Module b: Tourism and the Tourist Market

Tourism is a phenomenon associated with holidays and relaxation that includes every relationship between tourists, tourist destinations and the people working in the industry. Technically, *tourists* are those who stay in a visited place while excursionists are those who visit a place and return home by the end of that same day.

Tourists and excursionists feel the need to temporarily interrupt the usual rhythms of their life, often frenetic and tiring, to go to destinations offering relaxing to engage in leisure and personal cultural development opportunities. Tourism emerges from this need.

Tourist demand is the term used to describe when tourists demand to buy goods and services on the market at certain prices to satisfy their needs. Normally the goods requested are commodities (souvenirs, exhibition catalogues, or typical local products) and transportation, intermediation, catering, accommodation, translation, guides, sport and leisure services. Thus tourist demand is highly diversified as it consists of a wide range of good and services.

To analyse the evolution of tourist demand it is necessary to calculate *arrivals*, *nights or overnights stays*, the *average stay* and the *travel propensity*. *Arrivals* are determined by the number of tourists who visit a destination, the tourist numbers are the number of nights that tourists spend in the destination and the *average stay* is the average number of the nights spent there by each tourist. Travel propensity indicates how much a community is actively involved in travelling.

The **touristic offer** is the set of goods and services that producers, namely transportation, commercial, food, and accommodation enterprises, travel agencies, tour operators and other tourist service suppliers offer tourists and excursionists at a certain price.

Supply analysis takes into consideration the capacity of a tourist destination to accommodate non-residents. To analyse the tourist offer in a certain area it is necessary to calculate the accommodation rate, namely the number of beds available in the accommodation facilities, both hotel and non-hotel facilities, per inhabitant and the number of beds available per square kilometre.

In the **tourist market** when demand matches supply the price of goods and services is set. In Italy the tourist industry amounts to 10% of the Gross Domestic Product (GDP), employing more than 2.000.000 people and is an expanding industry. Many international tourists are attracted by the historical and the artistic heritage, the climate Italy's natural landscape and food and wine.

Tourist demand is affected by economic factors (for example the price of goods and services sold) and other factors such as meteorological events, fashion, advertising, or the period or duration of workers' vacations. These are the reasons why demand is unstable and can be subject to wide variations.

Tourist supply on the other hand is strictly connected to the territory as it consists of fixed facilities like hotels, restaurants and structures that cannot be transferred and that could be left unused during some months in the year.

The dynamics of the tourist market are characterized by a variable demand and a rigid offer that struggles to adapt to the market and consumers' changing conditions.