Length of stay: Evidence from Santiago de Compostela

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ABSTRACT

This paper analyses the determinants of length of stay, but does so taking into account whether the visitor is a tourist or a same-day visitor. Our empirical analysis focuses on Santiago de Compostela, a small tourist city in north-western Spain. We have conducted our analysis using five alternative Heckman selection models. This methodology allows us to distinguish between tourists and same-day visitors. The results allow for the identification of different visitor profiles. In this context, same-day visitors are typically young or retired individuals who travel for leisure reasons, whilst foreign visitors travelling for business or congress purposes are the most likely to have longer stays. In the light of these results, policy implications are then discussed.

Introduction

Increasing visitor numbers is a frequent strategy deployed by the vast majority of tourist destinations. However, not all visitors arriving in a destination generate the same impact. It is therefore important to conduct a disaggregated analysis taking into account the different kinds of visitors. The aim of this study is to analyse the factors determining the Length of Stay (LOS) of visitors at destination, but taking into account whether the visitor is a tourist or a same-day visitor.

A same-day visitor can be defined as a visitor with very short stays at a destination—stays shorter than 24 h (Page & Connell, 2006; Hall, 2014). On the other hand, a tourist would be a visitor with longer stays, lasting for at least 24 h (The Sustainable Tourism Gateway, 2016). However, the concept of staying overnight per se is crucial, since “only an overnight stay will substantially increase the tourist spend” (Ashworth & Page, 2011). If, in addition to this, tourists stay for longer periods of time in the same hotel room, this will contribute to maintaining high occupancy rates and reducing fixed costs (Barros & Machado, 2010). Consequently, distinctions can be drawn between tourists and same-day visitors in accordance not only with the length of stay (LOS), but also in terms of the economic impact they generate in the corresponding destination.

Literature considers the LOS to be an important issue for the management of tourism travel, since longer stays are positively related to aggregate earnings obtained from tourist activities (Alegre & Pou, 2006; Barros, Butler, & Correa, 2010; Peypoch, Randriamboarison, Rasoaamananjara, & Solonandrahana, 2012). Although visitors’ spending at destination depends on their own consumption patterns, the average spending per trip is heavily influenced by the LOS (Divisekera, 2010; Divisekera & Deegan, 2010). Additionally, the accommodation expenditure is a main component in the overall tourist spending at destination (Marrocu, Paci, & Zara, 2015).

The empirical analysis discussed in this paper focuses on Santiago de Compostela, a small city in north-western Spain that is also the political capital of the Galician region. From the point of view of tourism, it is an important tourist hotspot. With a population of 95,600 inhabitants, the city receives approximately 1.3 million visitors a year (Table 1) and its hotels registered 1.2 overnight stays a
year in the period 2006–2015 (National Statistics Institute of Spain-INE, 2016). The city’s appeal is attributable to three principal factors: firstly, its cultural heritage, as the city is included in the UNESCO World Heritage List; secondly, its university, one of the oldest academic institutions in Spain, contributing to large tourist flows related to the business/congress tourism; and finally, the Way of Saint James (Camino de Santiago), Europe’s first ever pilgrimage route. More than 30% of visitors travel to the city for reasons related to religion or the pilgrimage route (Table 3), giving Santiago de Compostela, which is situated at the end of the Way of Saint James, a specific, unique and differentiated tourist profile (a tourist destination of pilgrimage, sacred and cultural – Castro, Lois, & Lopez, 2016).

According to data from the INE (2005–2012) and the Centre of Tourist Studies and Research (CETUR, ‘Centro de Estudios e Investigaciones Turísticas’), approximately 33% of the total number of visitors to Santiago de Compostela are same-day visitors (Table 1), that remain in the city for an average of 6–7 h. With such little time at their disposal, their activity is limited to visiting the Cathedral and its surrounding area, thereby causing important issues associated with holding capacity in this most iconic of places (Castro et al., 2016). Different studies all strongly agree that, aside from generating less benefits, same-day visitors generate a higher cost than tourists, causing an excess in tourist demand and carrying capacity problems in the tourist areas of cities (Van der Borg, Costa, & Gotti, 1996; Alegre & Pou, 2006). In contrast, and although their stay is relatively short – at an average of 2.5 nights – tourists to Santiago de Compostela generate a direct economic impact in terms of expenditure equal to that of approximately 5 same-day visitors (Table 1). A considerable percentage of these tourists are pilgrims (and are therefore highly likely to stay overnight – see Table 5 for more details) whose arrival in the city is staggered at various times throughout the day. They also follow the Way of Saint James, arriving mainly on foot, and their impact on the environment is therefore lower. The redistribution of tourist flows within the city helps to reduce the carrying capacity and the loss of quality in the tourist experience. According to Alegre and Pou (2006), the fact that tourists opt for longer stays than same-day visitors is not only important in the generation of benefits but also in the reduction of the negative effects of tourism.

In light of the differences observed in terms of the impact generated by the various visitor types, in the case of tourist destinations such as Santiago, which still have considerable growth potential, it is crucial not only to increase the length of stay, but also to encourage visitors to stay overnight for at least one night. In this sense, it is fundamental to identify the factors behind such decisions in order to manage tourism policies in these cities.

The main goal of this paper is to provide an application of the study of the determinants of LOS, using a methodology that allows the factors driving the decision to stay overnight and those affecting the number of overnight stays to be different. This methodology also allows us to distinguish between same-day visitors and tourists, taking into account how the decision of the number of overnight stays is nested in the decision to stay overnight. The importance of acknowledging the interdependent nature of such decisions has been stressed in the literature. Dellaert, Ettema, and Lindh (1998) already note that, when visitors plan a trip, several interdependent decisions are taken: the choice of destination, means of transport, whether to stay overnight or not, and, in the former case, the number of overnight stays. Similarly, Nicolau and Mars (2009) emphasise that the decision of going on holidays and their duration are not independent phenomena. Wynn (2013) states that the decision to make a same-day visit and the distance of the trip are also related, and Campos-Soria, Inchausti-Sintes, and Eugenio-Martin (2015) indicate that the way tourists decide to cut back on their expenditure depends on their decision to cut back. We thus face a problem that is common in Economics: the observation of a variable depends on the value of another one. In order to model such a problem, a sample selection model can be used (Verbeek, 2012). In this study we employ a Heckman selection model.

The paper contributes to the relevant literatures, first, by adopting a Heckman selection model. This is the first empirical study using this kind of model to analyse the determinants of the LOS. This methodology is suitable for application to tourist destinations in which not all visitors are tourists, but also include a significant number of same-day visitors. Secondly, the methodology is applied to the study of LOS determinants in the particular case of Santiago de Compostela. Therefore, this paper also contributes to the understanding of tourism characteristics in this city from the length-of-stay perspective. Our analysis advances this knowledge by correcting for potential sample selection bias and studying tourist and same-day visitors separately.

The rest of the paper is structured as follows: Section two provides a general overview of the major research trends and most common methods used in LOS studies. The third part describes the empirical strategy as well as the data used in this work. The fourth part presents the results and, finally, the last section offers the key findings and policy implications that can be derived in light of the results.

Literature review

Although the interest for the study of the LOS dates back to the past century (e.g. Archer & Shea, 1975; Mak & Moncur, 1979; Mak, Moncur, & Yomonkine, 1977; Silverman, 1985; Tumberg & Crotts, 1994), the number of published papers in this area has risen in the last decades (e.g. Alegre, Mateo, & Pou 2011; Alegre & Pou, 2006; Alén, Nicolau, Losada, & Domínguez 2014; Barros, Correa, & Crouch, 2008; Barros & Machado, 2010; Barros et al., 2010; Buda, Meleddu, & Pulina, 2013; Fleischer & Pizam, 2002; Gokovali, Bahar, & Kozak, 2007; Martínez-García & Raya, 2008; Menezes, Moniz, & Vieira, 2008; Nicolau & Más, 2009; Peyto et al., 2012; Thrane, 2012; Grigolon et al., 2014; Ferrer-Rosell, Martínez-García, & Coenders, 2014; Santos, Ramos, & Rey-Maquiera, 2015; 1 CETUR is a centre affiliated to the University of Santiago the Compostela whose objective is to provide training and research related to tourism. For more information, see: http://www.usc.es/gl/institutos/cetur.
2 Of all Spain’s major city tourist destinations offering a similar or higher number of beds per inhabitant, Santiago has the lowest hotel occupancy rate (INE, 2016).
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