



Package and no-frills air carriers as moderators of length of stay



Berta Ferrer-Rosell^{a,c,*}, Esther Martínez-García^{a,c}, Germà Coenders^{a,b}

^a Department of Economics, University of Girona, 17071 Girona, Spain

^b Faculty Building of Economics and Business, Campus Montilivi, 17071 Girona, Spain

^c Faculty Building of Tourism, Edifici Sant Domènec, Plaça Ferrater Mora, 1, 17071 Girona, Spain

HIGHLIGHTS

- We analyze the determinants of the length of stay of air inbound tourists to Spain.
- We estimate an ordered logit model with moderating effects.
- We include activities at destination besides tourist, trip and stay characteristics.
- We find higher moderating effects of package booking than of low cost flight.

ARTICLE INFO

Article history:

Received 31 May 2012

Accepted 4 November 2013

Keywords:

Ordered logit

Low cost airline

Package

Moderating effect

Length of stay

ABSTRACT

This article analyses the determinants of length of stay among inbound tourists arriving by air in one of the world's most popular tourist countries, Spain. Special emphasis is placed on the effects of whether tourists booked the trip themselves or as part of a package and whether they travelled by low cost (LCA) or legacy airline. An ordered logit model is estimated. Relevant explanatory variables are related to tourist preferences and characteristics, trip characteristics, stay characteristics, and activities at destination. One of the main relevant results concerns the moderating effects. For instance, length of stay among package travellers is most affected by type of destination (city vs. coast), length of LCA trip by age, and length of legacy airline trip by accommodation type.

© 2013 Elsevier Ltd. All rights reserved.

1. Introduction

The increasing expansion and consolidation of no-frills airlines, also referred to as low cost airlines (LCA), has resulted in some destinations receiving a large number of tourists arriving with LCA flights, in some cases even more than with legacy airlines or package trips. This is the case of Spain, one of the world's most important tourist destinations. According to the WTO, Spain is the 4th ranked tourism destination in the world, and according to the IET (*Instituto de Estudios Turísticos* – the Spanish Institute for Tourism Studies), Spain received 52.7 million tourists in 2010, 77% of whom travelled by air. Of the latter, 56% flew with an LCA and 84.3% lived in a European country, which means European countries are the main markets for Spanish destinations. On the other hand, it is worth mentioning for this study that the number of

tourists travelling on package tours has decreased in recent years from around 43% in 2004 to around 28% in 2010 (Source: IET). According to the same source, the average length of stay in Spain also shortened for both kinds of tourist from 2004 to 2010: those who use package travel (from 9 nights in 2004 to 8.4 nights in 2010) and those who do not (from 11.8 nights to 10 nights).¹

The relevance of low-cost tourism today is also reflected in the increasing number of academic studies emerging on the subject, although these are still in a minority (for the Spanish case see, for example, Castillo-Manzano & Marchena-Gómez, 2011; Martínez-García, Ferrer-Rosell, & Coenders, 2012; Martínez-García & Royo, 2010). Microeconomic research on determinants of trip duration has also increased in recent years (see Alegre, Mateo, & Pou, 2011; Alegre & Pou, 2006, 2007; Barros & Machado, 2010; Martínez-García & Raya, 2008; Menezes, Moniz, & Vieira, 2008; Thrane, 2012; Yang, Wong, & Zhang, 2011; among others), probably due to destinations' growing interest in obtaining more information in this area and an observed reduction in trip length, which in many cases is associated with lower expenditure. However, to the best of

* Corresponding author. Department of Economics, University of Girona, Faculty Building of Tourism, Edifici Sant Domènec, Plaça Ferrater Mora, 1, 17071 Girona, Spain. Tel.: +34 972419719; fax: +34 972419710.

E-mail addresses: berta.ferrer@udg.edu (B. Ferrer-Rosell), esther.martinez@udg.edu (E. Martínez-García), germa.coenders@udg.edu (G. Coenders).

¹ Data for all visitors, regardless of whether they arrived by air or not.

our knowledge no study has yet analysed the moderating effect of booking the trip as a package and travelling by LCA or legacy airline on length of stay.

The main aim of this article is to study length of stay at destination for tourists travelling to Spain by air. Special emphasis is placed on the effects of whether tourists booked the trip themselves or as part of a package and whether they travelled by LCA or legacy airline. That is, we consider three different ways of booking: 1) booking a package, where the airline is already included and the tourist cannot choose airline type; 2) booking oneself and flying by LCA; and 3) booking oneself and flying by legacy airline. Besides the usual explanatory variables relating to individual, trip and stay characteristics, the moderating effects of how the trip is booked and the remaining explanatory variables are also of key interest.

This article has some other new elements with respect to the research published to date. Firstly, the inclusion of activities undertaken at destination. Secondly, the scope of the study, which is for a whole country (Spain) rather than just an airport or airline. Thirdly, the use of ordered logit models to account for the multimodality observed in the trip duration variable.

The article is structured as follows: first, we present the literature relevant to our study and then introduce the methodology used to estimate the model. This is followed by a description of the variables, the results, and finally the overall conclusions. An appendix is also included which contains a comparison between the statistical model used in this study and other statistical models.

2. Review of the literature

We begin this section with a general overview of the major research trends and most common methods and variables used in length of stay studies. We then specifically discuss two of the key variables in our article: how the trip is booked and activities undertaken at destination.

Length of stay has long attracted the interest of researchers (Archer & Shea, 1975; Fleischer & Pizam, 2002; Mak & Moncur, 1979; Mak, Moncur, & Yonamine, 1977; Silberman, 1985; Thumberg & Crotts, 1994; among others) with the number of studies published in this area rising since 2008. However, despite this increase, few studies have focused explicitly on the air traveller segment, and to the best of our knowledge only those by Martínez-García and Raya (2008, 2009) and Raya-Vilchez and Martínez-García (2011) have referred to LCA demand. Different studies have employed different methodologies, survival models being the most common (Barros, Butler, & Correia, 2010; Barros, Correia, & Crouch, 2008; Barros & Machado, 2010; Gokovali, Bahar, & Kozak, 2007; Hong & Jang, 2005; Machado, 2010; Martínez-García & Raya, 2008, 2009; Menezes et al., 2008; Peypoch, Randriamboarison, Rasoamananjara, & Solonandrasana, 2012; Wang, Little, & Delhomme-Little, 2012). Most authors have analysed different specific regions (Barros et al., 2008; Menezes et al., 2008; Peypoch et al., 2012; Yang et al., 2011) and a few specific demand segments, such as golf tourists (Barros et al., 2010).

Most studies on length of stay include both trip and stay characteristics in the model, in addition to socio-demographic variables. In the case of the former, the most common variables are travel cost, destination attributes, organization, motivation, repeat visits to the same destination, accommodation, and travelling group. Some studies have also considered distance, destination, season, time of booking, number of trips per year/experience of travelling abroad, and satisfaction. Alegre and Pou (2006) and Martínez-García and Raya (2008, 2009) conducted a review of the literature on this issue, including a justification of the variables used in explanatory models, and Yang et al. (2011) also discuss factors

contributing to length of stay. In most studies using secondary data the variables to be included depend primarily on the information available. With regard to this, in the present article we propose a new factor affecting length of stay: activities undertaken at destination. To the best of our knowledge, this factor has not been systematically taken into account in any previous study.

Socio-demographic factors were used as determinants of length of stay as far back as Oppermann (1995, 1997), Seaton and Palmer (1997) and Sung, Morrison, Hong, and O'Leary (2001). More recently, in their analysis of determinants of length of stay in the Balearic Islands, Alegre and Pou (2006, 2007) and Alegre et al. (2011) found that socio-demographic variables played an important role in duration. The studies conducted on LCA travellers by Martínez-García and Raya (2008) and Raya-Vilchez and Martínez-García (2011) also focused on Spanish destinations, and both found sociodemographics – nationality and level of education, for example – to be relevant determinants of duration. Likewise, sociodemographics have also been found to be relevant in studies of other destinations, as in Barros et al. (2008 for Latin America), where younger Portuguese tourists with higher incomes were more likely to stay longer; Barros et al. (2010, Algarve), in which length of stay was related to nationality and age; Gokovali et al. (2007, Israel); Machado (2010, Madeira); Menezes et al. (2008, Azores); Wang et al. (2012, China) who found that tourists spending longer at the destination belonged to higher social classes and had a larger travel budget, whereas length of stay was negatively related to variables such as age and some destination attributes. The most important conclusion drawn by Peypoch et al. (2012, Madagascar) was that some of the most commonly used sociodemographic variables were more related to the dependent variable length of stay than destination attributes. Salmasi, Celidoni, and Procidano (2012, Italy) mainly concluded that income affected the decreasing trend in length of stay in recent years; and in Thrane and Farstad (2012) that nationality explained many of the differences in length of stay among international visitors to Norway. In general, age, income, education and nationality are the sociodemographic variables most frequently used in the literature. They are relatively easy to obtain and generally of interest to destination managers.

Other variables which seem to be relevant to duration and can generally be found in the literature are trip and destination characteristics, with effects and relevance depending on the individual study. For example, destination attributes were found to be significant in Barros et al. (2008), climate in Barros et al. (2010), and urban and coastal resorts in Martínez-García and Raya (2008) and in Raya-Vilchez and Martínez-García (2011), whereas Peypoch et al. (2012) concluded that sociodemographics were more relevant than destination attributes. Destination image was significant in Machado (2010) and Menezes et al. (2008), prices in Alegre and Pou (2006) and Martínez-García and Raya (2008), and familiarity and experience in Gokovali et al. (2007). Other variables can be found in only one or a few studies, depending on data availability and the focus of each study.

The variable we use as a moderator in our study – how the trip is booked – has been employed in some studies as an explanatory variable with only main effects. Alegre and Pou (2006, 2007) and Martínez-García and Raya (2008, 2009) found that booking a package holiday was not significant, whereas in Menezes et al. (2008) taking a charter flight increased expected length of stay. Yang et al. (2011) went one step further by analysing subsamples in a particular area in China and found that there were differences in factors affecting length of stay depending on how the trip was booked (package or individual tourists). Individual tourists stayed significantly longer when their reason for travel was visiting friends and relatives rather than sightseeing. However, package tourists on

Download English Version:

<https://daneshyari.com/en/article/1012020>

Download Persian Version:

<https://daneshyari.com/article/1012020>

[Daneshyari.com](https://daneshyari.com)