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Research Paper

Economic crisis and residents' perception of the impacts of tourism in mass tourism destinations

Joan B. Garau-Vadell^{a,*}, Desiderio Gutierrez-Taño^b, Ricardo Diaz-Armas^b

- ^a University of the Balearic Islands, Carretera de Valldemossa Km 7,2, 07122 Palma, Spain
- ^b University of la Laguna, Campus de Guajara, 38071 La Laguna, Tenerife, Spain

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ABSTRACT

In times of economic uncertainty and crisis, residents' perceptions of the impacts of tourism and their support for tourism development may be different to those noted in times of prosperity. This study tests the influence of an economic crisis on such perceptions and residents' willingness to support the development of tourism. The research compares data gathered in 2006, in a booming economic environment, with data from 2014, in the middle of a long-lasting economic recession. The data are from two major international mass tourism resorts in Spain: Mallorca and Tenerife. Results indicate that an economic recession causes a significant growth of the residents' support towards tourism, particularly due to a significant decrease in the residents' perception of costs related to such development. These findings highlight how economic crises influence residents' perceptions of the impacts of tourism and lead to an underestimation of costs. Hence, it evidences the crucial role that resort managers have to play to ensure the sustainability of the destination at times when a more permissive view is taken by residents.

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1. Introduction

Tourism represents one of the world's largest generators of wealth and has been officially sanctioned as a major agent of economic growth and development (WTO, 1980). However, these benefits are not usually achieved without costs and this may influence local people's willingness to support tourism. Resident support is crucial in order to ensure the success and sustainability of tourism destinations as it is may affect key issues such as their willingness to work in the industry, their entrepreneurship and innovation initiatives, and the quality of the interactions between residents and tourists (Pearce, 1998). Literature has shown that resident support greatly depends on how they perceive the negative and positive impacts of tourism on their communities (e.g. Allen, Long, Perdue, & Kieselbach, 1988; Nunkoo & Gursoy, 2012; Vargas, Porras & Plaza, 2011).

Over the last few decades, a large number of variables affecting residents' perceptions have been examined. However, little attention has been paid to the impact of the global financial and economic crisis (Stylidis & Terzidou, 2014) that started in 2007. Since then, the global economy has been suffering from a severe downturn as a result of a dramatic credit crunch and an economic

E-mail addresses: joan.garau@uib.es (J.B. Garau-Vadell), dgtano@ull.es (D. Gutierrez-Taño), rjdiaz@ull.es (R. Diaz-Armas).

http://dx.doi.org/10.1016/j.jdmm.2016.08.008 2212-571X/© 2016 Elsevier Ltd. All rights reserved. slump. In contrast to former economic recessions, this one has had a global and all-encompassing impact (Smeral, 2010), and it has caused substantial economic dislocation in many countries, including traditional mainstream southern European tourist destinations (e.g. Spain, Italy, Portugal, and Greece). These tourist destinations have been facing a scenario characterised by extremely high unemployment rates, job insecurity, loss of income, loss of wealth, a feeling of uncertainty and pessimism about the future, and cuts in education and health services (Levy & Sidel, 2009).

Literature indicates that in times of economic uncertainty, individual perceptions and attitudes are subject to various types of economic and psychological influences (e.g. Voon & Voon, 2012). Therefore it can be expected that a bleak economic environment influences residents' perception of the impacts of tourism and their willingness to support it. Hence, delineating the role of the economic context becomes a crucial research question that would add a vital dimension to academic understanding of the phenomenon, and, from a practical perspective, it would provide information for longer-term strategic planning in tourist destinations (Sharpley, 2014).

Existing literature dealing with the influence of the economic environment on residents' perception of the impacts of tourism has so far generally been based on simple cross-sectional studies (Sharpley, 2014). The results of such studies are of relevance to their research objectives within a particular time frame: however, they become less meaningful in a historical context. As a

^{*} Corresponding author.

consequence, there is a shortage of evidence to suggest how residents' perception of the impacts of tourism and their support towards tourism evolve or transform over time. Also, a surprising absence of attention to mainstream tourist destinations has been detected (Huh & Vogt, 2008; Sharpley, 2014), preventing destinations, which would arguably benefit greatly from such research, from being provided with invaluable insight. Finally, most of the existing research reflects the influence of local rather than global economic issues (Sharpley, 2014) and pays little attention to situations like the global economic crisis, which, being a world-wide problem rather than just local, presents a more negative outlook as it is largely beyond the control of the destination.

To fill this research gap, this multiple cross-sectional study compares data obtained in two prominent mass tourism destinations, Tenerife and Mallorca (Spain), in 2006 and in 2014. In 2006, data were gathered in a booming economic environment and a few years later, a second measurement was taken, in the context of a long-standing economic crisis. The ultimate goal of this paper is to advance on the understanding of how the economic environment affects perception of the impacts of and support towards tourism, and to discuss the implications that may derive from the results obtained in terms of destination management.

2. Literature review

2.1. Tourism impacts and support to tourism

Many authors have remarked on the importance of tourist-resident interaction and acknowledged that, to a great extent, successful and sustainable tourism development depends on the support provided by the host community (Choi & Murray, 2010; Dyer, Gursoy, Sharma, & Carter, 2007; Pearce, Moscardo, & Ross, 1996). The literature has developed several theories attempting to build a theoretical framework to explain how resident support is formed. Two of the most recurrent theories are social representations theory and social exchange theory (SET).

According to social representations theory, individual attitudes towards tourism can be surveyed through the analysis of these representations (Moscovici, 1981). Generally speaking, social representations, as mentioned by Fredline and Faulkner (2000:767) are 'mechanisms used by citizens to test and understand the objects and events found in their surrounding world'. They are the influences within a particular society that determine how and what people think in their day-to-day lives (Pearce et al., 1996) and are normally shared among specific groups of the community. Social representations theory has been criticized due to the ambiguous nature of the representations, its lack of clear limits (Halfacree, 1995), and the fact that although a particular social representation may be identified, it does not explain why a particular perception is commonly held (Sharpley, 2014).

According to Ap (1992), SET seeks to explain the process of interaction between people, or groups of people, and suggests that tourists and hosts undergo a process of negotiation or exchange: the ultimate aim of which for each party is to optimise the benefits gained from the encounter. The basic tenet of SET is that locals are likely to participate in an exchange if they believe that they will benefit from it, without incurring unacceptable costs (Sharpley, 2014). Studies based on SET suggest that residents are willing to give their support in the case of positive results in the comparison of the perceived positive and negative impacts of tourism (e.g. Gursoy, Jurowsky, & Uysal, 2002; McGehee & Andereck, 2004; Nunkoo & Ramkissoon, 2012; Stylidis & Terzidou, 2014). One of the strengths of SET is that it 'can easily accommodate explanations of both positive and negative perception of impacts, on an individual or collective level' (Ap, 1992, p. 667).

In recent decades, a large set of positive and negative impacts of tourism have been identified and discussed. These impacts have usually been summarised and classified into four major dimensions: economic, social, cultural and environmental.

Regarding the economic dimension, positive effects have been attributed to tourism, including better employment opportunities, improving the income of local businesses, or generating an increase of quality of life in general (e.g. Diedrich & Garcia-Buades, 2009, Gursoy & Rutherford, 2004; McDowall & Choi, 2010). On the negative side, tourism has been blamed for generating low-paid temporary and/or unstable employment, increasing the cost of living, not always incorporating the local workforce, and favoring foreign companies which do not re-invest the profits in the local economy (e.g. Gutiérrez, 2010; Tosun, 2002; Pizam, 1978; Weaver, & Lawton, 2000).

In the social dimension, the literature has identified a variety of positive impacts, including an improvement in standards of living, cleaner communal areas, an increase in the community's interest in the preservation of resources, an improvement of public services (e.g. Lankford & Howard, 1994; Liu & Var, 1986) or an increase in the leisure opportunities available to the community (e.g. McCool & Martin, 1994; Perdue, Long, & Allen, 1990). A series of negative impacts has also been recognised, such as the loss of traditional values (e.g. Kousis, 1989), congestion in the use of public infrastructures (e.g. Brunt & Courtney, 1999; Lindberg & Johnson, 1997; McCool & Martin, 1994), an increase in crime (e.g. Brunt & Courtney, 1999; Tosun, 2002), drug abuse (Haralambopoulos & Pizam, 1996; Mok, Slater & Cheung, 1991; Tosun, 2002), prostitution (e.g. Cohen, 1988; Lindberg & Johnson, 1997; Lankford & Howard, 1994; Mok, Slater, & Cheung, 1991) and a decrease in resident hospitality (e.g. Liu & Var, 1986).

With respect to the cultural dimension, positive impacts are usually related to a recovery of local craftsmanship, the preservation of local culture, or the benefits of a cultural interaction between residents and tourists (e.g. Besculides, Lee, & McCormick, 2002; Gursoy & Rutherford, 2004). Negative impacts, for their part, are frequently associated with the loss of traditions, acculturation, or the de-virtualisation, trivialisation and dilution of local culture and cultural heritage (e.g. Besculides et al. 2002; Gutiérrez, 2010; Nunkoo, & Gursoy, 2012; Tosun, 2002).

Finally, in the environmental dimension, positive impacts are usually related to improvements in the appearance of the community and the possibility that tourism may create greater awareness and appreciation in terms of environmental preservation (e.g. Tomljenovic & Faulkner, 1999). Negative environmental impacts are frequently linked to an increase in pollution levels, the destruction of natural resources, the degradation of vegetation and wildlife, a congestion in the use of facilities or to an excess of transients (e.g. Andereck, 1995; Gutiérrez, 2010; Johnson, Snepenger & Akis, 1994; McCool, & Martin, 1994; Perdue, et al., 1990; Reid, & Boyd, 1991; Vart, & Kim, 1990).

The literature, mostly developed under the SET approach, provides evidence that the residents' perception of the impacts of tourism influences their willingness to support it (e.g. Andereck, Valentine, Knoff, & Vogt, 2005; Gursoy & Rutherford, 2004; Jurowski, Uysal, & Williams, 1997; Nunkoo & Ramkissoon, 2012; Stylidis & Terzidou, 2014; Vargas et al., 2011; Yoon, Gursoy, & Chen, 2001) and suggests that residents are more willing to support tourism if its impacts are perceived to carry greater benefits than costs. This relationship highlights the vital importance ascribed to understanding the residents' perceptions and determining factors for the management and planning of sustainable tourist destinations. (e.g. Ritchie & Inkari, 2006; Tovar & Lockwood, 2008; Vargas-Sánchez et al., 2009).

In this framework, the present research is aimed at analysing the effect that an economic crisis exerts on the residents'

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