No. 27, Q. No. 1, Page No. 26, 'Tourism Research Areas' and Page No. 27, 'Multi-Segment Research'.

Q. 4. "Specialized tourism requires specialized marketing." Discuss the statement.

Ans. Specialized tourism involves individual or group tours by those people who wish to develop their given interests or places that has a relationship or connection with their specific interest. It is an all-encompassing term that refers to festivals, events, theme parks, cultural venues, fairs, and museums that help define the social fabric of a community, city, state, or region.

Special interest tourism is defined as travelling with the primary motivation of practicing or enjoying a special interest. This can include unusual hobbies, activities, themes or destinations, which tend to attract niche markets which is the most rapidly growing area of the tourism industry.

As the tourism industry has developed through the years and presently is one of the most diversified, customized and specialized industries.

Marketing is a continuous, sequential process through which management plans, researches, implements, controls, and evaluates activities designed to satisfy the customers' needs and wants, and meet the organization's objectives. According to Morrison (2010), services marketing "is a concept based on a recognition of the uniqueness of all services; it is a branch of marketing that specifically applies to the service industries"(p. 767).

Marketing in the tourism and hospitality industry requires an understanding of the differences between marketing goods and marketing services. To be successful in tourism marketing, organizations need to understand the unique characteristics of their tourism experiences, the motivations and behaviours of travelling consumers, and the fundamental differences between marketing goods and services.

Special Interest Tourism (SIT) is the provision of customised tourism activities that caters to the specific interests of groups and individuals. In this case, tourism is undertaken to satisfy a particular interest or need. It has been proposed that SIT consists of four main experiences:

- Rewarding
- Enriching
- Adventuresome Experiences
- Learning Experiences.

Clients engaged with SIT are seeking to learn more, enrich their awareness, and express themselves. They expect high standards of service and individualized focus. Many wish to travel in an environmentally sound manner and to have authentic experiences be they: cultural, social or environmental, in which they have a positive engagement with the host community.

The range of special interest tours is enormous. It may range from a women's only trek down the Larapinta Track in outback Australia to a bike tour of one of France's wine growing regions where it is possible to meet those responsible for the production of the wine being sampled, or to whale watching in Antarctica.

One way of classifying different types of tourism is according to the dominant interest or reason that causes people to travel. If a tourism manager understands why a person or group of people are travelling to a particular destination, they can then design a package of services tailored to support that reason for travelling. Some travel aims or categories of tourists occur often enough that tourism providers have found it profitable to establish packages specifically tailored to cater to them. Others may require special packages or arrangements that will meet their distinctive, particular needs.

Q. 5. Write short notes on the following :

(a) Alternative form of tourism

Ans. Ref.: See Chapter-6, Page No. 46, 'Alternative Forms of Tourism' and 'Marketing Alternative Forms of Tourism'.

(b) New generation destinations

Ans. Ref.: See Chapter-6, Page No. 47, 'New Generating Countries/Destinations' and Page No. 49, Q. No. 5.

Q. 6. "In the recent past, expenditure pattern of domestic tourist have changed a lot." As an owner of a three star hotel how would you manage this demand?

Ans. Ref.: See Chapter-7, Page No. 53, 'The Expenditure Pattern of Domestic Tourism', Page No. 52, 'Introduction' and Page No. 54, Q. No. 2.

Q. 7. "Asia Pacific tourism market growth is higher than Europe." Discuss.

Ans. Ref.: See Chapter-10, Page No. 66, 'The East Asia Pacific Tourism Market', and Page No. 69, 'Outbound Traveller from Asia Pacific Region'. Chapter-11, Page No. 87, Q. No. 1, 2 and Page No. 98, 'Europe and India'.

Q. 8. Write short notes on the following :

(a) Japanese traveller in India

Ans. Ref.: See Chapter-10, Page No. 72, 'Japanese Travellers and India'.

(b) Tourist arrival from Europe

Ans. Ref.: See Chapter-13, Page No. 93, 'The UK Outbound Market'.

(c) China a growing market

Ans. Ref.: See Chapter-10, Page No. 73, 'China: Case Study of a Growing Market'.

(d) Time share market

Ans. Ref.: See Chapter-6, Page No. 45, 'The Time Share Markets'.

Q. 9. Write a note on European market for Indian tourism.

Ans. Ref.: See Chapter-13, Page No. 98, 'Europe and India'.

Q. 10. "India require better hardware and software for the development of tourism." Discuss this statement with reference to infrastructure and manpower development.

Ans. Ref.: See Chapter-4, Page No. 31, 'Travel Motivators', Page No. 33, 'Tourism Trends and Marketing' and 'Marketing Trends and the Tourism Industry'.

■ ■

Sample Preview of The Chapter

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UNDERSTANDING TOURISM MARKETS



Tourism Markets

INTRODUCTION

Tourism accounts for a higher share of world trade than cars or oil and is the main export for many small developing countries. Department of Tourism (DoT) prepares the annual report which is used by various sections of the tourism industry for designing their marketing strategies. For instance, this data is used by hotels for arranging their resources to attract a maximum number of guests; transport operators use it to understand the diverse background of the tourists in order to design their transport. Highly labour-intensive, the sector provides vital employment for people with a wide range of skills, as well as the unskilled. To make best use of tourism for development, however, it is important to understand its volume, trends, and significance to different developing countries.

CHAPTER AT A GLANCE

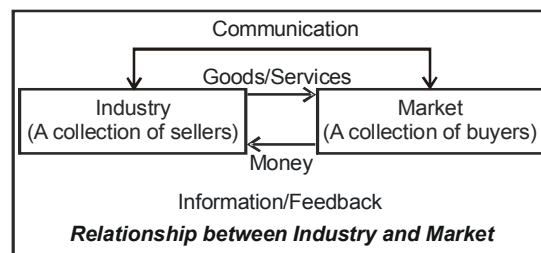
TOURISM MARKETS:

A CONCEPTUAL BACKGROUND

Tourism markets can be divided into two broad categories: tourist receiving and tourist generating. These tourists can be regional, intraregional and inter-regional. These tourists can further be divided into a business tourist, leisure tourist, pilgrim tourist, youth tourist, etc. These tourists have their own travelling

budget. Some like to stay in 5-star hotels, while some have to stay in economic class. The tourism markets are diverse in nature (heterogeneous) and not identical (homogeneous). Ample knowledge of the industry helps every segment operator to plan its strategies for smooth functioning.

A market is the world of commercial activities where goods and services are bought and sold in exchange for money. In economics, markets are buyers and sellers. For the buyers, the sellers are the market and for the sellers the buyers are the market. As per Phillip Kotler, the relationship between the two can be seen as follows:



This applies to all the major segments of the tourism industry; like hotels, transport operators, travel agents, airlines etc. to tailor the products and services according to the needs of the customers. As the product is used by the tourists, the feedback is awaited so that the suppliers can improve the product and reinforce the union.

2 / NEERAJ : UNDERSTANDING TOURISM MARKETS

The concept of market is exercised by another group of people.

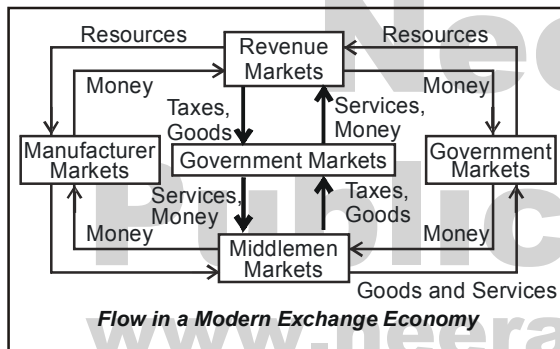
1. Need Markets: Tourists with special need e.g. Backpackers-18-24 years, no children, are attracted to places with adventurous activity.

2. Product Markets: Tourists, who are budget conscious, like the incentive tourist want value for money.

3. Demographic Markets: People in different age-groups prefer different places for touring. The teens like to visit adventurous places, honeymooners like to visit dreamy places, and elderly like to visit religious places or landscapes.

4. Geographic Markets: These are tourists of different profile who like to visit different countries every time.

In modern times, markets are abundant. As per Philip Kotler, the money flows in the economy as follows:



In the above figure, a manufacturer buys its raw material and labours from the resource market and make finished goods and sell them to the middlemen. The middlemen further sell these goods to the consumers. The consumers when get their salaries/ income, spend it on the goods and services they need. The Government also plays a dual role. Firstly, it buys goods from the resource markets and the middlemen and pays them and secondly, with the taxes that it charges on them, it provides public services.

In the modern exchange economies, every operator specializes in a particular product or service, gets paid for it and fulfils his/her requirements with that money. It is also observed, that for various sections of the tourism industry, there are various types of markets, e.g. for a hotelier, the tourists as well as the tour operators are customers. They book rooms for each of them. Hence they both are his markets.

PROFILING TOURISM MARKETS

Tourism market is constituted by the tourists and the amount of travel. It includes the actual and potential tourists i.e. those tourists who could travel. This can be done if nations make themselves famous for their beauty and amusement. This can be observed tourists love to travel a lot in developed countries with a booming economy rather than countries with collapsing economies. Before we get into the depth of this topic, it is imperative to understand a few terms.

International Visitor: A person visiting a foreign country, with a foreign passport for a purpose is an international visitor. International visitors can further be segregated into two categories:

1. Foreign Tourists: In context to India, it could be a person who spends a day i.e. 24 hours in India and comes for a special purpose which could be any of the following:

- (a) Leisure, recreation, medical purposes, study, visits as an incentive etc.
- (b) Corporate/Business, family
People who come for occupation, residing and excusing, are not considered as tourists.

2. Excursionists: A person who visits for less than 24 hours, it would also include people who cruise by ships through India.

World Tourism Organization (WTO) provides all the data that is used by tourist markets for various purposes. The Department of Tourism (DoT) collects also Tourism Statistics from sources like:

- (a) Arrival Statistics that are collected from the Disembarkation Cards.
- (b) The extent of stay that is mentioned by the tourists on the embarkation cards at the time of departure.
- (c) The demographic data about the tourists is also derived from various means.

The data obtained from such sources helps in categorizing the tourists. For instance, 73849 Australian tourists visited India in 2003. The tourist data of Australian men and women is also available. To understand their reasons of visit, a number of analysis have to be conducted. For this, let's have a look at the world tourism markets.

World Tourist Markets

There are a number of aspects that should be considered to examine the flow of tourists. To name a few the travel time, the length of stay, income, sound

economic and political conditions, holiday attitude etc. are some of the aspects. The tourists' statistics, as said earlier, states that developing countries are frequently

visited by the tourists. The following table illustrates the regions visited worldwide by the tourists.

International Tourist Arrivals Worldwide and by Regions–1993-2003 (arrivals in millions)

| Region | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| WORLD | | | | | | | | | | | |
| Arrivals | 515.7 | 550 | 550 | 597 | 618 | 627 | 652 | 687 | 684 | 703 | 694.0 |
| % Annual Change | 3.0 | 6.7 | 0.0 | 8.5 | 3.5 | 1.3 | 4.1 | 5.4 | -0.5 | 2.7 | -1.2 |
| AFRICA | | | | | | | | | | | |
| Arrivals | 18.5 | 18.9 | 20.0 | 21.8 | 23.2 | 24.9 | 26.2 | 27.4 | 28.3 | 29.1 | 30.5 |
| % Annual Change | 2.8 | 2.2 | 5.8 | 9.0 | 6.4 | 7.3 | 5.2 | 4.6 | 3.3 | 2.8 | 4.9 |
| AMERICAS | | | | | | | | | | | |
| Arrivals | 102.1 | 105 | 109 | 115 | 117 | 120 | 122 | 128.0 | 120 | 115 | 112.4 |
| % Annual Change | -0.2 | 2.6 | 3.8 | 5.9 | 1.2 | 2.5 | 2.3 | 4.7 | -6.1 | -4.4 | -2.1 |
| ASIA & THE PACIFIC | | | | | | | | | | | |
| Arrivals | 74.7 | 80.7 | 86 | 93.4 | 93.1 | 93.2 | 103 | 115 | 121.1 | 131 | 119.1 |
| % Annual Change | 10.9 | 8.0 | 6.1 | 9.1 | -0.3 | 0.1 | 10.1 | 12.4 | 5.0 | 8.4 | -9.3 |
| EUROPE | | | | | | | | | | | |
| Arrivals | 309.9 | 335 | 322 | 354 | 371 | 374 | 381 | 393 | 391 | 400 | 401.5 |
| % Annual Change | 2.5 | 8.0 | -3.7 | 9.7 | 4.9 | 0.7 | 1.8 | 3.2 | -0.5 | 2.3 | 0.4 |
| MIDDLE EAST | | | | | | | | | | | |
| Arrivals | 10.5 | 11.1 | 14 | 13.3 | 14.3 | 15.1 | 20.5 | 24.0 | 23.6 | 27.6 | 30.4 |
| % Annual Change | 0.0 | 5.7 | 22.5 | -2.2 | 7.5 | 5.6 | 35.8 | 17.1 | -1.7 | 16.9 | 10.3 |
| INDIA | | | | | | | | | | | |
| Arrivals | 1.8 | 1.9 | 2.1 | 2.3 | 2.4 | 2.4 | 2.5 | 2.6 | 2.5 | 2.4 | 2.7 |
| % Annual Change | -5.5 | 6.9 | 12.6 | 7.7 | 3.8 | -0.7 | 5.2 | 6.7 | -4.2 | -6.0 | 14.3 |
| SHARE OF INDIA | 0.34 | 0.34 | 0.39 | 0.38 | 0.38 | 0.38 | 0.38 | 0.39 | 0.37 | 0.34 | 0.39 |

(In %)

Source: World Tourism Organisation

Worldwide tourism experienced a 0.6% decrease in 2001, which is somewhat less than what was feared after Sept. 11, 2001. The Americas suffered the most (6.0% decrease), followed by South Asia (4.5%), and the Middle East (down 2.5%). Europe also experienced a slight decrease of 0.7%, but it remains the world's top tourism region.

A smart marketing manager needs to know the favourite tourist destinations. The following table provides the figures of the international tourist arrivals in top 10 countries:

International Tourist Arrivals in India from Top 10 Countries from 2006-2008

| Rank | Country | UNWTO | International Tourist Arrivals (2008) | International Tourist Arrivals (2007) | International Tourist Arrivals (2006) |
|------|----------------|-----------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | Regional Market | | | |
| 1 | France | Europe | 79.3 million | 81.9 million | 78.9 million |
| 2 | United States | North America | 58.0 million | 56.0 million | 51.0 million |
| 3 | Spain | Europe | 57.3 million | 58.7 million | 58.2 million |
| 4 | China | Asia | 53.0 million | 54.7 million | 49.9 million |
| 5 | Italy | Europe | 42.7 million | 43.7 million | 41.1 million |
| 6 | United Kingdom | Europe | 30.2 million | 30.9 million | 30.7 million |
| 7 | Ukraine | Europe | 25.4 million | 23.1 million | 18.9 million |
| 8 | Turkey | Europe | 25.0 million | 22.2 million | 18.9 million |
| 9 | Germany | Europe | 24.9 million | 24.4 million | 23.5 million |
| 10 | Mexico | North America | 22.6 million | 21.4 million | 21.4 million |

Top 22 most visited countries and their cities by estimated number of international visitors from 2007 to 2008:

| City | Country | International Visitors (millions) |
|---------------|----------------------|-----------------------------------|
| Paris | France | 15.6 |
| London | United Kingdom | 14.8 |
| Bangkok | Thailand | 10.84 |
| Singapore | Singapore | 10.1 |
| New York City | United States | 9.5 |
| Hong Kong | China | 7.94 |
| Istanbul | Turkey | 7.05 |
| Dubai | United Arab Emirates | 6.9 |
| Shanghai | China | 6.66 |
| Rome | Italy | 6.12 |
| Tokyo | Japan | 5.34 |
| Seoul | South Korea | 4.99 |
| Barcelona | Spain | 4.72 |
| Madrid | Spain | 4.64 |
| Mecca | Saudi Arabia | 4.5 |
| Kuala Lumpur | Malaysia | 4.4 |
| Beijing | China | 4.4 |
| Moscow | Russia | 4.1 |
| Prague | Czech Republic | 4.1 |
| Athens | Greece | 3.87 |
| Amsterdam | Netherlands | 3.66 |
| Vienna | Austria | 3.53 |

In 2007, international tourist arrivals grew by an estimated 6% to reach a new record figure of nearly 900 million—an astonishing achievement given that the 800 million mark was only reached two years earlier. The Middle East is emerging as a strong tourism destination with visitor numbers climbing much faster than for the world overall. In second place were Asia and the Pacific up by 10% to 185 million, followed by Africa, with +8% to 44 million. Africa confirmed its good momentum sustaining the growth of 2006, and has now averaged 7% growth a year since 2000. The Americas (+5%) did much better than last year, achieving 142 million arrivals, driven by the good results in North America as the USA doubled its growth rate. Europe, the world's largest destination region, with a share of over 50% of all international tourist arrivals, grew by 4% to reach 480 million.

As to where India is positioned, the figures are as follows:

| | |
|-----------------------------------------------------------|-----------------|
| World Tourist Arrivals (2007) | – 898 million |
| Tourist Arrivals in India (2007) | – 5.08 million |
| Percentage share of India | – 0.56% |
| India's rank in World Tourist Arrival | – 42nd |
| World Tourism Receipts | – 927 billion |
| Estimated Foreign Exchange Receipts in India from Tourism | – 10.73 billion |

Markets for India

The Indian tourism market has a lot to attract the foreign tourists. It has an amalgamation of history, culture, religions, landscapes, beaches, mountains,