

Annex 18. About the operational definition of “travel party”

1. IRTS 2008 include three chapters on the demand perspective; as already mentioned, some paragraphs need further clarifications in order to avoid confusion regarding the link between “visitor” and “household” and a clear recommendation about the operationalization of “travel party” was presented (see 1.7). Because INRouTe’s strategic objective is the conceptual design of a Regional Tourism Information System (R-TIS), it would be obvious that if such recommendations could gain a more extended support by national key stakeholders, it would allow for exploring the opportunity for clarifications and editorial amendments in IRTS2008 such as:
 - In paragraph 3.6 one of the characteristics of visitors mentioned is “Annual household, family or individual income”: it seems obvious that the characteristic is “Income” irrespective how it has been estimated or what the reference period of such income might be.

Other paragraphs deserve also of such modifications to be introduced in a future update of the *IRTS 2008*. In fact, such document is not clear enough about the distinction between the new unit “**travel party**” and “**household**”; in this chapter a supplementary reasoning is presented in order to support such possibility.

2. Although defined as “visitors travelling together on a trip whose expenditure are pooled”, such official definition of “travel party” does not allow for the measurement of tourism expenditure to be linked “with the universe of visitors observed in other statistical procedures and to expand properly the data that have been collected” (*IRTS 2008* para. 4.36 (a)).

More precisely, *IRTS 2008* paragraph 1.34 (b) mentions that one of the criteria set forth in the set of concepts, definitions, classifications and indicators included in this international standard on tourism statistics is that “they should be consistent with definitions and classifications used in the national accounts, balance of payments, statistics of international trade in services, and household and migration statistics”.

3. With such objective in mind, *IRTS 2008* warns about the fact that “although many characteristics of visitors can be separately identified for each individual member of a travel party, some of them might not be so identified, as in the case of economic variables”. Chapter 4 “The demand perspective: tourism expenditure” makes the following statement: “in addition to the traditional measurement of the characteristics of visitors by means of physical (non-monetary) indicators, the measurement of the contribution of tourism to the economy requires the use of monetary variables. The present chapter provides a definition of tourism expenditure....It also provides some recommendations about its measurement” (*IRTS 2008*, para. 4.1)
4. One of such recommendations – paragraph 4.36 (i) indicates that “travel parties deserve special attention due to the following:
 - The pooling of some or all expenditures within a travel party so that different data reported in an expenditure survey will often refer to the travel party and not to each member
 - Some countries might find it relevant to define equivalence scales for all or some items of tourism expenditure as is the current practice in some household budget analysis

It should be noted that both reasons are very different: while the first one focus on the need for a proper operationalization of the definition of travel party to be used in “an

expenditure survey”, the second one focuses on an analytical issue related to a particular type of survey.

5. Other recommendation –*IRTS 2008*, paragraph 4.36 sections (g)- makes explicit that “most of the items of tourism expenditure are part of household final consumption”. Although a national account concept (and therefore a TSA issue), this reference is relevant because in *IRTS 2008* there is also other national account references regarding households: it relates to the concept of residence in Chapter 2 / section B.2. Such section refers to one of the basic concepts in tourism statistics because “the concept of residence allows for the classification of visitors according to their place of origin and for the characterization of their destinations, thus making possible to distinguish the different forms of tourism” (*IRTS 2008* para. 2.16)

The following paragraph (*IRTS 2008* para. 2.17) introduces confusion because it mentions that “the country of residence of a household is defined in exactly the same way as in the balance of payments and in a System of National Accounts ... As a consequence, it is possible to share and reconcile data coming from these different sources and to work in a coordinated way on related topics such as the measurement of the flows and the expenditure of international travellers and visitors”

The confusion arises for two reasons:

- The possibility of linking the expenditure of international travellers and visitors to other official statistical frameworks is explained in chapters 3 and 4 and linked to the new concept of “travel party” (as already explained)
 - When identifying the basic statistical units from the demand side, *IRTS 2008* does not include “household” but just “visitors”, “travel party” and “trips”
6. Also the third and final paragraph of *IRTS 2008* section B.2 on the concept of residence, adds confusion to the use of the concept of “household” in the *IRTS 2008* because:
 - it introduces the topic of the measurement of domestic tourism at a subnational level
 - Recommends that “residents in a given country be classified according to their place of usual residence, as determined in household surveys”
 - Highlights that “determining the place of usual residence and thus the principal dwelling of a household is not always straightforward as some individuals might stay for long periods of time in more than one place (for example, retirees) and thus have a strong link with more than one local economy”
 - True enough, all these different types of references points to the need for an operational definition of the “travel party” and as an added outcome, making explicit the link of such a concept with “household”. Nevertheless, all along this reasoning - arguing for further clarifications - it should be bore in mind that the individual (named as “visitor”) is the central observation unit all along the conceptual framework of tourism statistics: more precisely The usual environment, the basic core of such framework, refers only to the individual (defined as “the geographical area –though not necessarily a contiguous one- within which an individual conducts his/her regular life routine”)
 7. “The usual environment of an individual includes the place of usual residence of the household to which he/she belongs, his/her own place of work or study and any other place that he/she visits regularly and frequently” (*IRTS 2008*, para. 2.25)
 8. Arguing for further clarifications is further needed because the main statistical units in tourism (the **visitor** and **travel party**) are, properly speaking, derived (that is, those units

which are constructed during the statistical production process, but not directly observed):

- For a traveller to qualify as visitor, he/she must answer, at least, to the main purpose of the trip and eventually, also to some related questions. It should not be a self-declaration
 - In order to identify a travel party, visitors must provide information about the persons with which he/she travels and confirm that all of them share a same budget
9. It is recommended to use as a first operational definition of the “travel party” which assumes that such unit might coincide with the household if, and only if, all the members (and only them) travel together. Increasing change in travel patterns also justifies the opportunity to be more precise when analyzing tourism behaviour of those visitors travelling or intending to travel together but not being part of the same household.

As a complementary remark, it should be noticed that:

- the link of “travel party” and “household” is a relevant issue only for the measurement of resident visitors domestic tourism
 - while household is a classification category in different statistical universe types, that is not the case of “travel party”, as there is no room for a statistical universe.
10. It should be noticed that most of the references to “households” refer to quotation of different paragraphs of the System of National Accounts 2008 included in the TSA official document with the intention that basic TSA aggregates (such as “Internal tourism consumption” –defined in 4.113 as “the central aggregate to describe the size of direct visitor acquisition within the country of reference”-) should be estimated in a similar way for those common items included as SNA aggregates (such as “final consumption”): such purpose is precisely behind the term “satellite” of the TSA (meaning that the TSA shares the same concepts, definitions and classifications as SNA).
11. As a final remark, the point is that TSA aggregate refers to visitors whilst SNA aggregate does to household; no table of TSA refers neither to “travel parties” nor to “households”.

Tourism practitioners –including tourism officials who commission surveys and research, and those who undertake such surveys- interested in this approach might find further explanations in chapter 5.

(For more details, interested readers should see Annex 6/4 “Understanding the relevance of households in the System of National Accounts”)