

# Meeting the Needs of the Tourism Industry: Evaluating Leisure Time Travel Source Markets and Measuring the Economic Impact of Tourism

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Tourism policy is dominated by 2 main crucial points:

- the optimal allocation of marketing budgets and the related future market performance of the particular country,
- the prevention of the industry from being dismissed as a minor economic player.

The success or failure of a National Tourist Organisation (NTO) in terms of the destination country's future market performance is determined to a large degree by the way the NTO's marketing budgets are allocated. To this end and to ensure future competitiveness, management decision tools need to be available which focus on the systematic evaluation of source markets based on scientific methods and objective data. Aware of these major challenges for NTOs, the Austrian National Tourist Organisation (ANTO) supported by scientific advice has developed a method exactly tailored to such a systematic evaluation of source markets. This contribution attempts to highlight the underlying theoretical model and to point out some applications.

Experts faced with the problems of measuring the size of tourism and, particularly, its contribution to GDP have proposed so-called Tourism Satellite Accounts (TSAs). A TSA project can help to prevent the tourism industry from being dismissed as a minor economic player. Unfortunately, the TSA spans only effects generated by the direct economic relationship between guest and producer and thus makes it difficult to compare tourism-related GDP in relation to the overall GDP, since the latter also includes indirect effects caused by economic interlinkages. Another problem arises from the fact that, in the TSA, expenditures from residents on business trips are accounted for as final demand. On the other hand, intermediate consumption is not considered in GDP calculation, resulting in a biased comparison of TSA to GDP. The presentation makes it clear that in measuring the TSA-based contribution made by the tourism industry to national/regional GDP, results must be adjusted for indirect effects and intermediate consumption.