

the ► [demonstration effect](#) additionally increases the import expenditures of a country. Fourth, the upward pressure of inbound tourism on the exchange rate may cause adverse effects on the ► [balance of payments](#). Because of a higher value of the national currency due to increased foreign tourism demand, a country's exports may decrease, which offsets any positive balance of payments tourism effects (Dwyer et al. 2010). Future research should address the impact of the above factors on a country's real tourism deficit or ► [surplus](#).

See also ► [Balance of payment](#), ► [demonstration effect](#), ► [inbound tourism](#), ► [leakage, economic](#), ► [outbound tourism](#).

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Delphi technique

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The Delphi technique, named after the ancient Greek oracle and conceived by the RAND Corporation in the 1950s, is a method for exploring complicated, uncertain topics unsuitable for more

exact analyses due to limitations like unavailable historical information or time series data. The method involves gathering the opinions of a panel of anonymous experts through an iterative series of questionnaires, with feedback on group responses provided between rounds. Delphi studies generally involve between 10 and 75 experts and two to four questionnaire rounds. The first round is often open ended, and subsequent rounds more structured.

Members comprising a Delphi panel can be geographically dispersed. This is especially convenient for tourism-focused Delphi studies, which commonly involve experts from numerous countries. Panel members (e.g., academics, policymakers, and industry representatives) are normally chosen to represent different perspectives or experiences. The researcher's feedback between rounds typically entails summary statistics that may be complemented by panel members' rationales behind divergent opinions. Originally developed for forecasting, Delphi is now also used for decisionmaking and issue analysis. It was originally intended to result in group consensus, although it can also provide insights into contrasting viewpoints.

Delphi research has been conducted in myriad fields. The technique began attracting attention from tourism researchers in the late 1970s, and a large international study of tourism futures employing Delphi was conducted from the George Washington University in 1979. Although still not common in tourism, its popularity has grown, and the technique has been used to examine diverse tourism topics, such as predicting developments in tourism products and assessing potential social or environmental impacts.

The iterative rounds and feedback defining the Delphi process permit panel members to shift their opinions and influence each other's views. The panel's anonymity promotes frank responses and eliminates undesirable group dynamics, such as peer pressure or domination by certain individuals. Some research has found that the Delphi technique leads to more accurate judgments than other methods (Rowe and Wright 1999). It has demonstrated success in forecasting technological and scientific breakthroughs, but it has been less successful in forecasting marketing and social

trends. The technique has also been criticized for its lack of methodological rigor, and Delphi studies are unquestionably susceptible to problems such as panel attrition, poor panel selection, and biased question wording. Several tourism scholars (Donohoe and Needham 2009; Garrod and Fyall 2005) have suggested best practice guidelines that can assist researchers in their use of the Delphi technique for future tourism research.

See also ► [Forecasting](#), ► [methodology](#), ► [qualitative research](#), ► [quantitative research](#), ► [survey](#).

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Demand modeling

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Demand modeling research has a long history; the earliest work can be traced back to the 1960s. It is the study of consumers' decisionmaking process using statistical methods, and it provides a scientific instrument used to gain a better understanding of the nature of tourists' decisionmaking processes. Tourism demand modeling is the foundation on which related business decisions ultimately rest.

Determinants of tourism demand

Among the various disciplines, economics, particularly the neoclassical consumer theory, contributes the most in terms of providing rigorous theoretical support for tourism demand modeling. The consumer theory suggests that demand is a constrained maximization problem: tourists aim to maximize their utility (or satisfaction) subject to budget constraints (Stabler et al. 2010). Its key determinants include the price of the product under study, the prices of its substitutes, tourists' income, marketing expenditure, the preferences of tourists, and other social, cultural, geographical, and political factors. Its literature falls into two broad categories: demand for individual tourism products (e.g., accommodation) and aggregate demand for a destination.

Taking aggregate tourism demand as an example, the demand function for destination i by tourists from origin j can be written as

$$Q_{ij} = f(P_i, P_s, Y_j, M_{ij}, \varepsilon_{ij}) \quad (1)$$

where Q_{ij} is the quantity of the tourism product demanded in destination i by tourists from country j ; P_i is the price of tourism for destination i ; P_s is the price of tourism for substitute destinations; Y_j is the level of income in origin country j ; M_{ij} is the marketing expenditure on tourism by destination i in origin country j ; and ε_{ij} is the disturbance term that captures the effects of all other factors.

Tourism demand is generally measured by the number of visits or by expenditure. In this case, tourist income is generally included as a key explanatory variable. For leisure tourism, personal disposable income is relevant, while for business tourism, gross domestic product is a more appropriate measure. There are two elements in the price of tourism: the cost of travel to the destination and the cost of living in the destination. Data on actual travel cost are often unavailable. Its possible measure is the average economy class airfare between an origin and a destination. The proxy for the cost of living in a destination is usually its consumer price index. To take account of the substitution effect between outbound and domestic tourism, a relative price variable is usually specified.