

# **TOURISM PROMOTION: THE NEED TO MEASURE, THE LIMITS OF INFORMATION**

**by**

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# Promotion

- Are promotional efforts by tourism offices truly effective? Using multiple-regression models that test the relationships between tourist flow, length of stay, and promotional efforts, we will discuss the issue and the way forward.

# Are the Promotional Efforts for Tourism Effective?

- For practical reasons, we need to know.
  - For planning purposes
  - To evaluate the strategic use of resources
  - To determine if there are better ways to promote
- For political reasons, we may not want to know.
  - Blame can be passed for ineffective promotions

# Explaining Away Promotional Efforts and Tourism Flows

- Increases in tourism flows can
  - be attributed to effective promotion
  - be attributed to an external factor assisting an increased flow (changes in exchange rates, political events...)
  
- Decreases in tourism flows can
  - be attributed to poor promotion
  - be attributed to an external factor hindering an increased flow (changes in exchange rates, political events...)

# Making Do with What We Have Available to Us





# The Questions

- How do we know that promotional efforts have been effective?
- How can we be sure with the data that presently exist?

# Our Approach

- Investigating how effective NTOs promote their countries' tourism products abroad
- This is a cross-sectional approach looking at the correlates of tourism flows and visitor stays on a country-by-country basis
- The approach can be used in any country in which very basic data are available

## What Has Been Done: What is Demand?

- There are three major measures of actual demand for a tourism product - visitor arrivals, visitor-days (or visitor-nights) and amount spent.
- Data for these three major indicators are often freely available for countries.
- However, nonmonetary indicators of demand are arguably more reliable, as the data are not based upon self-reporting during exit interviews regarding how much money was spent.
- So the key is to generally focus upon visitor arrivals (by country) and visitor-days (by country).



# What Would Explain Actual Demand Variations?

## ■ Promotion

- How much money spent on promotion (on a country-by-country basis)
- How many travel fairs attended (on a country-by-country basis)
- Amount of resources dedicated to promotion in a place (on a country-by-country basis)

## ■ Other things influencing tourism flows

- Proximity to host location
- Wealth of the source countries
- Cultural links between the host and source countries
- Visa regulations
- Other things

# Hypothesized Links with Tourism Flows for Croatia, Czech Republic and Slovakia

**Table 2**  
**CONCEPTS, OPERATIONALIZATION, AND HYPOTHESIZED RELATIONSHIPS**

Concept	Measure	Hypothesized relationship with dependent variable
Tourism promotion	Presence of an NTO office (dummy variable), number of employees in NTO office abroad (interval level), number of fairs attended for promotion (interval level)	Positive
Wealth	GNP per capita, 2003	Positive
Visa required	Visa required (dummy variable)	Negative
Neighbouring country	Contiguous country (dummy variable)	Positive
Communist legacy	Former or current Communist country (dummy variable)	Positive
Former Yugoslavia	Formerly part of Yugoslavia (dummy variable—Croatia model only)	Positive
Slovak Republic	Country is the Slovak Republic (dummy variable—Czech model only)	Positive
Czech Republic	Country is the Czech Republic (dummy variable—Slovak model only)	Positive

# Croatia Findings

Table 3

## CROATIA: TOURISM ARRIVALS AND THE NTO

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	0.0006	0.001	0.039	0.576	0.566
Neighbour	97.407	109.148	0.077	0.892	0.373
Former Yugoslavia	114.076	107.545	0.090	1.061	0.290
Communist legacy	-14.206	27.706	-0.034	-0.513	0.609
Visa required	-2.520	14.602	-0.011	-0.173	0.863
National tourist office	399.308	43.109	0.653	9.263	0.000
N	168				
Adjusted R-Square	0.487				

# Croatia Findings, Take Two

Table 4

## CROATIA: TOURISM ARRIVALS AND NTO EMPLOYEES ABROAD

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	-0.0002	0.001	-0.010	-0.170	0.865
Neighbour	79.426	99.691	0.063	0.797	0.427
Former Yugoslavia	126.851	98.376	0.101	1.289	0.199
Communist legacy	-19.156	25.304	-0.046	-0.757	0.450
Visa required	-0.278	13.363	-0.001	-0.021	0.983
Number of employees	144.778	12.529	0.742	11.556	0.000
N	168				
Adjusted R-Square	0.570				

# Croatia Findings, Take Three

Table 5

## CROATIA: TOURISM ARRIVALS AND TOURIST FAIRS ATTENDED

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	-0.0005	0.000	-0.034	-1.074	0.284
Neighbour	277.667	53.646	0.220	5.176	0.000
Former Yugoslavia	27.597	53.617	0.022	0.515	0.607
Communist legacy	8.539	13.643	0.020	0.626	0.532
Visa required	-6.308	7.296	-0.026	-0.865	0.389
Tourist Fairs	69.443	2.433	0.903	28.546	0.000
N	168				
Adjusted R-Square	0.870				



# Czech Republic Findings

Table 9

**CZECH REPUBLIC: TOURISM ARRIVALS AND THE NTO**

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	2.401	0.728	0.218	3.298	0.001
Neighbour	545,579	62,849	0.579	8.681	0.000
Slovakia	-347,192	119,026	-0.184	-2.917	0.004
Communist legacy	-25,035	19,783	-0.080	-1.265	0.208
Visa required	-3,914	10,574	-0.022	-0.370	0.712
National tourist office	79,079	25,907	0.218	3.052	0.003
N	168				
Adjusted R-Square	0.507				

Table 10

**CZECH REPUBLIC: OVERNIGHTS AND THE NTO**

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	7.448	2.709	0.193	2.749	0.007
Neighbour	1,916,413	233,892	0.580	8.194	0.000
Slovakia	-1,300,582	442,957	-0.197	-2.936	0.004
Communist legacy	-93,527	73,624	-0.085	-1.270	0.206
Visa required	-7,549	39,355	-0.012	-0.192	0.848
National tourist office	228,110	96,413	0.179	2.366	0.019
N	168				
Adjusted R-Square	0.444				

# Slovak Republic Findings

Table 11  
SLOVAKIA: TOURISM ARRIVALS AND THE NTO

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	0.375	0.098	0.120	3.832	0.000
Neighbour	58,877	9,191	0.245	6.406	0.000
Czech Republic	291,261	18,436	0.542	15.798	0.000
Communist legacy	4,482	3,084	0.050	1.453	0.148
Visa required	-2,392	1,671	-0.047	-1.431	0.154
National tourist office	66,984	8,244	0.306	8.125	0.000
N	168				
Adjusted R-Square	0.850				

Table 12  
SLOVAKIA: OVERNIGHTS AND THE NTO

	Unstandar- dized coefficients	Std. error	Standar- dized coefficients (beta)	t	Sig.
GDP per capita	1.000	0.412	0.092	2.429	0.016
Neighbour	120,826	38,719	0.145	3.121	0.002
Czech Republic	912,349	77,663	0.489	11.748	0.000
Communist legacy	11,096	12,991	0.036	0.854	0.394
Visa required	-6,326	7,040	-0.036	-0.899	0.370
National tourist office	321,709	34,729	0.422	9.263	0.000
N	168				
Adjusted R-Square	0.780				

# Summary of Findings

Table 13

**SUMMARY OF THE FINDINGS FOR PROMOTIONAL VARIABLES**

Country	Dependent variable	Measure of promotion	Impact of promotion measures n dep. variable	Adj. R <sup>2</sup>
Croatia	Arrivals	Presence NTO Office	399,000 Arrivals	0.487
Croatia	Arrivals	Number NTO Employees Abroad	145,000 Arrivals	0.57
Croatia	Arrivals	Number Tourist Fairs Abroad	69,000 Arrivals	0.87
Croatia	Overnights	Presence NTO Office	2,234,000 Overnights	0.425
Croatia	Overnights	Number NTO Employees Abroad	816,000 Overnights	0.506
Croatia	Overnights	Number Tourist Fairs Abroad	409,000 Overnights	0.84
Czech Rep.	Arrivals	Presence NTO Office	79,000 Arrivals	0.507
Czech Rep.	Overnights	Presence NTO Office	228,000 Overnights	0.444
Slovakia	Arrivals	Presence NTO Office	67,000 Arrivals	0.85
Slovakia	Overnights	Presence NTO Office	322,000 Overnights	0.78

# Summary of Findings, Take Two

Table 14

## SUCCESS OF CONTROL VARIABLES IN THE ANALYSIS

Concept	Statistically significant in which regressions	Hypothesized link with dependent variable	Empirical link with dependent variable
Wealth	Croatia overnights, Czech Republic arrivals, Czech Republic overnights, Slovakia arrivals, Slovakia overnights	Positive	Mixed
Visa required	None	Negative	None
Neighbouring country	Croatia Arrivals (tourist fairs), Croatia overnights (tourist fairs), Czech Republic (arrivals), Czech Republic (overnights), Slovakia (arrivals), Slovakia (overnights)	Positive	Positive
Communist legacy	None	Positive	None
Former Yugoslavia	None (for Croatia)	Positive	None
Slovak Republic	Czech Republic (arrivals and overnights)	Positive	Negative
Czech Republic	Slovakia (arrivals and overnights)	Positive	Positive

# What We Learned

- By measuring tourism flows for Croatia, Czech Republic, and Slovakia, we see that promotional efforts (NTO representations in different countries, attending travel fairs in other countries, and the number of employees working in a particular NTO abroad) have a positive impact upon tourism flows to a host destination
- Some other things influence tourism flows (proximity and visa regulations), but nothing seems to influence tourism flows as strongly and consistently as promotional activities.



# Weaknesses

- One major weakness of this approach is that governments generally do not waste time trying to attract tourists from a country they are unlikely to come from, meaning the choice of where to promote becomes a self-fulfilling prophecy.
- Another is that some promotion is not country-specific (internet and TV stations watched in multiple countries)

# The Way Forward

- So far, this approach seems to be the only one used to measure promotion of this sort
- The approach can be modified in one way or another for various host countries or even destinations within a country, once basic data are available

# Thank You for Your Attention

■ For Further Information, please see...

Craig Webster and Stanislav Ivanov (2007)

"National tourism organizations: measuring the results of promotion abroad." *Tourism* 55(1): 65-80.