

KENSINGTON COLLEGE OF BUSINESS

A STRATEGIC PERSPECTIVE OF GLOBALISED TOURISM AND HOSPITALITY

ANALYSIS OF TOURISM DEMAND AND TOURIST MOTIVATION

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TABLE OF CONTENTS

Section 1 - Analysis Of The Factors That Influence Tourism Demand In Madagascar	1
Study Aim and Objectives	1
Political Factors	2
Economic Factors	3
Social Factors	4
Technological Factors	4
Environmental Factors	5
Legal Factors	5
Conclusion.....	6
Section 2- Analysis of the Main Motivators for Foreign (Overseas) Travel That Held by People from Developed Countries	7
Introduction.....	7
Study Aim and Objectives	7
Conclusion.....	12
References	13

SECTION 1 - ANALYSIS OF THE FACTORS THAT INFLUENCE TOURISM DEMAND IN MADAGASCAR:

Introduction:

The Republic of Madagascar is an [island –fourth biggest in the world- country](#) located in the [Indian Ocean](#) off the south-eastern coast of [Africa](#) which was a French colony between 1642 and 1896. Madagascar has many various differences about its environment. As a result of the island's being far away from neighbour continents, Madagascar is home to an enormous display of plants and animals which many of them have been nowhere else on Earth. Madagascar's pioneer tourist attractions are beaches, endemic wildlife, valleys, mountains, forests and of course biodiversity.

Although there is a big potential tourism in Madagascar is undeveloped. Here are some tourism statics in Madagascar:

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Tourist Arrivals	375.000	163.000	196.000
Tourism Receipts	351 million \$	308 million \$

(Source:<http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights11enhr1.pdf>)

Study Aim and Objectives:

In this study, we are going to determine the tourism demand and macro-environment factors that influence the tourism demand by theoretical approach and analysis of the political, economic, social, technological, environmental and legislation factors as macro-environmental factors that influence the tourism demand in Madagascar.

The term ‘demand’ is often used to clearly describe substantial or ascertained tourism activities. This type of demand is called as “actual” demand and refers to accumulate the figure of tourists recorded in a stated location or at any time duration. It is most easily visualized by reference to tourism statistical sources, where the total numbers of people are shown, travelling from one country to another or by purpose of visit (Page S. J. and Connell J., 2009).

We can use PESTEL analysis for evaluate what kinds of factors can influence that demand.

PESTEL is an acronym for Political, Economic, Social, Technological, Environmental and Legislative issues that may affect an industry or business (Applegate E. and Johnsen A., 2007).

➤ **Political Factors:** The political factors are mainly concerned with a country’s government and its political involvement (Applegate E. and Johnsen A., 2007). Approaches taken by governments can greatly influence tourism demand. Examples include exchange control, currency export prohibition,

taxation of tourists and residents and visa regulations (Page S. J. and Connell J., 2009).

One of the important factors that directly affect tourism demand is government stability. According to news and articles, the political situation in Madagascar has been marked by struggle for control. In 2009 there were numerous protests against president and result was many people killed. After these protests the president resigned and his opponent declared himself the new leader. During all this chaos the tourist arrival in 2009 decreased with % - 56, 6. So it clearly shows that the government stability is very huge influence in tourism movements. To be understood from the example that safety and security issues are two of the crucial factors influencing demand. That these issues and their implications for the tourism sector are of great contemporary significance is now being recognized by politicians.

On the other hand, people participate in tourism activities is the result of a comfortable journey. Without a doubt, the instruments of transportation are essential requirement for tourism. The transportation condition is a major factor in tourism development. The good transport can be achieved only with a good infrastructure. From this perspective, government decision and division on investments in infrastructure and transportation is affected the tourism demand and its sustainability.

And also government's viewpoint about [protected natural areas](#) is very important role of the tourism in Madagascar. Because as we state above in instruction most important value for tourism in Madagascar is unique environment and biodiversity. In that reason government should take necessary measures about protect the environment and biodiversity that leads tourism potential.

Besides all, it is clearly seen that the governments in Madagascar have not structural tourism policies and vision. In order to create the level that it deserves in economy of the country, government should perform the necessary organization in the field of tourism and determine a realistic tourism policy.

➤ **Economic Factors:** The availability of the necessary finance is perhaps the most obvious variable influencing tourism demand. Incomes and tourism expenditure are closely linked, and it is possible to examine this relationship through statistics on economic trends and tourism activity in any country (Page S. J. and Connell J., 2009). These include economic growth, inflation, interest rates, taxation changes and exchange rates. Economic factors are of concern as they are likely to influence, among other things, demand, costs, prices and profits. (Lancaster G. and Reynolds P., 2005)

The course of global economy and the changes in income of tourism travellers have direct and deep relationship between tourism demands.

Exchange rates fluctuation is one of the factors effecting tourism. When there is no governmental stability or emerged economic crises for any reason,

exchange rate is also fluctuating and this affect the price of the tourism product or service and finally demand of tourism.

Also the constant rise in inflation and interest rates makes the general prices high, so has negative impact on tourism demand.

Tourism has a strong and beneficial effect on the economy of local people by making new jobs and supplying further sources of income and abundance. But on the other hand, quality, efficiency and sustainability of tourism values and products are influenced by economic weakness and poverty.

Although tourism is the second biggest foreign currency outcome in Madagascar, tourist arrivals and related this tourism receipts are very low. The key factor here is because of the weak economy, the lack of adequate investments in tourism. There are not too many quality hotels and small amount of hotels can fulfil international standards in Madagascar. Because of country's economy is very weak so that private sector is inadequate for new tourism investments, tourism supply is very low levels. For overcome this, government has to be a pioneer in tourism sector and encourage the new investors for new investments in tourism.

Besides these, the country's tourism businesses to travel facilities and bed capacity, transport facilities and their prices are economic factors that directly relevant tourism demands.

The tourism industry in Madagascar has a lot of problems, restraints and rigours. Travel opportunities which are integral part of tourism are very inadequate and scattered. Because of the country's status as a long-haul destination and only two airlines dominate air travel in Madagascar; the external flight ticket prices are very high. Besides these it is said that internal air flights are highly priced too and very unreliable due to cancellations and delays that often experienced in. On the other side the country's infrastructure of roads is extremely poor, roads are unpaved or badly paved. The high price of airline access both external and internal flights and difficulties in other transportation options with bad road infrastructure are the major obstacles about development and growth of the tourism sector.

➤ **Social Factors:** Social trends and behaviour patterns have an important effect on industry in a country. These factors include demographics, values in society, lifestyle, changes in preferences and education (Boddy D., 2009).

The characteristic of the people which living in the tourism destinations is one of the factors that affecting tourism demand. Especially the people who had vacation in that area share their impressions and experiences with the others when they return to their home countries. This can be seen as an effective ad that leads the demand for tourism destination.

As well as the authentic ambiance formed by cultural and social values of the country affects the demand. Nowadays all countries in the world often use

elements of folk culture in advertising tools used to introduce themselves for attracting tourists and taking advantages of opportunities in the growing travel. In this context Madagascar should advertise to its own folk culture in order to affect the demand for tourism in the country.

➤ **Technological Factors:** This factor forces that create new products with new technology and improve market opportunities. (Kotler and Armstrong, 2010)

For example, with benefits created by the development of new technologies in transport, transport becomes easier and cheaper, this also increases the tourism demand especially to long-haul destination.

New technology, particularly communication and information technology allow transferring of information all over the world. Today's world, technology has a large role in the interface between customer and organisations. Presentation of information and services became more and more important.

In the last few years, with information technology's growing effect on tourism marketing and promotion, new type of tourism, e-tourism, has come out that is completely changing the international tourism industry. With using information technology to create or direct the tourism demand has become easier. Today many people prefer to search for information on eventual destinations and even purchase their holidays through the internet.

But in many cases least developed countries don't take benefit from new tourism opportunities. Because most information on new opportunities in least developed countries is produced, modified and sold online by outstanding international service providers which established on developed countries. With their evident technological advantage, these providers perform most of the sales and take a huge portion of the profits. For example, in African least developed countries, up to 85% of total profits from the tourism income are turn to developed countries (http://www.unctad.org/en/docs/iaosmisc200511_en.pdf).

One solution for this problem for Madagascar and also other least developed countries to gain advantage of these opportunities presented by information technology is to create and promote their own tourism industry with low-cost and unlimited access to world tourism markets.

➤ **Environmental Factors:** These include environmental and ecological situations such as weather and climate. Further these environmental factors include water resources, pollution, animal welfare, wildlife and flora conservation and energy supplies (John Thompson et al, 2010)

Madagascar's marvellous natural values make it a target destination for people who seek for various type of tourism. Madagascar has an impressive brilliancy of mega biodiversity, endemic flora and fauna, marine, sun, natural charm and different cultural resources for tourism. Because of its all these natural

sources it can be implemented in many different kinds of tourism in Madagascar. Particularly with very high endemism, its ecotourism values are unique. But for being sustainable of this unique tourism values should be supported by protection projects .

The demand for tourism may also be affected by environmental factors such as the climate and weather, which do help to shape seasonal patterns of visitation. Because of heavy rain, overflowing rivers and harmed roads caused by of these usually make overland travel impossible in Madagascar especially in spring. Besides these rough waves make dangerous or can suspension inter-island travel. Only even inadequacy of road infrastructure affect seriously travelled the internal routes and so island's tourism demand.

➤ **Legal Factors:** Legal factors can also effect industries with trust legislation, employment, trade union legislation, taxation, the environment e.g. pollution control and waste management, insurance, transport, health and safety, consumer protection (Melanie Allen, 2001)

Tax policies and controls on tourism expenditure approaches which adopted by governments can dramatically affect tourism demand. We can say as for instance; exchange control, prohibition of export of currency, tax on residents and tourists and visa regulations.

It is seems that there are no stable regulations about these subjects and also tourism market regulations in Madagascar. In this respect it would be useful to make the necessary arrangements by government in order to achieve the internationals standards and facilitate the arrival of tourists.

Most important value for tourism in Madagascar is unique environment and biodiversity. In that reason government should take necessary measures with proper legal regulations in order to protect the environment and biodiversity that leads tourism potential.

Moreover the type of government regime and country's overall legal structure plays a role in tourism preferences and demand.

Conclusion:

Although Madagascar has an impressive brilliancy of mega biodiversity, endemic flora and fauna, marine, sun, natural charm and different cultural resources for tourism and it can be implemented in many different kinds of tourism in Madagascar, tourist arrivals and related this tourism receipts are very low.

We can clearly say the followings as the reason for this; government stability problems, lack of structural tourism policies and vision, economic weakness and poverty, lack of adequate investments in tourism, extremely poor infrastructure, being long-haul destination, expensive flight ticket, insufficiency at technology.

In this respect, Madagascar has very huge potential to welcome many more tourists with provide the government stability, well planned the sector's growth with wide vision and structural regulations, create and promote their own tourism industry with using new information technology, focusing on economic aspects, develop infrastructure.

SECTION 2- ANALYSIS OF THE MAIN MOTIVATORS FOR FOREIGN (OVERSEAS) TRAVEL THAT HELD BY PEOPLE FROM DEVELOPED COUNTRIES

Introduction:

Tourism is a social event, a psychological tool for satisfaction, an economic area of activity, cultural activity and has a feature that creates more activity in many areas.

Technological and economic developments in the world, increases in the amount of per capita income, monotone life style of people, becoming density of the natural beauty at certain points, rapid urbanization and the noise are caused to participate of people in tourism activities.

The tourist buys goods and services for personal needs as a consumer. Some typologies have been demonstrated for make possible to observe and describe behaviour of tourist. However, these typologies are far from defining why tourists choose to travel and why they attract in certain behaviour (Robinson P. et al, 2011).

Study Aim and Objectives:

In this study we are going to identify the travel motivation, push and pull factors as one of the typology for explain travel motivation and analysis the main motivators for overseas travel.

As a critical descriptor factor of tourism behaviour, motivation is to be considered as an important topic in tourism research. However, tourism motivation is not easy to explain. Although can be describe who, when, where and how easily, the hard one in tourism is to answer the question why. Travel motivation relates to why people travel.

Motivation is an expression of need or a situation that triggers the tourists to take action in the case of tourism motivation to go a holiday that is likely to bring satisfaction by addressing the need or situation as mentioned (Robinson P. et al, 2011).

Mainly, with relate to tourism, motivation is a part of the consumption process and is aroused in an emotional manner by a complex mixture of psychological, cultural, economic, wider environmental, political, social and industry-related influences. Motivation as a subject is an integral part of the study of consumer behaviour in tourism. Motivation acts as a trigger which stimulates the chain of events in the tourism process.

While the decision to go on holiday is an individual decision-making as an internal motivation, the selection of a time of holiday and destination requires decision-making go beyond personal preferences because of some restrictions.

The choice of the final holiday can be constrained because holidays are too expensive, are not suited to the time we have available, are too far away, or may even involve activities that are beyond our capabilities. But mainly can be say that basic factors of consumer decision-making are personal and family influences or social and situational influences.

Family influences include age, gender and stage in the family life-cycle, on the other hand social and situational influences include the social class, relationship with tourism and work and income issues (Page S. J. and Connell J., 2009)

According to Robinson P. (2011) travel motivation can be:

- Physical: Physical motivators include the need for physical reasons. This may be the need for rest, relax and other basic things like tanning or the need for being actively participate in some practice and activities related health or any other activity for reducing stress or renovating the body during holiday.
- Emotional: Emotional motivators consist of the impact of emotions on travel behaviour. This can include travelling activities involved escapism, romance, adventure, spirit or nostalgia.
- Cultural: Cultural motivators include the need or desire to discover and get to know about the destination's life style and culture, or to enlarge one's knowledge and vision by travelling to new places.
- Interpersonal: Interpersonal motivators consist of the need for visit to sustaining relationships that exists such as family, relatives and friends or developing new relationships by meeting new people at the destinations.
- Status and Prestige: It can be consist of travelling for the aim of personal development such as learning new abilities or improving knowledge, but may also for enhancement of status and the desire to draw attention to other people.

The theoretical structure of travel motivation studies are mainly set in place in sociology and social psychology. Many tourism researchers basis their theoretical analyses on Maslow's hierarchy of needs theory which is one of the most influential motivation theories in the academic world and public domain (Woodside A. G., 2007).

Maslow's hierarchy of needs can be useful in presenting the source of our first needs and wants, where the fulfilment of these needs may eventually go to the

buy of a holiday. Following from Iso-Ahola's and Dann's themes –push and pull factors- have become a central idea to explain tourist motivation (Robinson P. et al, 2011). The themes of push and pull, or escaping and seeking, were commonly applied in early tourism motivation studies (Page S. J. and Connell J., 2009).

As Sharpley (1994:99) states the motivation to satisfy needs, combined with personal preferences, pushes the tourist into considering alternative products; the final choice depends on the pull of alternative holidays or destinations (Page S. J. and Connell J., 2009).

Although a comprehensive consent upon conceptualising of the tourist motivation theme has still deficiency, the push/pull model is accepted by many researchers. Push factors are identified as internal impulses or desire that force tourists to search for activities to satisfy their needs, while pull factors are destination-oriented impulses and the information that generate curiosity about a destination to the tourists. Traditionally, push factors are considered important in set going travel desire, while pull factors are regard more conclusive in explaining destination choice (Woodside A. G., 2007).

We can identify these factors as above:

Push Factors: Factors that make people willing to travel. These can also name as internal factors and occur some of the features such as individuals' perceptions, motivation, learning, personality, emotions and attitudes.

Pull Factors: These can also name as external factors and cover issues such as concrete elements about the destinations (climate, natural beauty, historic sites, etc.), transportation facilities, tourist perceptions and expectations (image, service quality, quality of complex, etc.), the amenities that offer by complex (sports facilities, spa facilities, entertainment, recreation services, etc.).

While most researchers presume that push and pull factors are motivation factors, others don't share the same opinion with this assumption. They distinguish push and pull factors distinctly and only accept push factors as motivation.

People who live in big and busy cities are motivated to travel to pristine and natural regions because they need to move away from an artificial and soul destroying environment.

The main reason to travel overseas is gain new experience which cannot find in their country, the second main reason is relaxation and gain new knowledge. Moreover, the support factor to travelling overseas is increase income, long leave available and convenience of destination. That reason is the push factor to motivate people to travel overseas more than domestic travel. This is because the domestic destination cannot response the people want. Similarly,

international destination has influence of the pull factor more than domestic destination.

There are some needs to travel overseas. Physical need one of the factor to motivate people to travel overseas. It means that people want to relaxation. When the human rest properly it makes happy and fresh. Social need is a desire to visit friends or relative and meet new people. Culture need is gain new knowledge that desire to become familiar with other area through music, art, folklore, painting and religion.

After all these explanation the main motivators for overseas travel can be listed as follows:

➤ Push factors:

- Meeting new and varied life styles
- Experiencing a overseas destination
- Wants to act the way them free
- Looking for new excitements
- Desire to far away from busy work life
- Business
- Education
- Participating in sport
- Roughing it
- Reliving past good times
- Watching sporting events
- Visiting places their family came from

➤ Pull factors:

- Variety and warmth local people
- Extraordinary scenery
- Different culture and heritage
- Warm and sunny climate
- Environmental quality of air, water and soil
- Health and wellbeing opportunities
- Sports like golf, tennis, snow skiing
- Casinos and gambling
- Partying and clubbing
- Shopping
- Fishing
- Hunting

According to the person that travel to overseas destination in which country from main motivators can may vary. Firstly to be able to travel overseas to have a good level of income is required. Because the cost of overseas trip is more expensive than the others. Therefore, the countries that have higher per capita income such as Sweden, Denmark, Finland, Germany is more likely to travel to overseas countries.

One of the motivations for overseas travel is having a common culture and nationalities between tourist's country and destinations. For example people from USA prefer to overseas travel to United Kingdom or vice versa for this reason.

The other one is overseas travel for different culture or heritage. We can say people from United Kingdom, Ireland, Germany or France are more curious to know a different culture than the others.

People who have some health problems or stress with the busy city life and weather conditions prefer to go countries which offer a health and wellbeing opportunities with natural health treatment facilities. It can be one of motivators for overseas travel that are held by people from especially Central European countries like Germany and Austria and Northern European countries like Denmark, Finland and Sweden and also United Kingdom.

Conclusion:

Technological and economic developments in the world, increases in the amount of per capita income, monotone life style of people, becoming density of the natural beauty at certain points, rapid urbanization and the noise are caused to participate of people in tourism activities.

Although can be describe who, when, where and how easily, the hard one in tourism is to answer the question why. In this study we try to set out with the question of 'why do people go on holiday'. At the outset it has been shown that a variety of push factors may motivate the desire to travel. Such factors may result from the particular relationship an individual has with their work or home environment. Alternatively, the motivation to travel may be driven by other forces as in the case of needing to visit relatives or go on a business trip. Other types of tourist may be motivated by higher order psychological needs such as for self-esteem.

Main motivators can be divided into sections on the form of physical, emotional, cultural, interpersonal, status and prestige motivators.

The study shows that increment of income is the most important factor to decide to travel overseas; the second is long leave available and convenience of destination.

Most of the researches indicate that the main reasons to travel overseas to gain new experiences which cannot find in their or neighbour countries, relaxation and life reward.

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