Next Steps for Week 0720

- 1,200 on 2 tickets to Taiwan -> they also spend on other things while there
    - Economic impact on travelling (age 20- 35)
- Qualitative questions
- Tell a story with financial manipulators

Economic Impact of Tourism

- Changes in prices: it can inflate prices in an area
- Changes in the quality and quantity of goods and services: it can provide wider array of services and goods in an area -- could be higher or lower quality
- Changes in property and other taxes: when you take a look at fiscal impact analysis for local government cost and revenues, it is reflected on there

Economic Model: Input-Output Model

- This model describes the flow of money within a sector of a region
    - Very important as it also determines
        - wage and salary income
        - Proprietors income
        - Recirculation of spending within the region
- It can also estimate secondary effects of visitor spending; usually presented in a form of multipliers
    - Secondary effects: indirect & induced
        - Indirect: Changes in sales, income or jobs in sectors within the region that supply goods and services to the tourism visitor spending
        - Induced: increased sales in household spending of the income earned in the tourism and supporting sectors
            - The income the employees spend on housing, utilities, groceries, etc based on what they earn from tourists
        - How do we measure the secondary effects?
            - We use multipliers to estimate how much extra income is produced in an economy as a result of initial spending or what is known as injection of cash
- This also determines the regional purchase coefficients (RPC)
    - RPC calculates the impact of the exports and imports in a specific industry on all other industry
- Calculations:
    - Type I sales multiplier = (direct sales + indirect sales) / direct sales
    - Type II or III sales multiplier = (direct sales + indirect sales + induced sales) / direct sales

    - These calculations give us a ratio type multipliers that measures → total impact to the corresponding direct impact
- Capture Rate
    - Only 60-70% of tourist spendings end up as a final demand in a local region
        - The final demand only includes the goods purchased at retail stores
        - Definition: the ratio of local final demand to tourist spending
        - Formula: local final demand / tourism spending in local area

Economic Impact of Travel & Tourism in the US
- *Direct Contribution* of travel & tourism on GDP: $503.7 billion (2016) → $715.8 billion (2027)
    - Rise of about 3.2% → now due to COVID-19 it is still uncertain as this industry has been heavily been impacted
    - During COVID-19, the travelling industry took a huge hit, losing about $505 billion → a loss of $81 billion in federal, state, local taxes by end of 2020
- *Total Contribution* of travel & tourism on GDP
    - $1,509.2 billion (2016) → $2,099.6 billion (2027)
- *Visitor Exports*
    - US has generated $212.3 billion (2016) → 114,636,000 (2027) attraction with $309.7 billion
- 2019, travel generates $2.6 trillion for the US economy, supporting 15.8 million American jobs

Negative Economic Impacts of Tourism
- Hidden costs → unfavorable economic effect on the host community
- Large scale transfer of tourism revenues out of the host country and exclusion of local businesses and products
- Leakage: is when revenue is lost from tourism to other countries economies
- Research has said that about 80% of travellers expenditures go to the airlines, hotels and other international companies and not to local business or workers
    - There was as study in Thailand that 70% of all money that were spent by tourists ended up leaving Thailand
    - Other estimates from other Third World countries to range from 80% in the Carribean to 40% in India
- Import Leakage
    - Occurs when tourists demands standards of products and services that the host country cannot supply
    - Much of the income from tourism expenditures leaves the country to pay for these imports

- Export Leakage
    - Overseas investors who had financed the resorts and hotels take their profits back to their country of origin
- Enclave Tourism
    - All inclusive vacation packages
    - There is a small trickle down effect on local economies
    - The most common example of economic enclave tourism is the cruise ship industry
- Infrastructure Cost
    - Because of tourism, it has costed the local government and local taxpayers a great deal of money
    - This can be a detriment to other industries where the local government needs to spend money on such as education and health

Positive Economic Impacts of Tourism

- Foreign Exchange Earnings
    - Tourism will be able to stimulate finance growth in other economic sectors
    - There are some countries that require visitors to bring in a certain amount of foreign currency for their duration of stay
- Contribution to Government Revenues
    - Direct Contribution: taxes on incomes from tourism employment and tourism businesses
    - Indirect Contributions: taxes and duties levied on goods and services supplied to tourists
- Employment Generation
    - It has been said that tourism supports about 7% or more of world's workers
- Stimulation of Infrastructure Investment
- Contribution to Local Economies
    - Environment is key and so many host communities has values their protected areas
    - Money is earned by tourism who are informally employed such as street vendors, informal guides and others

Qualitative KPI Questions

- How do customers or individuals describe the NYE Livestream experience?
- What kind of interactive games do customers respond well to? (Ibti)
- What stimulates you?
- How would you like to celebrate the New Year goals you've achieved?
- How do you usually go about a new New Year's goal?

- What types of colors stimulate you?
- What types of sound effects stimulate you?
- What types of shapes stimulate you?
- What are some features in a game you are usually attracted to?
- What is on your top of your bucket list?
- What types of rewards excite you?
- What is your biggest fear (this can tie in well with game-feel)?
- What are some of your top favorite games?
- What makes a great tutorial?

Financial Manipulators (Story)

We all want to try to make the most profit in each trade and most individuals do it legally but some want a further edge and do what is known market manipulation. Going back in time, the first ever recorded fraud case was in 300 B.C. In 300 BC, a Greek merchant, Hegestratos took out a large insurance policy, also known as bottomry, and planned to sink his boat completely, keep the loan and sell corn which he had.

The pioneers of market manipulation then started to emerge in the late 1700s. Market manipulations are ways traders deliberately disrupt the flow of the market in that person's favor. William Duer had committed an insider trade scandal when he tried to use the information to keep ahead of the market. Then in the late 1800s, the illegal technique that was used was poop and scoop and pump and dump was committed by Daniel Drew where Daniel tried to defraud the stock market investors.

The most talked about case or the case that grew in attention was in New York City where Athena Capital had rapid fire two seconds trade on almost every trading day in December 2009 for a 6 month period. This practice or manipulation is also known as marking the close. These types of trades overwhelm the market and as a result, push the market price. This had put Athena Capital in favor. At the end, SEC investigated this case and found that it had affected 70% of the total NASDAQ trading volumes. The penalty was hefty for Athena Capital and agreed to pay $1 million.

What Athena Capital had done is called what is known today as spoofing. Essentially having a high frequency trade only to benefit themselves. After Athena Capital manipulation, the CFTC and SEC have put policies in place that bring criminal and civil charges.

For the past decades, the U.S. Securities and Exchange Commission (SEC) has been hunting down and charging traders for their fraudulent scheme. There are so many methods to list but essentially what traders do is by boosting in false statements about their stock, the buyer buys it and the trader sells it quickly, usually causing just a little over 5% of the loss from the investor.