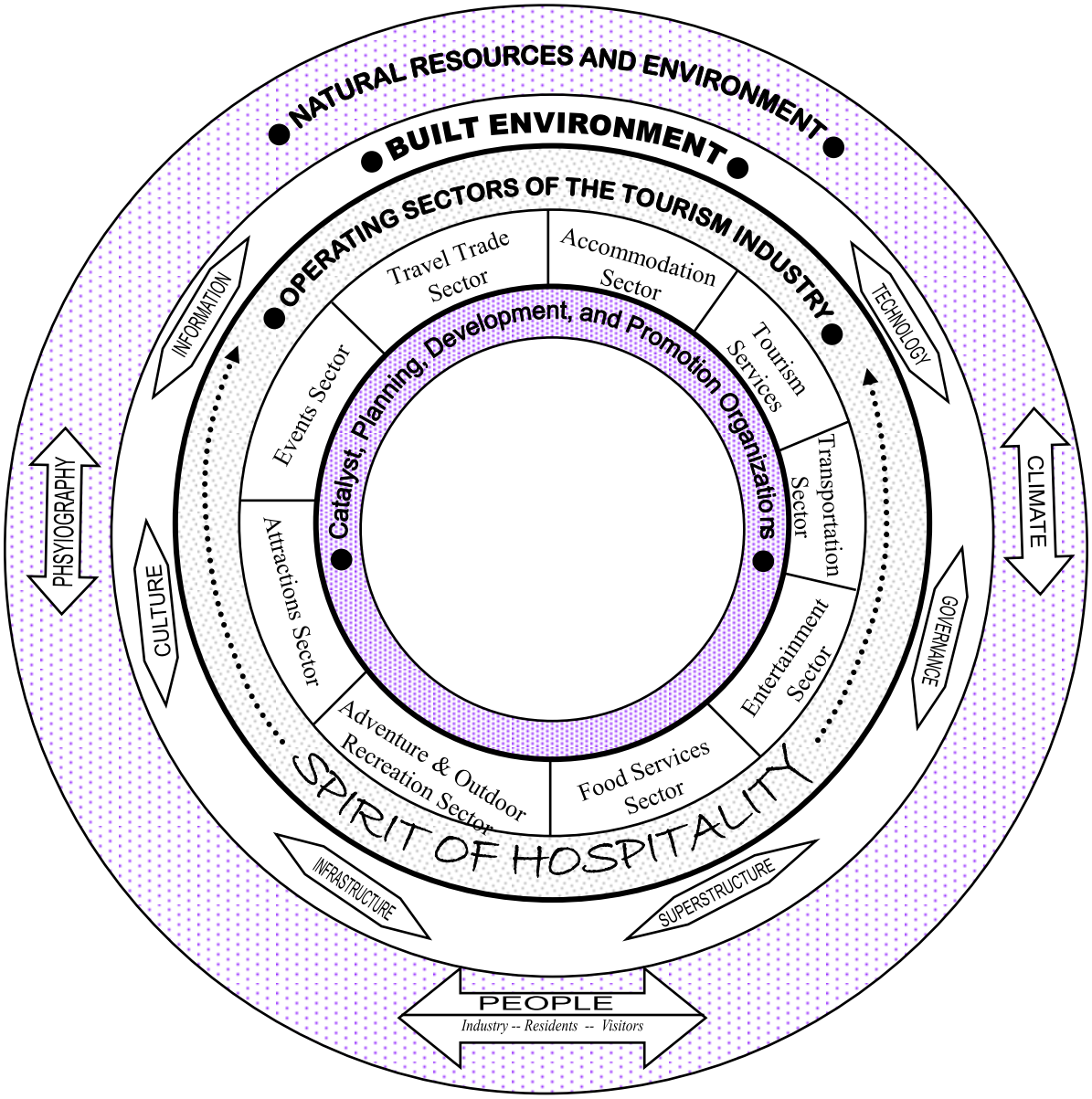
Components of Tourism Supply



Tourism Supply Components

Can be classified into four main categories:

1. Natural resources
2. Built Environment
3. Operating Sectors
4. Spirit of Hospitality and cultural resources

Natural Resources and environment

- Air and climate
- Physiography
- Landforms
- Terrain
- Flora and Fauna
- Bodies of water/beaches
- Water supply

The Built Environment

- Infrastructure: all underground and surface development construction: water supply systems, sewage disposal, drainage, communication networks
- Superstructure: facilities constructed primarily to support visitor activities: airports, marinas, museums

Operating Sector

- Transportation: nothing happens without transportation
- Accommodations and Food and Bev
- Attractions
- Accommodations

Spirit of Hospitality and Cultural Resources

- Social foundation of the destination: the culture
- What is the culture of the host community with respect to tourism?

Formula to Calculate Number of Hotel Rooms Required

$$R = \frac{T \times P \times L}{S \times N}$$

where

T = number of tourists

P = percentage staying in hotels

N = total number of guest nights/number of guests

R = room demand per nights/number

O = hotel occupancy used for estimating; divide number of rooms needed at 100% occupancy by estimated occupancy

S = number of days per year in business

L = average length of stay

Example

T = 1,560,000 visitors
P = 98%
L = 9 days
N = 1.69
0 = 70 %
S = 365 days

$$R = \frac{1{,}560{,}000 \times .98 \times 9}{365 \times 1.69}$$

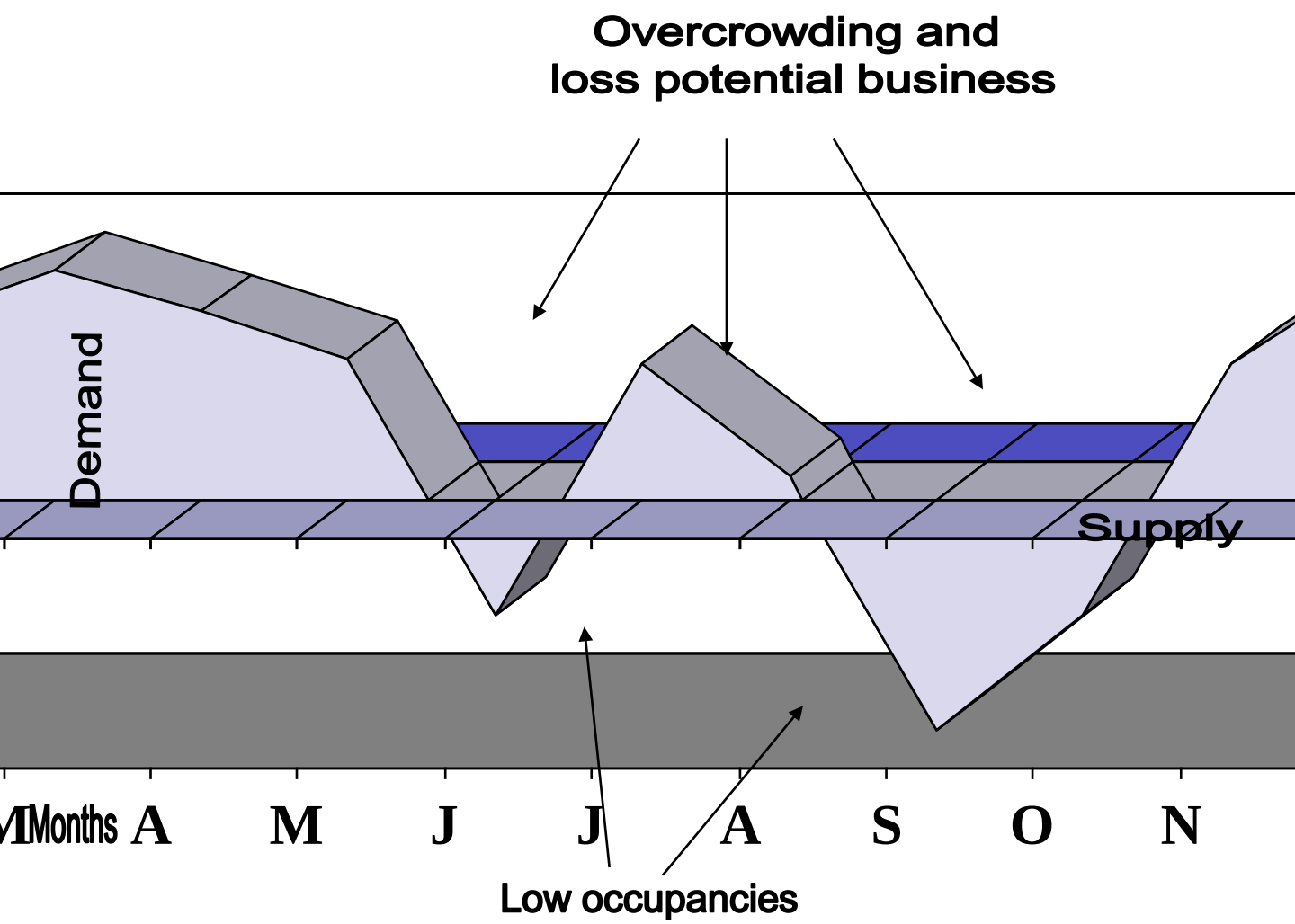
R = 22,306 (rooms needed at 100% occupancy)
at 70 % occupancy need
R = 22,306/.70 = 31,866 rooms

Task Analysis

Task analysis is the procedure used in matching supply with demand. The following steps are usually employed:

1. Identification of the present demand
2. A quantitative and qualitative inventory of the existing supply
3. The adequacy of present supply with present demand
4. Examination of present markets and the socioeconomic trends
5. Forecast of tourism demand
6. Matching supply with anticipated demand

Fluctuating Demand Levels and Supply (Seasonality)



Seasonality can be reduced through either price differentials or multiple use