Price sensitivity

New Article

Synopsis

The article explains the impacts of price sensitivity on tourism activities. The prices of tourism products are price sensitive that is controlled by the demand for products. Prices of the tourism products vary in the market depending on the availability of alternatives. The article explains the relationship between price sensitivity and tourism by utilizing classical economic theory. Price decisions depend on different factors such as consumer preferences, demand, and quality. Tourist motivation has a significant influence on the relationship between price and consumption. Age and duration of stay are the prominent determinants of price sensitivity. The conclusion of the article states that prices in tourism are difficult to estimate. The results obtained from the logit model depicts the differentiated effects of the price increase. It does not necessarily decline the consumption of all tourists (MASIERO & NICOLAU, 2012).

The lesson for my management career: This article will help me in conducting a research study focused on the hospitality industry.

New Article

Synopsis

The article determines the association between price sensitivity and expenditures in the tourism market. It highlights the internal factors and influence of price sensitivity on the decisions of buyers in the tourist markets. The results indicate that spending on tourist markets increase with on holidays. Customer preferences and need have a strong correlation with price sensitivity. The findings of the article reveal that with the increase in duration the likelihood of spending on expensive products declines. Non-linear effects on expenditures indicate that longer duration results in expenditure decline. Individual price sensitivity has a non-linear influence on holiday expenses. Level of motivation has a significant correlation with spending activities. Highly motivated tourisms are more likely to spend on tourism products (NICOLAU & MASIERO, 2013).

The lesson for my management career: I would be able to apply the logic model and regression for conducting data analysis of the tourists.

References

NICOLAU, J. L., & MASIERO, L. (2013). The relationship between price sensitivity and expenditures in the choice of tourism activities at the destination . *Tourism Economics, 19* (1), 101–114.

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