



Are sustainable tourists a higher spending market?☆



Norma Polovitz Nickerson^{a,*}, Jake Jorgenson^a, B. Bynum Boley^b

^a Institute for Tourism & Recreation Research, 32 Campus Dr. #1234, College of Forestry and Conservation, University of Montana, Missoula, MT 59812, USA

^b Warnell School of Forestry and Natural Resources, 180 East Green Street, University of Georgia, Athens, GA 30602-2152, USA

HIGHLIGHTS

- Sustainable tourists (high geotraveler tendencies) spend more money than other visitors.
- Sustainable tourists spend more time in the destination.
- Sustainable travelers contribute beneficially to the triple bottom line of tourism businesses.

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ABSTRACT

Resistance to sustainability practices often stems from the industry's view that sustainable tourism requires a profitability tradeoff where the additional costs associated with sustainability do not pay off in increased economic returns, yet few studies have been attempted to prove or disprove this viewpoint. This study analyzed spending patterns and length of stay of visitors to Montana, USA to determine if strong geotravelers (higher sustainable behaviors) were different than those with less sustainable behaviors. Results found that total trip spending by strong geotravelers (US \$1164) was significantly higher than the overall spending of both moderate (US \$866) and minimal geotravelers (US \$668). These findings suggest that sustainable travelers are a travel market to be reckoned with in the tourism marketing and business world. The combination of their pro-sustainable behavior and increased spending provides evidence of a market segment in which destinations can benefit.

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1. Introduction

While sustainable tourism has grown in popularity over the last 30 years as a development strategy hailed to bring increased economic opportunity and enhanced quality of life all while preserving the destination's natural and cultural heritage (McCool & Lime, 2001), resistance remains strong toward implementing it based upon the perceived economic costs of sustainability (Moeller, Dolnicar, & Leisch, 2011; Pulido-Fernández, Andrades-Caldito, & Sánchez-Rivero, 2014). Part of this resistance stems from the industry's view that sustainable tourism requires a profitability tradeoff where the additional costs associated with sustainability

do not result in increased economic returns (Carlsen, Getz, & Ali-Knight, 2001; Moeller et al., 2011). Aligning itself with this view of sustainability being costly is the perspective that there has been a fundamental shift in society's way of thinking about sustainability (Shellenberger & Nordhaus, 2005). Shellenberger and Nordhaus (2005) refer to this as the "Death of Environmentalism" and suggest that those concerned about the environment and sustainability should consider reframing sustainability messages in a way that highlights their economic importance over their environmental significance.

These points speak to the need for more empirical research examining the question of whether sustainable tourism development actually has positive implications for the economic bottom-lines of communities that adopt it in addition to the environmental and socio-cultural benefits. While the intrinsic benefits of sustainable tourism to the environment, culture, and residents of tourism destinations has been heavily researched (Boley & McGehee, 2014; Budowski, 1976; Eagles, McCool, & Haynes, 2002; Medina, 2003; Puppim de Oliveira, 2005), the discussion of the economic benefits associated with sustainable tourism has been more conceptual in nature (Hassan, 2000; Lane, 1994; Sharpley,

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* Corresponding author.

E-mail addresses: norma.nickerson@umontana.edu (N.P. Nickerson), jake.jorgenson@umontana.edu (J. Jorgenson), Bynum.Boley@warnell.uga.edu (B.B. Boley).

2000). One specific study to investigate the direct economic benefits of sustainable tourism is Moeller and others' (2011) work which segmented tourists by environmental impact to identify if there were market segments existing with low environmental impacts and high economic expenditures. Moeller et al. (2011, p. 157) write that "If market segments that minimize negative environmental impacts and maintain high tourism expenditure can be identified, then a new argument for undertaking sustainability measures can be presented to tourism destinations and businesses." Their results confirmed that two market segments representing 40 percent of the market share did in fact have high expenditures and small environmental footprints.

While their results provide additional credence to the economic benefits of sustainable tourism, gaps remain in research on sustainable tourists' expenditures. For example, Moeller et al. (2011) operationalized sustainable tourists using only the environmental dimension of sustainability while sustainable tourism is commonly conceptualized as encapsulating the triple-bottom-line of environmental, socio-cultural and economic sustainability (Cvelbar & Dwyer, 2013; Dwyer, 2005; Stoddard, Pollard, & Evans, 2012). Additionally, Moeller et al. (2011) only looked at daily and total tourism expenditures and did not dive into spending differences across categories of travel expenditures like lodging, food, gas, attractions and other expenditures as have some studies (Becken & Simmons, 2008; Wilton & Nickerson, 2006).

In an effort to fill these gaps and to further answer the question of "Does sustainable tourism pay?" this study extends that of Moeller et al. (2011) work by using the Geotraveler Tendency Scale (GTS) to segment sustainable tourists from less-sustainable tourists visiting the state of Montana. Montana was chosen as the study site since the Montana Office of Tourism has adopted geotourism as their target market to the state, but their pro-sustainable behavior and spending categories had not been analyzed. Therefore, comparing expenditures of the geotraveler segments across daily, total and categorical tourism expenditures would provide valuable information for businesses and marketing entities alike. The GTS is a scale designed to identify geotourists, a type of sustainable tourists who not only have the pro-environmental behavior commonly associated with ecotourists, but who also have behaviors that align with geotourism's definition of "sustaining and enhancing the local geographical character of place-including the environment, culture, aesthetics, heritage and well-being of the local people" (Boley & Nickerson, 2013; Boley, Nickerson, & Bosak, 2011). According to Boley and Nickerson (2013, p. 314), the GTS "provides the sustainable tourism field with a more holistic tool for measuring sustainable travelers."

It is believed that this type of analysis builds off the previous research segmenting sustainable tourists in three specific ways. The first is the use of the GTS to segment tourists from the general travel population. Segmenting tourists using the GTS is novel because it includes all dimensions of sustainability when segmenting travelers into sustainable tourists and less-sustainable tourists. This differs from the previous sustainable tourism segmentation studies that have only looked at the environmental dimensions of sustainability (Dolnicar, 2010; Lundie, Dwyer, & Forsyth, 2007; Moeller et al., 2011). Second, this study looks at tourists categorical expenditures in addition to their daily and total expenditures. This type of analysis is meaningful because it allows for making conclusions about the tourists' true contribution to the local economy through the multiplier effect (Archer, 1982; Becken & Simmons, 2008). If sustainable tourists spend more money in categories with higher multiplier factors and lower levels of economic leakage, then there would be even more support for communities to embrace sustainable tourism as an economic development strategy. Lastly, this study analyzes the length of time spent in the

destination by the traveler to see if sustainable tourists stay longer than less-sustainable tourists. If sustainable tourists are found to stay longer than less-sustainable tourists, then economic benefits associated with this market segment are even more attractive because they are multiplied over a greater period of time. In addition to these increased economic benefits, Boley (2014) and Hunter and Shaw (2007) acknowledge the possibility that the longer tourists stay within the destination, the lower their net greenhouse gas emissions could be from having the initial emissions associated with their travel spread out across multiple days, as well their normal daily domestic energy use being absent while on vacation. In summary, this study seeks to add to the sustainable tourism literature through the analysis of four important questions pertaining to sustainable tourists as higher spending tourists than less-sustainable tourists.

1. Do sustainable tourists spend more money daily than less-sustainable tourists?
2. Do sustainable tourists spend more money within the local economy (lodging, food, and outfitter and guides) than less-sustainable tourists?
3. Do sustainable tourists tend to stay longer within the destination than less-sustainable tourists?
4. Do sustainable tourists have greater overall spending than less-sustainable tourists?

2. Literature review

Market segmentation studies have been one of the most ubiquitous lines of tourism research within the general tourism literature as well as the sustainable tourism literature (Dolnicar, 2004). According to Smith (1956, p. 6) "market segmentation ... consists of viewing a heterogeneous market (one characterized by divergent demand) as a number of smaller homogeneous markets in response to differing product preferences among important market segments. Dolnicar (2004, p. 248) refers to market segmentation as a potential way for tourism destinations to achieve competitive advantage, and calls market segmentation "one of the most crucial long-term marketing decisions" because of its ability to "derive the most promising market segments with regards to the attractiveness of the segment and the matching potential of the segment's needs and the destination's or organization's strengths." The necessity, and hence popularity, of market segmentation studies stems from the heterogeneous nature of tourists.

Lundie et al. (2007, p. 503) write that "different types of tourists generate different economic, social and environmental impacts on destinations." This heterogeneous nature applies to both tourists' expenditures, activities chosen within the destination, demographics, as well as their environmental and social impacts within the destination. The divergent positive and negative impacts of tourists provide destinations with a strong incentive to develop market segmentation strategies aimed at attracting segments of tourists with the most promising benefits across the triple bottom line.

The heterogeneous nature of tourism and its impacts has resulted in destination marketers being interested in market segmentation for two primary reasons. First, market segmentation has the potential to identify segments of tourists that promise to bring larger economic expenditures than other market segments (Mok & Iverson, 2000; Wilton & Nickerson, 2006). This is the approach that has been widely embraced within the broader tourism literature and is synonymous with maximizing financial yield. Its popularity stems from tourist expenditures being the fundamental variable of profitability for tourism destinations (Aguiló & Juaneda, 2000). Wilton and Nickerson (2006) see expenditure studies as an

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