



EXPECTATION AND NEEDS OF TOURISTS TODAY

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WORLD TOURISM

WHY TOURISM MATTERS



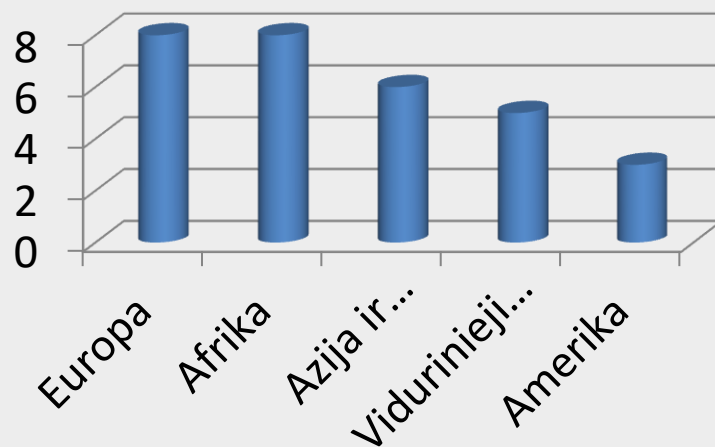
- 10% of GDP-direct, indirect and induced impact ;
- 1 in 10 jobs;
- 7 % of the world's exports;
- 30% of service export;
- 5 to 6 billion domestic tourists;
- 1,8 billion international tourists forecast for 2030.

2019.02.27 **Tourism is more than you imagine!**

Global Trends

According to the data of United Nations World Tourism Organization (WTO), in 2017, international tourist flows increased by 7%. and reached **1.322 billion!**
Best score since 2010 (average 4%)

Growing, %



KEY FIGURES

- Growth of international tourists arrivals in Lithuania 9,9 % (2017/2016);
- Growth of international tourism receipts in Lithuania (1299 millions USD) 0,3%, (2017/2016);

NEEDS AND EXPECTATIONS



Human needs

Human have many complex need:

- Basic physical needs for food, clothing, warmth, and safety;
- Social needs for belonging and affection;
- Individual needs for knowledge and self-expression.

Maslow's hierarchy of needs



The main types of needs of customer

1. The need to be understood;
2. The need to feel welcome (customers need to feel that you are happy to see them);
3. The need to feel important and special;
4. The need for physical and psychological comfort.

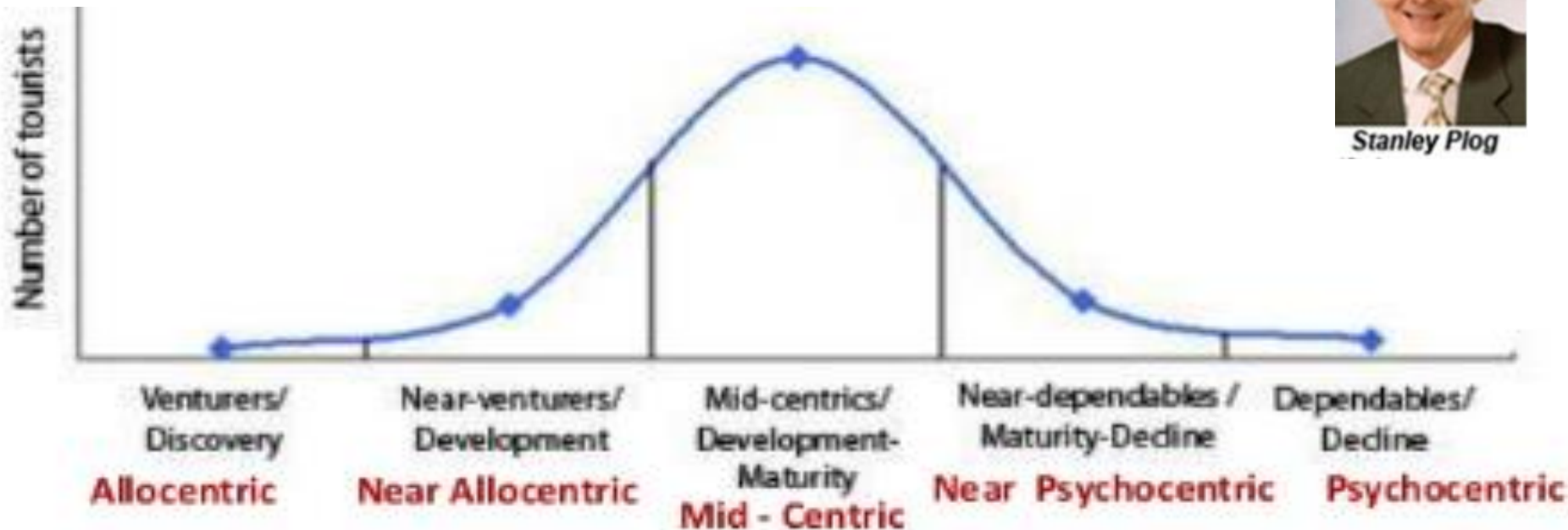
Factors that impact on needs and expectations

- Demographic characteristic, like age (young people, students, families, middle-aged people, seniors); education; social class; customer's disposable income;
- Culture;
- Travel experience;
- Intercultural differences;
- Psychological factors;
- The special requirements of customer.

Plog's Typology of Tourists (1974)



Stanley Plog



- * **Allocentrics:** *'other-centered' tourists who enjoy exposing themselves to other cultures and new experiences, and are willing to take risks in this process*
- * **Psychocentrics:** *'self-centered' tourists who prefer familiar and risk averse experiences*
- * **Midcentrics:** *'average' tourists whose personality type is a compromise between allocentric and psychocentric traits*

Human wants

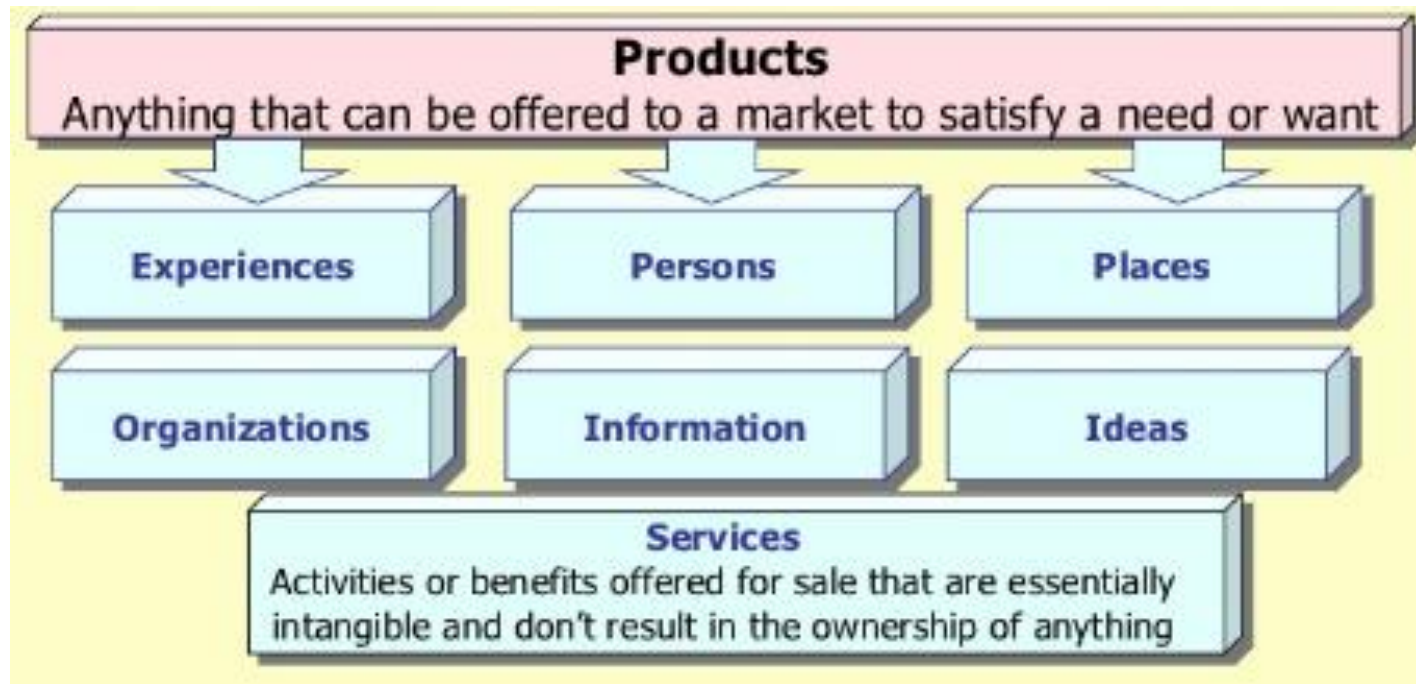
- Wants are the form human needs take as they are shaped by culture and individual personality.
- **People have almost unlimited wants, but limited resources.**
- They want to choose products that provide the most value and satisfaction for their money.

Wants are described in terms of objects that will satisfy needs.

It is important to offer tourism services:

- Quality of tourism services;
- Satisfaction of security needs;
- Satisfaction of communication needs.

What will satisfy consumers needs and wants?



TOURISM PRODUCTS AND SERVICES

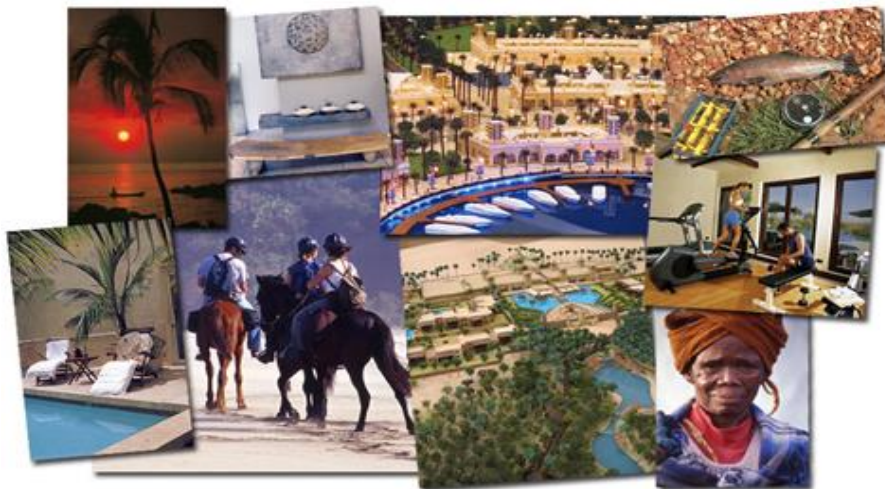
Product:

- Anything that can be offered to a market to satisfy a need or want.

Services:

- In addition to tangible goods, products include services, which are activities or benefits offered for sale that are essentially intangible and do not result in the ownership of anything.

Tourism product can be defined as the sum of physical & psychological satisfaction it provides to tourist during their travelling route to the destination.



TOURISM PRODUCT PORTFOLIO

**Nature based
Tourism**



**Cultural
Tourism**



**Sun and Beach
Tourism**



Cruise Tourism



**Shopping,
Leisure and
Entertainment**



MICE



**Health and
Wellness**



**Nautical
Tourism**



TYPES OF TOURISM SERVICES

1. Services of travel organization;
2. Tourism information services;
3. Services of accommodation;
4. Health and wellness services;
5. Transportation, meals, entertainment, conference, water and other tourist services.



Unique characteristics of tourism products

Intangible	<ul style="list-style-type: none">• There is no transfer of ownership	Fixed supply	<ul style="list-style-type: none">• Cannot be brought to the consumer
Psychological	<ul style="list-style-type: none">• Involves the acquisition of "experiences"	Absence of ownership	<ul style="list-style-type: none">• Ownership remains with provider
Perishable	<ul style="list-style-type: none">• Only exist when customer is present	Heterogeneous	<ul style="list-style-type: none">• Tourism varies in standard and quality over time
Composite product	<ul style="list-style-type: none">• Cannot be provided by a single enterprise	Risky	<ul style="list-style-type: none">• Purchase is before consumption
Unstable demand	<ul style="list-style-type: none">• Demand is affected by external influences	Marketable	<ul style="list-style-type: none">• Requires destination marketing and services marketing

Customer service

Customer services is an organization's ability to identify and supply their customers' wants and needs.

The Institute of Customer service (ICS) defines it as „...The sum total of what an organization does to

1. To meet customer expectations
- and
2. Produce customer satisfaction...”

What is expected from the tourism specialist

- Relevant education (ability to communicate in foreign language(s); computer literacy, good knowledge of geography (physical, system, cultural geography) and etc.);
- Personal qualities (helpfulness, responsibility, the ability to express themselves and etc.).



Personal qualities VS relevant education???

Customer expectations

What they are?

- Expectations are non constant, they constantly change over time, usually becoming more demanding and are influenced by their previous experiences and their experiences of dealing with other organizations, particularly your competitors.
- **Quality of a service is about customer expectation and perception.**
- **Exactly the same product or service may be perceived as being good or poor depending upon the customer's expectations.**

Tourists expectations and reality



Customer expectations

So what do customers expect from you the service provider?



Customer expectations

There are two elements to customer service delivery



Customer expectations

All customers are likely to have special needs, which organizations must cater for. These needs may be related to:

Circumstances – requiring a product or information before a certain time or for a set purpose;

Personal requirements- needing product or information customized or adapted in a specific way;

Individual traits - requiring different product or information because of beliefs, age, fashion preferences, etc.

Disability – needing special help due to problems with mobility or another impairment.



How to deal with high expectations?



Sometimes we as service providers realize that what our customer wants is

- Unrealistic;
- Not in their own interests;
- Cannot be provided by our organization etc.

In situation such as these, we need to influence their expectations so as not to lose potential customers or to be able to provide them with services that will inure to their benefit.

How to measure customer service?

- Verbal comments;
- Written responses;
- Comment boxes;
- Surveys;
- Mystery shopping;
- Focus groups;
- Etc.

Customer Satisfaction

- Customer satisfaction depends on a product's perceived performance in delivering value relative to a buyer's expectations.
- If the product's performance falls short of the customer's expectations, the buyer is dissatisfied.
- If performance matches expectations, the buyer is satisfied
- If performance exceeds expectations, the buyer is delighted.
- Companies go out of their way to keep their customers satisfied.
- **Satisfied customers make repeat purchases, and they tell others about their good experiences with the product. The key is to match customer expectations with company performance.**
- Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promise.

Total Customer Satisfaction

Satisfaction is Related to Loyalty

Priority inbound tourism markets of Lithuania

TARGETED

GERMANY
UNITED
KINGDOM
ITALY
SWEDEN
NORWAY
FRANCE

DISTANT

ISRAEL
JAPAN
USA
CHINA
SOUTH KOREA

IMPORTANT

BELARUS
ESTONIA
LATVIA
POLAND
RUSSIA
UKRAINE

PERSPECTIVE

BELGIUM
DENMARK
SPAIN
NETHERLANDS
FINLAND

Consumer behavior change

- Niche tourism;
- Experienced travelers;
- The changing lifestyle of the society will influence the needs and behavior of tourists;
- Price sensitivity;
- Money is, there is no time;
- Caring for health;
- Responsible, sustainable tourism; („fair trade“);
- Security;
- Growing competition;
- Partnership;
- Information technologies;

Niche tourism

The needs of tourists are constantly growing, they are not enough to visit the objects or to photograph them. Tourists want experiences, new sensations, discoveries or the like.

- demand for niche and customized tourism products will increase,
- Travel packages increasingly include activities related to art, culture, history,
- travel packages must clearly distinguish the value of the trip,
- IT technology development will increase the number of self-organized holidays by tourists,
- the need for better and more creative marketing tools will increase
- demand for new routes will increase.

Niche tourism

In Lithuania:

- Marijampolė Sugar Factory;
- Ornithological tourism Ventė rage;
- Bunkers, etc.



Dark tourism



Experienced travelers

In recent years, the number of tourists who are self-confident, aware of their wishes and rights to quality products and services is increasing.

- long-term losses will occur in tourist areas that will not be able to meet the needs and expectations of tourists,
- it is expected that the holiday structure will change (both by number of trips and by price): one trip will be simple and cheaper, another trip to distant exotic countries, another to the nearest country,
- future loyalty to one tourist area will decrease,
- The more experienced tourist will increasingly appreciate the authenticity and authenticity than the artificially created tourist attraction.
- growing demand for mobility will increase demand for cars, scooters, bicycles,
- The availability of IT technology will play a very important role, regions that will be able to offer a variety of services, while also taking care of the environment.

Lifestyle

The changing way of life in society will influence the needs and behavior of tourists:

- spending leisure time will be more personalized, which will increase demand for smaller accommodation establishments, popular family hotels, private accommodation or rural tourism sites,
- the demand for organized group tours (tour packages) with guide or accompanying person will decrease,
- tourism providers who will be able to create a new concept or an exclusive tourist product with higher added value will benefit more
- there will be more specialized providers that will take into account the specific interests and interests of consumers.

Sensitivity to prices

Most tourists, even well-off, do not tend to overpay when traveling, so travel decisions are related to the price-quality ratio. This has led to the emergence of web blogs and online service reservation systems. Thanks to the Internet, tourists have the opportunity to compare prices for services (flights, accommodation, etc.).

Noticeable changes in the business / event tourism market. The price-quality ratio is no less important for business people, because the flight is not a tourist experience, but a means of achieving the goal.

Money is, there is no time

People who have money do not usually have the time. Shorter holidays and more short holidays are gaining popularity in Europe.

According to Euromonitor Surveys, 2015 short holidays (up to 3 nights) choose 49 percent. EU residents (53% in Lithuania) and long holidays (over 13 nights) - 28%. EU population (only 12% in Lithuania).

Short holidays have greatly increased the number of extended weekend trips to European capitals or cities. Surveys show that, on a short holiday, tourists spend on average more money per day than a long vacation.

Lithuania is a great opportunity to encourage trips from neighboring countries and countries that have direct flights to Vilnius and Kaunas, i.e. to develop urban tourism products.

Caring for health

People take care of their health, and they are paying more attention to it when traveling. This has no direct impact on tourist flows, but will have an impact on the direction of travel. Impact on tourism:

- tourists will be less likely to have areas that may have a negative impact on their health,
- sun and beach travel will decrease,
- active tourism trips are gaining in popularity, and the need for this type of infrastructure will increase,
- the need for health products, including spa and wellness centers, will grow.

Responsible, sustainable tourism

The number of consumers who are responsible for the environment while traveling is increasing. Fair trade is becoming important for many consumers, especially from countries like the UK, Sweden and others. Tourism will become more and more responsible, which means that greater attention is paid to reducing the negative impact of tourism on the host communities. Increased demand for areas that are uncontaminated and pay more attention to environmental protection:

- rural and eco-tourism will be popular,
- coherent planning of the tourist area will become inevitable
- priority will be given to those tourist areas that are caring for the cleanliness and order of the environmentally friendly tourism products and services;
- with the growing popularity of areas with natural landscapes, the visibility of areas where infrastructure delays the beauty of nature will be reduced
- eco-tourism will remain in demand and popular, as people are increasingly looking at their actions and protecting the environment (reducing waste and emissions to the environment, using alternative energy sources, making natural products).

Security

Security is one of the most important factors when choosing a trip. Tourists are very well informed about events in the world, so if a country or location is not safe, tourists will immediately choose another location. Today's geopolitical situation is not favorable for Lithuania, therefore in the coming years it will be necessary to invest in the explanation of security factor and creation or maintenance of the image of Lithuania as a friendly country for tourists of all countries.

Growing competition

Competition between tourist destinations (countries) has increased significantly in recent years. Each area strives to attract as many tourists as possible to maintain jobs and stable economic growth. Success will be accompanied by those who respond faster to market changes, better meet the needs of travelers, and clearly distinguish the characteristics and advantages of their tourist area: environment, culture, heritage, human well-being. This can be a challenge for the old market and a great opportunity for newcomers to tourism such as Lithuania.

Partnership

Many governments have realized that tourism not only creates wealth, jobs, but also promotes international cultural understanding and peace among people. More and more public sector institutions are consulting with the private tourism business and, at the same time, taking decisions related to tourism development. Private-public cooperation is essential for the efficient use of public funds. It is a means of attracting investment and involving business in tourism activities. A strong partnership ensures the allocation of public funds for tourism marketing. Common public and private sector activities are particularly effective in target markets, where the private sector has the expertise and market know-how, experience and know which marketing tools are most effective and efficient.

Information Technologies

According to Eurobarometer data (2015), recommendations made by friends, colleagues or relatives (55%) and websites (46%) play a key role in decision making on travel plans. The Internet (66%) is the most widespread way to organize holidays, and its use is constantly growing. Various reservation systems (41%) are popular among Europeans.

- The importance of information technology for tourism is unquestionable:
- Experienced tourists will plan more trips and book online (without intermediaries),
- The need for travel agencies will decrease as operators will be able to book and buy the entire package online,
- The growing role of the Internet will reduce the traditional role of national tourism organizations and tourism councils, but will trigger a new need for effective and efficient electronic marketing and communication with consumers (social networks).
- Innovative and intensive online marketing of the tourist area, including the formation of a local image. The decision to travel is usually made by browsing the internet, and it is an important task to attract more visitors online. will play an important role

Comparison of Old and New Tourists

	New Tourists	
Search for the sun	=>	Experience something different
Follow the masses	=>	Want to be in charge
Here today, gone tomorrow	=>	See and enjoy but not destroy
Just to show that you had been	=>	Just for the fun of it
Having	=>	Being
Superiority	=>	Understanding
Like attractions	=>	Like sports
Precautions	=>	Adventurous
Eat in hotel	=>	Try local fare
Homogeneous	=>	Hybrid

Source: Tourism, Technology and Competitive Strategies, Auliana Poon

Decision making

The decision-making on travel plans is determined by (Eurobarometer 2015):

- friends, colleagues and relatives (55%),
- websites (46%),
- personal experience (32%),
- Travel Agencies / TICs (18%),
- free directories, brochures (10%),
- social media, networks (8%),
- newspapers, radio, TV (7%),
- paid travel guides, magazines (7%).

Main reasons for re-visiting tourists in the area:

- Natural environment - landscape, weather conditions, etc. (47%),
- The quality of accommodation services (33%),
- Cultural and historical resources (30%),
- The price level (27%),
- Availability of services / quality (24%) of activities such as transport, catering, etc.
- Hospitality, i.e. services for children, service, etc. (22%),
- Infrastructure for people with special needs (6%).

Tourism development trends

1. Lithuania, Latvia and Estonia, celebrating the centenary of the country's restoration, are the hottest destinations this year, announced the influential UK travel magazine „Wanderlust“.
2. **The growth of the number of tourists.** According to the forecasts of the State Tourism Department in Lithuania, the number of tourists in 2018 should grow at least 8-9%.
3. More hotels.
4. It is forecasted that Lithuania will not overcome the global gastronomic tendencies: one-dining restaurants will increase, food buses will continue to grow, more gastronomic events, festivals, and the election of the best restaurants will become even more popular.
5. Sharing the content of tourism in social networks.
6. Lithuania is becoming more and more interesting for Asian tourists (cultural differences, needs and wants).

World Tourism Trends

- The Chinese dragon wants to see Europe; (2018 European Year of China Tourism);
- Solo trips;
- Women are traveling alone;
- Smart tourists;
- Experienced collectors;
- Safety is important for travel.

Why can I attract tourists from China

<https://www.youtube.com/watch?v=XSGTAk7tlig>

Forecasts

- 2020 one third of the population of Japan and Germany will be over 60;
- 2020 more than $\frac{1}{4}$ of the population of France, South Korea and the United Kingdom will be over 60;
- The US population is also aging, although not as fast as in Europe;
- China now has 11 percent living people over the age of 60, but it is expected that in 2050, the number of elderly people will increase to 30%.

Taking into account the projected demographic changes, tourism products and marketing tools will have to be changed. For example, 55 years old and older (55+ "golden age") tourists are traveling away from home and for longer periods, visiting several tourist destinations per trip, traveling with one family member, and spending above average travel expenses for tourists. Elderly tourists will have better health and higher incomes in the future.

- This will lead to demand:
- quality, convenience and safety,
- more convenient and quicker connections
- relaxation products and various activities (golf courses, spa, etc.),
- cultural tourism products.

The Europe 2020 strategy states that Europe must remain the most visited tourist destination in the region, where the importance and diversity of the regions are valued. 2014 51.4 percent All of the world's foreign tourist trips have come to Europe - it remains a leader.

- By enhancing the competitiveness of the European tourism sector, the European Commission recommends:
- to offer a wider range of tourism services,
- use innovation and IT tourism,
- to improve professional skills,
- extend the tourist season
- to promote cross-border tourism initiatives (routes, cycling routes, etc.);
- to promote sustainable and high-quality tourism development.

**THANK YOU FOR YOUR
ATTENTION**

ANY QUESTIONS?