

Understanding the Influence of Cross-National Distances on Tourist Expenditure

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Abstract : Inbound tourist expenditure might not only have influenced by individual tourist characteristics but may also be affected by nationality characteristics. The cross national distance effects on tourist consumption behavior should be incorporated in the analytical framework. Additionally, the often used factor analysis, cluster analysis and regression analysis overlook the hierarchical tourist consumption data structure and may lead to misleading results. The objectives of the present study were twofold. First, we propose a multilevel model that takes individual and cross-national differences into account under a hierarchical framework. Second, we further sought to determine the types of cross-national differences affecting tourist expenditure. Thus, this study incorporates the individual tourist effects and cross national distance effects simultaneously, uses the data of 2010 Annual Survey Report on Visitors' Expenditure and Trends in Taiwan to investigate the determinants of inbound tourist expenditure. Multilevel analysis was used to investigate the influence of individual tourist effects and cross national distance effects on inbound tourist expenditure. The empirical results show that cross national distance plays a crucial role in tourist consumption behavior. Our findings also indicate age and income have positive influence on tourism expenditure., whereas education and gender do not have significant impact. Regarding macro-level factors, geographic and cultural differences exhibited significant positive relationships on tourism expenditure, while economic differences did not. Based on the above empirical results, it is suggested that tour operators should take tourists' individual attributes, particularly their income and age, into consideration when arranging tours. In addition, nationality holds sway over tourists' consumption behavior, of which geographic and cultural differences are the two major factors at play. The empirical results of this study serve as practical suggestions for tourism marketing strategies and policy implications for government policies.

Keywords : cross national distance, inbound tourist, multilevel analysis, tourist expenditure

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