

Consumer Attitudes and Spending Propensity Towards Sustainable Tourism Products

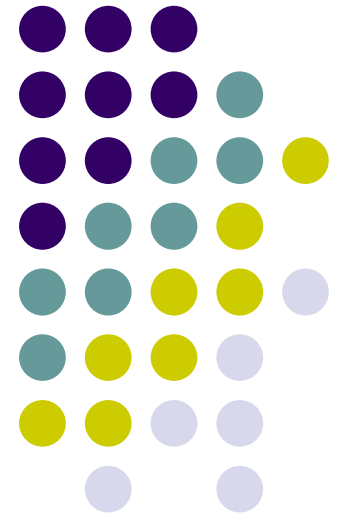
CBTS 2013

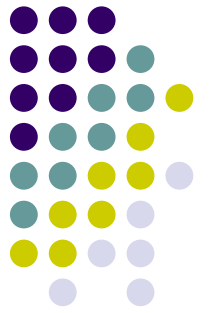
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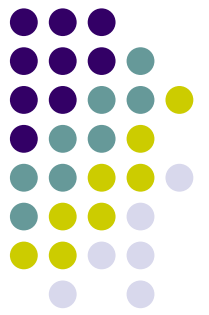
deinsuedtirol.com





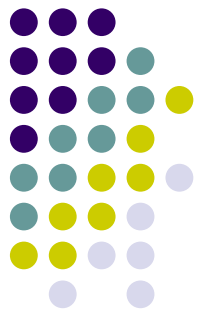
Outline

- **Introduction**
- **Main Findings**
- **Brief Literature Review**
- **Data and Methodology**
- **Empirical Analysis**
- **Summary / Conclusion**
- **Limitations / Further Research**



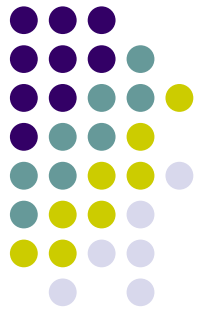
Introduction

- We study the **importance of sustainability concepts** to tourists and the factors contributing to higher spending towards sustainable tourism products.
- In particular, we study the attitudes towards sustainable tourism products focussing on **low energy housing** and **organic food/meals** offered by an accommodation.



Main Findings

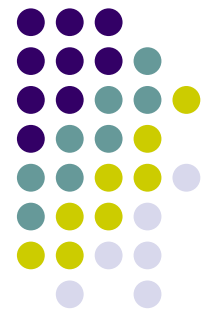
- The important aspects defining sustainable tourism for visitors are related to ***experiencing nature in an intense and profound way.***
- In terms of spending more for sustainable tourism products, **food is more important than accommodation** for the visitors.
- We observe significant **differences between visitors from Germany, Italy and locals from South Tyrol** in terms of the important aspects of sustainable tourism.



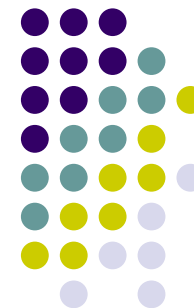
Main Findings

- Significant factors that contribute to the propensity to spend more on sustainable tourism products, i.e. on
 - low energy accommodation and
 - organic food/meals are
 - age of the respondent
 - quality of the accommodation
 - frequency of past stays in South Tyrol.

Brief Literature Review



- Kuminoff, Zhang, & Rudi 2009. Are travelers willing to pay a premium for “**Green**” hotels? ARER
 - Green hotel programs, supply-side hedonic model, premium \$9 – \$26
- Kang et al. 2012. Consumers’ WTP for green initiatives of the hotel industry. IJHM
 - Guests of high-end and mid-priced hotels and/or with green concerns have a higher WTP
- Han et al. 2011. Are lodging customers ready to go green? IJHM
 - Guests with green attitudes book green hotels, pay more for it and spread word of mouth, Gender effect exists, but no age, education and income effect.



Data

Text search ...

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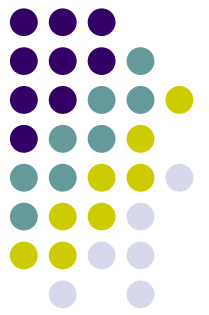
your Holiday in South Tyrol
... in one click

Holiday regions | Hotel Type | Holiday themes | Advanced search | **Leisure time**

Val Venosta Valley
Merano and Surroundings
Bolzano and Surroundings
South Tyrol's South



Valle Isarco Valley
Dolomites
Valle Aurina Valley
Val Pusteria Valley



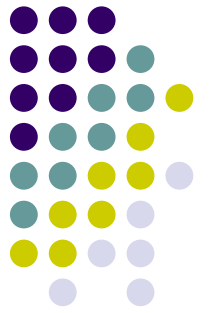
Data and Methodology

- We surveyed visitors to an online site that offers information about accommodation and restaurants in South Tyrol and collected about 335 responses.
- We employ **best-worst scaling** to describe important **attributes of sustainable tourism** in the minds of the consumer and ask for their **stated willingness to increase spending** for sustainable tourism products.



Best-Worst Scaling

most important	least important	Aspect of Sustainability
<input type="checkbox"/>	<input type="checkbox"/>	1 Experience nature in an intense and profound way
<input type="checkbox"/>	<input type="checkbox"/>	2 Choose a sustainable and eco-friendly accommodation
<input type="checkbox"/>	<input type="checkbox"/>	3 Use public transport or other means not harming the environment
<input type="checkbox"/>	<input type="checkbox"/>	4 Cope with the host region's culture and adapt to new environments
<input type="checkbox"/>	<input type="checkbox"/>	5 Care about the origin and sustainability of food/products purchased

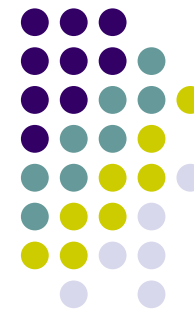


Empirical Analysis

- Best Worst Scaling.

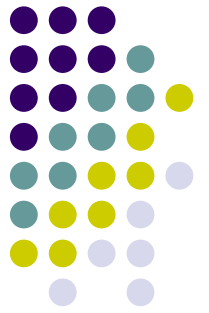
$$\textit{Standard Score} = \frac{\textit{Count}_{best} - \textit{Count}_{worst}}{m n}$$

\textit{Count}_{best}	total number of times an attribute was most important
\textit{Count}_{worst} ...	total number of times an attribute was least important
m	frequency of appearance of an attribute in the design
n	number of valid questionnaires



Best-Worst Scaling Standard Scores

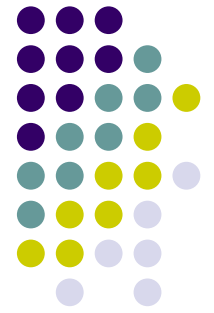
Aspect of Sustainability	All n=269	Germans n=141	Locals n=56	Italians n=48
1 Experience nature in an intense and profound way	0.249	0.152	0.022	-0.045
2 Choose a sustainable and eco-friendly accommodation	-0.056	-0.030	-0.004	0.022
3 Use public transport or other means not harming the environment	-0.156	-0.078	-0.037	0.007
4 Cope with the host region's culture and adapt to new environments	-0.033	-0.030	-0.022	0.004
5 Care about the origin and sustainability of food/products purchased	-0.004	-0.015	0.041	0.011



Best-Worst Scaling Standard Scores

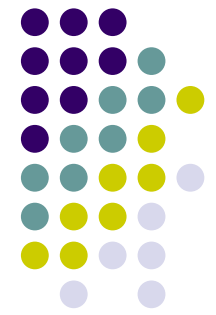
Intensity of Geographic Linkage	
Product	Standard Score
Speck & Sausages	0.551
Cheese & Milk Products	0.051
Wine	0.007
Bread Products	-0.036
Carvings & Handmade Products	-0.130
Grappa & Liquors	-0.181
Pastries & Sweets	-0.261

Willingness to Pay More for sustainable tourism products

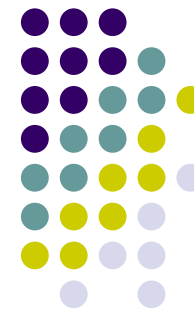


- Would you be willing to spend more if you knew that your accommodation is a carbon-neutral low energy? If yes, how much more would you be willing to spend?
- Would you be willing to spend more if you knew that all meals are exclusively made from organic products. If yes, how much more would you be willing to spend?

Willingness to Pay More for sustainable tourism products



Propensity to raise expenditures	for carbon-neutral holiday accommodation		for food/catering based on organic products	
	Frequency	Percent	Frequency	Percent
1 - 5 %	32	27.8 %	26	20.8 %
6 - 10 %	48	41.7 %	54	43.2 %
11 - 20 %	25	21.7 %	34	27.2 %
21 - 30 %	7	6.1 %	8	6.4 %
30 - 50 %	2	1.7 %	1	0.8 %
> 50 %	1	0.9 %	2	1.6 %
Subtotal	115	42.8 %	125	46.5 %
zero, no answer	154	57.2 %	144	53.5 %
Total	269	100.0 %	269	100.0 %

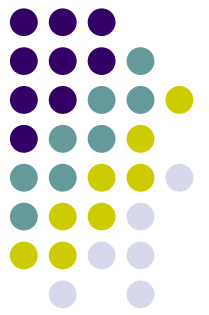


Factors that may explain the propensity to spend more for sustainable tourism products

Regression Model Dependent Variable: Propensity to spend more

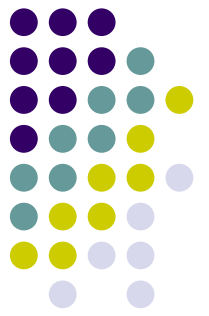
	for food catering based on organic products			for carbon-neutral holiday accommodation		
Parameter	Estimate	t-Stat	P-Value	Estimate	t-Stat	P-Value
Constant	1.402	0.309	0.758	0.370	0.075	0.941
Gender	0.513	0.370	0.712	-0.499	-0.342	0.733
Age	0.132	1.955	0.053	0.152	2.224	0.028
Education	-0.616	-0.884	0.378	-0.773	-1.016	0.312
Income	0.037	1.604	0.111	0.008	0.328	0.744
Stars	1.579	2.220	0.028	1.827	2.492	0.014
Freq. Stay	0.923	1.878	0.063	1.306	2.456	0.016
	R²=0.21	N=130	F=5.4	R²=0.24	N=120	F=6.0

Source: Schamel & Huber (2013)



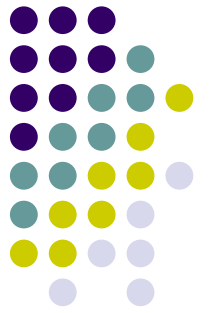
Summary and Conclusion

- Original work on relative the importance of sustainable tourism aspects to visitors of Alto Adige.
- We identify indicators that contribute to higher spending towards sustainable tourism products (i.e. low energy housing and organic food products) provided through a holiday accommodation.
- Useful information for tourism product development



Limitations / Further Reserach

- More empirical research and theoretical modelling is needed on the indicators that influence spending behaviour with respect to sustainable tourism products.
- Open question qualitative research may identify further aspects defining sustainable tourism.



Questions



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