Tourists’ local expenditures and the contribution to the destination’s economy

The example of the mass tourist destination Side, Turkey

Department of Environmental Sciences
Cultural Geography Chair Group

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Student’s full name: Nick Diederich Herman van Faals
Student’s registration number: 910718-236-090
Examiners’ names: dr. ir. M.H. (Maarten) Jacobs
dr. ir. K.B.M. (Karin) Peters
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Summary

Mass tourism favours the big foreign companies compared to the small local companies (Britton, 1982). It is claimed that mass tourists’ expenditures marginally contribute to the destination’s economy, as high leakage effects of the tourists’ expenditures are involved (e.g. Meyer, 2007; Mowforth & Munt, 2009). Also, enclave tourists spend marginally in the tourist destination (Rewtrakunphaiboon & Oppewal, 2004; Anderson, 2011, 2012; Carlisle & Jones, 2012; Shaw & Shaw, 1999). This thesis is focussed on this societal problem. Literature on the tourists’ local expenditures and leakage effects in mass tourist destinations has been reviewed, which resulted in an overall gap in knowledge on empirical literature on tourists’ local expenditures and the leakage effects of tourists’ local expenditures outside the accommodation especially in Mediterranean countries. For this reason, the empirical part of this thesis consists of two studies, a first study on tourists’ local expenditures outside the accommodation and a second study on the local companies’ contribution to the destination’s economy. The study area is the mass tourist destination Side in Turkey. A tourist- and company questionnaire have been distributed in order to obtain the results. The sample contains 123 respondents and 46 local companies. The sampling took place between 21 and 30 April 2014, which covers Eastern holiday for most of the nationalities.

Concerning the first study, next to the descriptive information on tourists’ local expenditures, two hypotheses have been tested. H1: Tourist mode has an effect on the tourists’ local expenditures outside the accommodation. H2: Nationality has an effect on the tourists’ local expenditures outside the accommodation.

Hypothesis 1 has been accepted. Tourist mode has an effect on the tourists’ local expenditures outside the accommodation. Results show that the total daily average local expenditures are higher for non-all-inclusive tourists (€39.76) compared to the all-inclusive tourists (€24.95). Yet, the effect of tourist mode on the tourists’ local expenditures is just significant for two expenditure items: all-inclusive tourists spend only significantly less than non-all-inclusive tourists on food and beverage and activities. All-inclusive tourists spend the same as non-all-inclusive tourists on the other four expenditure categories: public transport, personal products, gifts/souvenirs and on other expenditures.

Concerning nationality and tourists’ local expenditures. The total daily average local expenditures are for German tourists, €30.98, Scandinavians spend €29.38 and the Dutch tourists spend daily €17.41. Yet, hypothesis 2 has been rejected. Nationality has no significant effect on the tourists’ local expenditures outside the accommodation.

Concerning the second study, local companies’ contribution to the Turkish economy on ownership, purchases and employment has been revealed. This research question contributes to the existing literature on leakage effects on accommodation costs and tour operator/flight costs. The results on the local companies’ contribution to the Turkish economy are as follow: Almost all the sampled companies are Turkish owned. The companies of the sample employ mainly Turkish staff (94.5%) and 73.4% of the companies’ products are made or produced in Turkey. Local companies’ contribution to the Turkish economy can be considered as substantial.

Based on the results of the two studies, it is possible to estimate the leakage effects of tourists’ local expenditures on food and beverage, personal products and gifts/souvenirs. It is estimated that around 5% of the tourists’ local expenditures on food and beverage leaks out of the destination Turkey. Furthermore, 24% of the tourists’ local expenditures on personal products and gifts/souvenirs has been estimated as leakage.
Also, the results have been compared with earlier studies on tourists’ expenditures and leakage effects. A comparison of the tourists’ local expenditures in Side with Zanzibar, resulted that in Side as well as in Zanzibar, all-inclusive tourists spend daily 40-50% less than non-all-inclusive tourists. Next to this, earlier researches in the Canary islands and Balearic islands found differences between nationality and tourists’ local expenditures (Díaz-Pérez et al., 2005; Aguilo & Juaneda, 2000). In contrast, in this thesis no effect of nationality on tourists’ local expenditures has been found in Side.

This thesis provides information for the (local) government and tourism planners. The results can be used in policy making (spatial planning, (local) economic stimulation etc.) and for marketing purposes.

Limitations of this research are as follows. First of all, travel agencies and bars are underrepresented in the sample of the companies. Secondly, the non-all-inclusive tourist group has not been specified. A larger sample should allow a distinction between the several non-all-inclusive tourist groups, which leads to a more specific analysis. Thirdly, the sampling location for the tourists was limited to the centre. An extension of the sampling in all-inclusive resorts should be an addition. Finally, also other ways of local companies’ contribution to the Turkish economy exist, which have not been researched in this thesis.

**Keywords:** Tourists’ local expenditures, local companies’ contribution, destination’s economy, leakage effects, all-inclusive tourism, Side, Turkey
Preface

This thesis is about tourists’ local expenditures and the contribution to the destination’s economy. I have chosen for this topic for several reasons. I have experienced that a lot of tourists stay in all-inclusive resorts in mass tourist destinations as Turkey (I also have stayed in all-inclusive resorts). I have read that it is often the case that resorts are foreign owned. I got also the feeling that tourists mainly stay in their resort and do not spend on local activities outside the resort. I wondered, is this ‘enclavistic’ form of tourism contributing the economy of the tourist destination. Of course, I saw a lot of local employees working in these resorts and outside the resorts, several companies as local shops and local restaurants can be found. My expenditures in these shops and restaurants gave me a good feeling. I thought this really contributes to the locals who are doing their businesses. Yet, I got the idea that the most enclave tourists just stay in their resort and marginally spend on these local activities. I would like to know more in an academic way about this subject. During the course Concepts & Approaches I have read Britton’s article ‘Political economy of tourism in the Third World’. It was the first time I got in touch with academic theory about leakage effects of tourists’ expenditures and foreign ownership of tourism facilities. After this, in the course about sustainable tourism I focused the practical assignment on the tourism industry and the development of linkages with the destination’s economy.

Do enclave tourists really stay behind the fences of their ‘enclavistic’ resort and do they really spend marginally outside their resort? And if they spend money outside their resort. To what extent do these expenditures contribute to the destination’s economy? In brief, is it really the case that enclave tourists contribute marginally to the destination’s economy? I decided to focus my research on these questions. In January 2014 I started my thesis on the tourists’ local expenditures in Side, Turkey and the contribution to the destination’s economy.

Before introducing the topic of this research more extensively, I would like to thank Maarten Jacobs for his guidance and support which was very useful for the progress of the research. Also, the tourists and company managers and -workers in Side thanks for cooperation in the development of this research. Finally, I would like to thank my fellow students, family and friends for their useful advice during the research process.

Nick van Faals
Wageningen, July 2014
1. Introduction

Apostolopoulos, Loukissas and Leontidou (2001) state that tourism is one of the most important economic activities in the Mediterranean coastal regions. In contrast, it is argued that the local community is not benefiting from tourism (e.g. Mowforth & Munt, 2009; Britton, 1982). This research is focused on the contribution of mass tourism to the economy of the tourist destination. This first chapter will introduce this topic. The introduction entails several subtopics. First of all, the phenomenon mass tourism and their marginal contribution to the destination’s economy will be discussed. Secondly, the phenomenon leakage effects in the tourism industry is introduced extensively. Leakage effects are defined as the part of tourists’ expenditures that flows out or does not reach the tourist destination (Meyer, 2007). Thirdly, the domination of transnational companies in the tourism industry is mentioned more extensively as transnational companies are involved in the leakages of tourists’ expenditures (Mowforth & Munt, 2009). To end the introduction, critiques on enclave tourists’ marginal contribution on the destination’s economy of several authors will be discussed.

1.1 Mass tourism and their marginal contribution to the destination’s economy

Mass tourism is a type of tourism involving large numbers of tourists, which is highly commercialized and offers less opportunities for contact with and understanding of the hosts (Gursoy, Chi & Dyer, 2010; Apostolopoulos et al., 2001). Mass tourism is a quantitative notion, it is based on the amount of tourists (Burkart & Medlik, 1974). Mass tourists consume collectively and the industry is characterized by large-scale standardized production (Bramwell, 2004). Mowforth & Munt (2009) refer to fordism, which is about the economy of scale by mass-production and mass-consumption. This is associated to mass tourism, which is an organized packaged and standardized form of tourism (Mowforth & Munt, 2009; Urry, 1990; Apostolopoulos et al., 2001). Mass tourism is a phenomenon that has economic, environmental, social and cultural impacts on the destination (Palomino, 2003; Mowforth & Munt, 2009). Enclave tourism is a specific form of mass tourism. Hotels and tourism facilities built in a confined space as tourism spaces with bounded territories are characteristics of enclave tourism (Hazbun, 2010). Enclave tourists stay in an all-inclusive resort (Issa & Jayawardena, 2003).

According to Britton (1982) it became obvious that mass tourism favours the big foreign tourist companies compared to the small local enterprises. This means that the tourists’ expenditures leak out of the destination. High levels of revenue leakages in the tourist destination means that the destination’s economy does not profit from tourism in developing countries (Chirenje, Chitotombe, Gukurume, Chazovachii & Chitongo, 2013). Kalisch (2001) states that transnational companies dominate 80 per cent of the mass tourism market. Transnational companies are transnational in their operations, are based in a First World country and control and dominate the tourism activities (Mowforth & Munt, 2009). In terms of leakages, Mowforth & Munt (2009) state that more than 50 per cent of the tourists’ expenditures never reach the Third World tourist destination or leaks out of the Third World destination. Anyango, Van der Duim & Peters (2013) studied that 54% of the total (Dutch) tourists’ expenditures is spent on the international flight and the margins of the tour operator. Mowforth & Munt (2009) state that the most of the costs on a holiday by an European tourist to a Third World destination is spent on accommodation and the flight. Mainly, the hotels, airlines and tour operators are owned and operated by transnational organisations from the industrialised world (Mowforth & Munt, 2009). Besides the foreign ownership issue, Carlisle & Jones (2012) showed the concern of the specific form of all-inclusive holidays in the Caribbean. Hall (1999) indicated that ‘the ministry of tourism stated ‘we want visitors to interact with our people and culture … if the tourists are
restricted to one place because they have paid in advance for drinks and meals there is no benefit to our country. The local restaurants, bars, taxis and arts and crafts sellers all suffer’ (p. 12). Also, Shaw & Shaw (1999) explain based on examples from Indonesia that enclave resorts try to limit the interactions between tourists and the local community. Enclave tourists have a negative impact on the level of local expenditures in the tourist destination (Rewtrakunphaiboon & Oppewal, 2004; Anderson, 2011, 2012; Carlisle & Jones, 2012; Shaw & Shaw, 1999).

1.2 Leakage effects in the tourism industry

Leakage is a term that describes the percentage of the tourists’ expenditures for the holiday that leaves the tourist destination in terms of imports, expatriated profits or the expenditures never reach the tourist destination (involvement of intermediaries) (Meyer, 2007). Mbaiwa (2005) states that around 71% of the tourism revenue in Botswana leaks out of the country. This can be breached down as follows: 55% of the tourists’ expenditures was already spent outside the country as the tour operator/flight costs, 16% can be accounted as internal leakages; money that leaks out as a result of tourist-related imports. Only the remaining 29% is spent on local goods, wages, taxes and other local activities which favours the local community of the country. The level of leakage reflects the economic power of the transnational companies in the tourist destination compared to the local enterprises and the local government (Mowforth & Munt, 2009). In the most developing countries an internal leakage of 40-50% occurs, in most advanced and diversified developing countries the internal leakage is 10-20% (Meyer, 2007). It is argued that the tourism industry creates high indirect and direct economic impacts in the destination (ibid.). Several authors researched that the multipliers are often considered low, due to the high dependency on foreign capital, skills and management personal as well as imports in the tourist destination (ibid.). Meyer (2007) states that countries with high leakages also have low multiplier rates, which means that the tourist countries’ economy benefits less from tourists’ expenditures.

1.3 Domination of transnational companies in the tourism industry

Sustainability can be divided in the following three aspects, social sustainability, ecological sustainability and cultural sustainability (Mowforth & Munt, 2009). Local economic development is related to social sustainability. It is argued that the local community is not benefiting from tourism. A lot of the resorts are owned by transnational companies (Britton, 1982; Mowforth & Munt, 2009). TNCs control the tourism industry and a lot of the money spend by the tourists leaks out of the destination (Mowforth & Munt, 2009). Lea (1988) states ‘the three main branches of the industry - hotels, airlines and tour companies - have become increasingly transnational in their operations in the 1970s and 1980s, to the point where these large enterprises dominate all others’ (p. 12). The tourism activities are controlled and owned by the transnational organisations (ownership of the TNCs are in the First world) (Mowforth & Munt, 2009; Hong, 1985; Lea, 1988; Madeley, 1996). Only a small amount of the tourists’ expenditures is spent in the destination on local activities, as the rest leaks out of the destination (Mowforth & Munt, 2009). The relative low amount of locally owned businesses in a tourist destination compared to the amount of foreign owned business is caused by the following factors; local citizens have limited knowledge, experience and skills in running a business and the lack of capital for starting a business (Mbaiwa, 2005; Britton, 1982). Also, destinations cannot deal with the high demand for goods and services needed for large numbers of mass tourists which leads to high imports, and so internal leakage effects (Meyer, 2007).
1.4 Critiques on enclave tourists’ marginal contribution to the destination’s economy

According to these statements above, it can be concluded that the tourists’ behaviour in mass tourist destinations only marginally contributes to the local economic development of the destination. Shaw & Shaw (1999) state that resorts discourage economic and cultural interaction outside the resort in order to maximise profit. Shaw & Shaw (1999) explain based on examples from Indonesia that enclave resorts try to limit the interactions between tourists and the local community. Reid (1992) would describe the enclave resorts as ‘concentration camps of leisure’ (p. 75).

In contrast to this, it can be argued that tourists want to have multidimensional experiences, which means that they also visit local restaurants, local shops, and other attractions outside the hotel (Kozak, 2002). During these visits linkages with the local community will be made. This is stated by Kozak (2002): ‘When tourists visit a destination, they stay at a hotel, often eat somewhere outside the hotel, shop, communicate with local people or employees and other colleagues and visit natural, cultural or historical places’ (p. 223). This means that linkages can be made with the local community, which contribute to the local economic development. Furthermore, Santana Turegano (2006) concluded in his case study in the Canary Islands that the non-accommodation sector is mainly not foreign-owned and locals do benefit in a great extent from the tourists.

These contradicting statements give even more reasons to research the expenditures of enclave tourists on local companies outside their resorts. To end this paragraph, Sandbrook (2010) argues that tourism is important for the local community regardless the considerable leakage effects. He researched that in Uganda the leakage is more than 75%, yet the revenue earned by tourism is greater than all other sources of revenue combined.

1.5 Conclusion of the societal problem: preliminary research objective

The societal problem is that the local community profits marginally from the tourism development in mass tourist destinations. Enclave tourists spend marginally in the tourist destination and if they spend, it marginally contributes to the destination’s economy as leakage effects are involved.

This scientific research gives more insight in the tourists’ local expenditures especially focussing on enclave tourists’ local expenditures and the leakage effects of the tourists’ expenditures in a mass tourist destination.

1.6 Outline of the thesis

The next chapter discusses literature on the (enclave) tourists’ local expenditures and leakage effects in mass tourist destinations. The chapter describes empirical and theoretical literature in order to support the statements in the introduction and to identify gaps in knowledge. Then, the research objective for this thesis has been formulated in chapter 3. After this, the relevance of the research, the conceptual model and the formulation of the hypotheses and the research question follow, which are based on the theoretical framework and the research objective. Furthermore, the methods are described in chapter 4, which discuss the data collection and the questionnaire construction in order to test the hypotheses and to answer the research question. Then, the results give empirical information on tourists’ local expenditures and the local companies’ contribution to the destination’s economy. The discussion follows in chapter 6, which reflects on the results of this thesis. The results have been compared with earlier studies and theories on tourists’ expenditures and leakage effects. Also, an estimation on the leakage effects of tourists’ local expenditures has been made. In chapter 7, the limitations of this present study are discussed. This chapter entails limitations on the results and the
methods including the impact of the limitations on the results. After all, the conclusion reflects on the main objectives and the main results of this thesis. Also, the practical implications of the results are explained. The conclusion ends with proposals for future research. Before we continue the discussion on the literature, work definitions for this thesis have been defined below. These definitions should be taken into account when these terms are used in this entire thesis.

Work definitions

Enclave tourists/ all-inclusive tourists

Enclave tourists are considered as all-inclusive tourists, the tourist mode all-inclusive is explained in paragraph 3.2.1. Concepts.

Destination’s economy

Unless mentioned otherwise, the destination’s economy is the same as the national economy of a country. This means that Turkey is meant for the empirical data of this present research. The term is used to distinguish the national economy (Turkey) from foreign economies. Leakages will be discussed here in this thesis on national scale, as more studies on leakages did as well (Chirenje et al., 2013).

Local company

A local company, is any company in the tourist destination except from the accommodations. It is assumed that outside the accommodation, tourists spend their money in local companies.
2. Theoretical framework

2.1 Introduction

As mentioned in the introduction, the thesis is focussed on getting insight in the (enclave) tourists’ local expenditures and the leakage effects of the tourists’ expenditures. The introduction concluded that leakage effects of the tourists’ expenditures exist and enclave tourists spend marginally in the tourist destination. Yet, we have seen that there is also critique on these statements. The theoretical framework gives insight in theoretical and empirical literature and identifies gaps in knowledge on these topics. The theoretical framework is divided into two parts. Firstly, literature on leakage effects in the tourism industry is reviewed in paragraph 2.2. Secondly, literature on (enclave) tourists’ local expenditures follows in paragraph 2.3. The theoretical framework ends with gaps in knowledge on the topic of leakage effects in the tourism industry and tourists’ local expenditures in paragraph 2.4.

2.2 Leakage effects in the tourism industry

The first part of the theoretical framework is about leakage effects of tourists’ expenditures. Theoretical and empirical literature on leakage effects have been included. After describing the concept of leakage explained in the literature of Meyer (2007) and Supradist (2004) empirical studies on the most significant types of leakages and points of leakages follow. This part of the theoretical framework ends with the main findings and limitations on the reviewed literature on leakage effects of tourists’ expenditures.

2.2.1 The concept of leakage

The concept of leakage is explained by multiplier effects in the tourism industry (see figure 1). After that, a distinction between types and points of leakages follows (see figure 2).

Figure 1 shows the link between leakages, linkages and multipliers in the tourism industry. A multiplier is a total effect on the economy by creating a new job or economic activity (Mitchell & Faal, 2007). Tourists’ expenditures create multiplier effects by direct impacts, indirect and induced impacts. Multipliers are created by the tourist spending which directly leads to jobs in the tourism sector (direct impacts). Furthermore, the wages earned in the tourism sector (induced impacts) and the linkages made between the tourism industry and other sectors (indirect impacts) (Meyer, 2007).

Yet, the multiplier effects seem often less than expected caused by leakage effects of tourists’ expenditures to external economies (ibid.). Investments costs are required in tourism and the destination’s economy cannot deal with the high demand of services and goods needed for the mass tourists (ibid.). These facts lead to a dependency on foreign capital, skills, management and imports of goods (ibid.) and so import leakages do occur. The mentioned import leakage effect consists of the components foreign purchases and foreign employees. The creation of linkages with other sectors of the destination’s economy aims to reduce the import leakage. In other words, foreign imports will be substituted with local products and employees.

My critique to this model, is the incompleteness of the leakages. The circle external economies should also include the other leakage effects: profit repatriation and pre-leakage (Chirenje et al., 2013; Supradist, 2004).

Types of leakages

As mentioned before in the introduction, leakage is a term that describes the percentage of the tourists’ expenditures for the holiday that leaves the tourist destination in terms of imports, expatriated profits or the expenditures never reach the tourist destination (involvement of intermediaries) (Meyer, 2007). Foreign-based transactions are involved in the sector which lead to leakages (Anderson, 2013). In short, leakage can be defined as the part of the holiday price paid by the tourists, that leaves or never reaches the tourist destination (Meyer, 2007; Anderson, 2013). Supradist (2004) defines leakage as: ‘leakage is an amount of money that is subtracted from the tourists’ expenditures to that area’ p. 19. Sandbrook (2010) explains leakage even more broadly as ‘the failure of tourist spending to remain in the destination economy’ p.124.

In this thesis the term destination’s economy is equal to the national economy of the country. As Chirenje et al. (2013) claim that most of the studies about leakages focus on the national scale, I focus on the national scale as well in this thesis. The reason for this is mainly, that it is claimed that in Turkey a lot of tourism facilities are foreign owned (Mbaiwa, 2005), so the extent of other foreign involvement is of interesting. Furthermore it is difficult to define the borders of the tourist destination if the region of the specific tourist destination has been chosen as destination’s economy.

A distinction between external leakages and internal leakages is explained below (Meyer, 2007; Anderson, 2013; Chirenje et al., 2013; Supradist, 2004):

External leakages (2 forms) occur due to the involvement of intermediaries in the tourist-generating countries, the origin of the tourists. This is the difference between the tourists’ expenditures in tourist generating countries and the received tourists’ expenditures in the host countries. This is caused by the tour-operators and other packagers based in the tourist generating countries who buy the services of the host country and resell it as a package (Anderson, 2013). Sometimes, the tourists’ expenditures that reach the host country are just equal to the local expenses of the host resorts (ibid.). In this case they even do not make profit. The external leakages are mainly high in the all-inclusive tours (ibid.). The above is also called pre-leakage (Supradist, 2004). The other form of external leakage occurs
because of foreign ownership of tourism facilities; in the foreign owned tourist companies (as hotels) profits are expatriated which is an example of an external leakage (Supradist, 2004; Chirenje et al., 2013).

Internal leakages can be accounted as foreign imports. Tourists pay locally, yet the expenditure is used to import the needed input (goods and services) used in the tourism industry. The destination’s economy is not able to produce the required goods and services for the tourism industry themselves and has to import these goods and services (Anderson, 2013). These kind of leakages are likely the case in countries with a small resource base to produce goods and services (ibid.). Regarding to services, there could be no qualified personnel available in the own country for example. Foreign employment is also a part of internal leakage (ibid.).


Figure 2 is retrieved from the article of Chirenje et al. (2013). It describes the level of the types of the most important leakages in Nyanga. The purpose of this figure is to give an insight in the types of leakages, the level of each type of leakage for Nyanga (the figure is based on the research of Chirenje et al. (2013) in Nyanga) is of no importance in this part of the thesis. The explanation of the types of leakages can be found above the figure. The pre-leakage is mentioned as a separate leakage in the figure. Yet, it is a kind of external leakage (Chirenje et al, 2013; Anderson, 2013; Meyer, 2007).

Concerning the local spending pattern of the tourists. External leakage occurs when the tourists’ expenditures is not on locally owned service providers, yet it concerns foreign service providers and profit repatriation is the case (Chirenje et al., 2013). Also, internal leakage occurs when the goods used by the service providers are imported. Furthermore, employment (not mentioned in the figure) is a point of internal leakage and occurs when tourism establishments employ non local employees instead
of local employees (ibid.). The costs paid locally for foreign employees is a point of internal leakage (Supradist, 2004).

2.2.2 Empirical literature on leakage effects in the tourism industry

Anyango et al. (2013) revealed the percentage of the pre-leakage effect of total Dutch tourists’ expenditures on trips to Sub Saharan Africa, Asia, Middle and South America and North Africa and the Middle East. The result is that 54% of the total tourists’ expenditures do not reach the tourist destination as these expenditures are in favour of the tour operators margin, tour leaders wages and the international flight. The other 46% is spent on accommodation, local transport and personal expenses (as tips, visa, optional excursions). This does not mean that the whole 46% of these expenditures are in favour of the destination’s economy, a part of the 46% could leak out of the tourist destination for example in case of ownership structures. This research lacks empirical data on leakage effects of these expenditures. This research revealed the percentage of the pre-leakage effect of total tourists’ expenditures. The internal and external leakage effects of the other expenditures were not researched. Furthermore, the types of the holidays, concerning tourist mode, under research were not totally clear.

Mbaiwa (2005), Anderson (2013) and Britton (1982) studied the extent of foreign ownership in respectively the Okavango region in Botswana, Zanzibar and three Pacific islands (Fiji, Cook island and Tonga). Around 50% of the tourist resorts and/or tourism facilities in the Okavango region and Zanzibar are foreign owned. In Fiji and the Cook islands, around 60% of the total rooms is foreign owned. Britton’s article is from 1982, the situation in the Pacific islands might be changed. Explained by Mbaiwa (2005), the foreign ownership leads to tourism revenue repatriation, domination of management positions by foreigners and lower salaries for local employees. Mbaiwa (2005) state in his research that foreign ownership domination as in the Okavango region is also the case in other developing countries as Turkey.

Chirenje et al. (2013) discuss the extent of the leakage effects per leakage type for a specific region, Nyanga in Zimbabwe. Yet, the information from this article is useful for the creation of the theoretical framework in order to identify the types of leakages and points of leakages. The definition of leakage used in this research is narrow. They argue that the situation of the national scale does not reflect the situation on the local level of the region Nyanga. For this reason, a leakage effect is defined as a leakage effect when the expenditure goes out of the region Nyanga and not when the expenditure goes out of the country Zimbabwe. The main empirical data is that the leakage effects in Nyanga are not high because of the low amount of tourists in the region. Though, internal leakage concerning purchases and employment is the dominant form of leakage by the hospitality providers. 80% of the purchases is Zimbabwean, yet not from the region but mainly from the city Murare. Furthermore, 50% of the full time employees is non-local. Chirenje et al. (2013) also studied that 12.83% of the tourists’ total daily local expenditures goes to locally owned activities.

Gezici (2006) studied the local involvement in hotels in the destination Side, Turkey. The result showed that 60% of the hotels are owned outside the region. Furthermore, around 95% of the employees comes from outside the region in Side. Two points of leakages have been researched in hotels (ownership and employment). In this research the definition of leakage used is also narrow (comparable to the definition of Chirenje et al. (2013)), meaning that leakage effects counts as leakage effects when revenue goes out of the region of Side instead of Turkey as a whole. If these results focus on the national scale; a total different result (less leakages) will likely be the case. Another limitation is that internal leakage in the hotels has not been researched in this article. Lastly, the results for Side are based on 30 accommodations, this amount could be negotiable.
Anderson (2013) studied the extent of the internal leakage effects in Zanzibar, the result is an overview of the foreign and local imports of the resorts, foreign means outside Zanzibar. He concluded that only 16.9% comes from local sources. Anderson (2013) states that expenditures on food supplies cover the largest part of the resorts’ expenditures. Only 14.8% of the food has been imported locally, the rest (85.2%) is imported. More than 75% of the compensation of employees (as wages) is not in favour of the destination’s economy as it goes to the foreign employees in the tourist resorts and leaks out of the tourist destination. The resorts’ expenditures that mainly go the destination’s economy are laundry (70%), maintenance and repairs (80%), fish and other sea food (85%) and road transport services of freight (62%). The resorts’ expenditures on most utilities as water and electricity, governmental taxes, licensing fees and levies retain for 100% local. The internal leakages in Zanzibar can be considered as high. This research does not show the importance/size per import item (as a percentage of revenue), which is needed to calculate the size of the difference between foreign and local contribution in terms of money related to import items.

Mbaiwa (2005) stated that the tourism’s contribution to the gross domestic product is minimal in Botswana as the tourism industry is focused on foreign services and has low linkages to other sectors. Also, Britton (1982) concluded that the foreign owned companies in Fiji and the Cook islands together receive the majority of the tourists’ expenditures. Tsartas (1992) researched that the nonlocal inhabitants or returning migrants on Ios and Serifos, two Greek islands, who have their businesses on the islands profit the most.

Types of expenditures and related leakage effects

The following table on the leakage effects of tourists’ expenditures (table 1) is based on the reviewed literature and shows the several leakage effects of tourists’ total expenditures. Leakage effects have been subdivided by each type of expenditure.

| Table 1: Tourists’ expenditures and leakage effects. Developed in this study based on discussed literature and theories (e.g. Chirenje et al., 2013; Anyango et al., 2013; Supradist, 2004; Anderson, 2011). |
|-------------------------------------------------|-----------------|-----------------|-----------------|
| **Type of expenditures**                        | **Part of total tourists’ expenditures** | **Extent of leakages (of total tourists’ expenditures)** | **Types of leakages involved** |
| Flight/tour operator costs                      | 50%             | 50%             | Pre-leakage     |
| Accommodation costs                             | 18%             | 5.4%            | Profit repatriation (foreign ownership) |
| Local expenditures (food and beverage, entertainment, souvenirs, local transport, excursions, tips etc.) | 32%             | 9.6%            | Profit repatriation (foreign ownership) |
| Total tourists’ expenditures                    | 100%            | 65%             | Pre-leakage and Profit repatriation |

Table 1 shows the types of expenditures and their part of the total tourists’ expenditures. Furthermore, it shows the extent, types and points of leakages of each type of expenditure. The percentages are based on the averages in the reviewed literature. Three types of expenditures consisting leakage effects have been distinguished. First of all, the flight and tour operator costs are the greatest part of the total tourists’ expenditures (50%). These costs can totally be considered as pre-leakage as external point of leakage. This means that 50% of total tourists’ expenditures is considered as pre-leakage (Anyango et
al., 2013; Mbaiwa, 2005). The remaining leakage effects (should be < 50%) occur in the tourist destination. The second type of expenditure is the accommodation costs (= costs of stay), 18% of the total tourists’ expenditures goes to accommodation costs. The last type of expenditure is the local expenditures, which covers 32% of total tourists’ expenditures. These two types of expenditures contain external points of leakage (profit repatriation) and internal points of leakage (foreign purchases and employment of foreigners to provide the accommodations or other companies). Meyer (2007) states that in developing countries an internal leakage of 40-50% occur. This is 10-20% in more advanced and diversified developing countries (ibid.). The average of an internal leakage effect of 30% will be taken in order to calculate the internal leakage effects of each of these two types of expenditures. The external leakage point on profit (profit repatriation) is unknown, in this calculation it is assumed that the external leakage effect on profit is 30% as well. Then, an extent of around 30% leakage effects of the accommodation costs and local expenditures is the case. This means that a leakage of around 5.4% of total tourists’ expenditures and around 9.6% of total tourists’ expenditures can be accounted to respectively accommodation costs and local expenditures. To conclude, it is estimated that around 65% of the total tourists’ expenditures leaks out of the destination’s economy or does not reach the destination’s economy.

The local expenditures consists of 32% of total tourists’ expenditures (ibid.). For enclave tourists this could be less percent (e.g. Britton, 1982; Pearce, 1988; Issa & Jayawardena, 2003; Carlisle & Jones, 2012). Furthermore, the local expenditures could take place inside as well as outside the accommodation.

Overall, the above reviewed literature suggests that:

- The part of total tourists’ expenditures that leaks out of the destination’s economy or does not reach the destination’s economy is estimated on 65% of total tourists’ expenditures;
- Mainly leakage effects in the booking phase and in resorts have been researched;
- Leakage effects of tourists’ local expenditures outside the accommodation have been underresearched;
- Earlier research on leakage effects is mainly conducted in African countries.

This thesis is focused on the tourists’ local expenditures and the leakage effects of tourists’ local expenditures. The third row of the table shows the focus of the thesis. This focus is further explained in chapter 3. Research objective. The next paragraph of the theoretical framework discusses literature on tourists’ local expenditures.

2.3 (Enclave) tourists’ local expenditures

The second part of the theoretical framework is about the (enclave) tourists’ local expenditures. Especially, literature on enclave tourists’ local expenditures compared to other tourist modes, the distribution of tourists’ local expenditures and differences between nationalities have been reviewed. In total, five studies have been reviewed. These five studies gave an extensive overview of the existed literature on tourists’ local expenditures by tourist mode and nationality. This second part ends with the main findings and limitations on the reviewed empirical data on (enclave) tourists’ local expenditures.

Several researchers have studied the effect of tourist mode on tourists’ local expenditures. Anderson (2012) studied that the all-inclusive tourists spend less in the tourist destination compared to the tourists who have booked a less inclusive tourism product in the Balearic islands. Yet, Anderson’s (2012) study is based on descriptive statistics, no statistical test has been conducted in order to test the
effect of tourist mode on the tourists’ local expenditures. Additionally, Anderson (2011) and Aguiló & Juaneda (2000) found statistically that the all-inclusive tourists spend significantly less in the tourist destination than tourists with another tourist mode in respectively Zanzibar and the Balearic islands. Yet, only Anderson’s conclusion (2011) is focused on the local expenditures outside the accommodation. Also, expenditure items have been distinguished by Anderson (2011). The percentage of the enclave tourists’ expenditures on the items restaurant, café & bar is lower than the percentage of other tourist modes’ expenditures in the destination Zanzibar. In addition to this, Aguiló & Juaneda (2000) concluded that the type of package is a predictor for the tourists’ expenditure pattern in the destination.

Concerning the methods of Anderson (2011, 2012) and Aguiló & Juaneda (2000), the tourists were interviewed at the end of their holiday at the airport. The results could be negotiable on validity as tourists had to fill in their expenses of their holiday before and during the holiday in just one moment.

Several researchers also found a relationship between tourists’ local expenditures and nationality. Doğan et al. (2012) studied that the majority of German as well as the Russian tourists spend between 1-250 Euros in Alanya, Turkey. Yet, chi square test results show that the Germans spend more than Russians in the first two expenditure ranges: 1-250 euros and 251-500 euros. As a critique on the methods, the ranges of the expenditure amounts are very broad. Díaz-Pérez et al. (2005) & Aguilo & Juaneda (2000), also researched that nationality is a predictor for the tourists’ expenditures in respectively the destinations, the Canary islands and the Balearic islands. Díaz-Pérez et al. (2005) found that Britain and German tourists spend significantly less than the other nationalities in the Canary islands. Aguilo & Juaneda (2000) studied that Scandinavian and Italian tourists spend more than German tourists in the tourist destination, the Balearic islands. Furthermore, British, Spanish, French and Belgian tourists spend less than the German.

Overall the reviewed literature on tourists’ local expenditures suggests that:

- A relationship between tourist mode and tourists’ local expenditures has been found in Zanzibar and the Balearics;
- A relationship between nationality and tourists’ local expenditures has been found in Alanya, the Balearics and the Canary islands;
- Limited research has been found on local expenditures explicitly made outside the accommodation;
- Methodologies in several researches are negotiable on validity because of the chosen sampling location and the asked information.

2.4 Conclusion theoretical framework

The theoretical framework has discussed theoretical and empirical literature on tourists’ local expenditures and the leakage effects in the tourism industry.

The overall gap in knowledge is on:

- Empirical literature on tourists’ local expenditures outside the accommodation;
- Empirical literature on leakage effects of tourists’ local expenditures outside the accommodation;
- Appropriate use of methods in research on local expenditures;
- Research on leakage effects in Mediterranean countries.
3. Research objective

The discussed literature gave an insight in the enclave tourists’ local expenditures, compared with tourists’ local expenditures with other tourist modes. Furthermore, the discussed literature was about the extent of leakage effects in tourist destinations (leakage on tour operator/flight costs and foreign ownership, purchases and employment in the specific tourist destination). This present study makes a contribution to the literature on tourists’ local expenditures and leakage effects of tourists’ local expenditures. Based on the identification of gaps in knowledge, the following research objective has been formulated:

The objective of the thesis is to reveal empirical data on tourists’ local expenditures and the leakage effects of tourists’ local expenditures outside the accommodation. The focus is on the Mediterranean mass tourist destination, Side in Turkey, as limited researches on this topic in Mediterranean countries have been found and Turkey ranks 6th of most visited tourist destinations of the world in 2013 (UNWTO, 2014).

Looking back to table 1 in chapter 2. Theoretical framework, the third row of the table is on tourists’ local expenditures and the related leakage effects, which is the focus of this thesis.

The next paragraph 3.1 explains the relevance of the research on tourists’ local expenditures and the leakage effect of tourists’ local expenditures outside the accommodation. Then, in paragraph 3.2, the conceptual model follows, which entails relationships between tourist mode, nationality and the tourists’ local expenditures. Also, the leakage effects of tourists’ local expenditures have been shown in the conceptual model. The hypotheses and research question are derived from the conceptual model. Paragraph 3.2.1 gives an operationalization of the concepts used in the conceptual model.

3.1 Relevance of the research

The relevance of the study on tourists’ local expenditures and the leakage effects of tourists’ local expenditures outside the accommodation is as follows.

First of all, researchers have identified the need to research the leakage effects of tourists’ local expenditures (Anyango et al., 2013; Chirenje et al., 2013; Aguiló & Juaneda, 2000).

Secondly, the all-inclusive tourist mode is dominant in a lot of tourist destinations (e.g. Doğan et al., 2012) and it is claimed that enclave tourists spend their time in a confined resort and have limited impact on the destination’s economy (e.g. Britton, 1982; Pearce, 1988; Issa & Jayawardena, 2003; Carlisle & Jones, 2012). The dominance of the all-inclusive tourist mode and the relating low expenditures show the possible negative impact on the local community. In this thesis, it is tested if it is scientifically and quantitatively the case that all-inclusive tourists lead to the least local expenditures outside the accommodation in the study destination Side. Also, research of the leakage effects of tourists’ local expenditures is of relevance in order to reveal the impact of tourists’ local expenditures on the destination’s economy.

Thirdly, there is much attention to linkage programs (or pro-poor tourism programs) with the destination’s economy of the tourist destinations by several authors (e.g. Mowforth & Munt, 2009, Anderson, 2011 ). The results on tourists’ local expenditures and the leakage effects can be used as input for linkage programs in order to minimize the extent of leakage effects. Also, the results can be used by the (local) government in policy making (spatial planning, (local) economic stimulation etc.) and by the local companies for marketing purposes.
Fourthly, the amount of literature on leakage effects in the tourism industry shows the importance of studies on the contribution of tourism to the destination’s economy (see chapter 2. Theoretical framework).

This thesis contributes to existing literature on tourists’ local expenditures and leakage effects. Concerning the tourists’ local expenditures, this thesis especially builds on the empirical data of Doğan et al. (2012) about tourists’ expenditures in Alanya and the relationship between tourist mode and local expenditures of Anderson (2011, 2012) and Aguiló & Juaneda (2000). Yet, other methods have been applied (explained in chapter 4. Methods). Concerning the leakage effects the present research builds on other researches on leakage effects during the booking and in the destination in hotels (e.g. Anyango et al., 2013; Gezici, 2006; Anderson, 2013) as this present research is focused on leakage effects of local expenditures outside the accommodation in the tourist destination.

3.2 Conceptual model

The thesis is focused on the gap in knowledge on tourists’ local expenditures outside the accommodation and the leakage effects of tourists’ local expenditures outside the accommodation. This paragraph describes the conceptual model to be tested. First of all, the relationship between the concepts have been explained. Afterwards, paragraph 3.2.1 gives an explanation of the concepts: tourists’ local expenditures, tourist mode and leakage effects/contribution to destination’s economy, which are used in the conceptual model.

The conceptual model shows the relations between concepts to be tested in this thesis. First of all, a relationship between tourist mode and tourists’ local expenditures outside the accommodation has been expected. Several researchers have studied that there is a difference between the expenditures of all-inclusive tourists with other tourist modes; the expenditures of all-inclusive tourists are less than average. The effect of tourist mode on tourists’ local expenditures outside the accommodation is tested, which is hypothesis 1. It is also expected that nationality has an effect on the tourists’ local expenditures outside the accommodation, which leads to the formulation of hypothesis 2. There is an assumed effect of tourist mode and nationality on tourists’ local expenditures outside the accommodation in Side, a mass tourist destination in the Mediterranean.

The tourists’ local expenditures outside the accommodation consists of leakage effects. In other words, a certain part of the tourists’ local expenditures contributes to the destination’s economy and the other part leaks out of the destination’s economy. As tourists’ local expenditures outside the accommodation take place in local companies, research question 1 is on the local companies’ contribution to the destination’s economy, which is related to the leakage effects of tourists’ local expenditures outside the accommodation. This contribution of local companies is described using the points of leakages discussed in the theoretical framework: ownership, employment and the origin of purchases.
Hypotheses and research question

H1: Tourist mode has an effect on the tourists’ local expenditures outside the accommodation.

H2: Nationality has an effect on the tourists’ local expenditures outside the accommodation.

R1: To what extent do local companies contribute to the destination’s economy?

3.2.1 Concepts

This paragraph gives an operationalization of the concepts used in the conceptual model. First of all, the concept tourist mode is explained. After this, the operationalization of tourists’ local expenditures follow. The paragraph ends with the operationalization of leakage effects /contribution to the destination’s economy.

Tourist mode

Tourist mode is the type of travel package of the tourists. Several tourist modes can be distinguished (Anderson, 2011, 2012; Corendon website (http://www.corendon.nl)). The all-inclusive mode is discussed more extensively, as the thesis is mainly focused on all-inclusive tourists as it is claimed that they marginally spend locally outside the accommodation. The other tourist mode definitions used in this thesis can be found in table 2. There are several definitions for the all-inclusive mode (Anderson, 2012). The all-inclusive mode is characterized as a trip planned and paid for a single price in advance (Sheldon & Mak, 1987; Morrison, 1989). This package includes a range of items as transportation, accommodation, meals, sightseeing, also a guide could be included (ibid.). Issa & Jayawardena (2003) state that the all-inclusive mode gives practically everything to the tourists in the resort which means that the movements of the tourists are constrained. The resort where the all-inclusive mode is applied is called an enclave resort. Millington, Locke & Locke (2001) defines these all-inclusive or enclave resorts as a holiday complex offering all-inclusive holidays which include next to accommodation also several swimming pools, bars, restaurants, private beach, landscape gardens and sport facilities. According to Anderson (2012) the all-inclusive concept includes transportation, accommodation, all meals, unlimited locally produced alcohol, unlimited soft drinks, anytime snacks, child care, transfers, entertainments, sporting activities, excursions & sightseeing and extra services (see figure 4).

Figure 3: The conceptual model. Developed in this study.
As explained above, the definitions of the all-inclusive concepts do not have the same range of or the same choices in the included facilities and consumed goods. Based on the definitions in the literature, in this thesis an all-inclusive resort is defined as any holiday resort including at least pre-paid accommodation, minimum of 3 meals a day in a restaurant and unlimited alcoholic and non-alcoholic drinks (kind of drinks not defined) during the day. Table 2 shows the operationalization of the types of tourist mode used in the conceptual model and hypothesis testing.

**Table 2: Tourist modes.** Developed in this study (e.g. Anderson, 2011, 2012; Corendon website (http://www.corendon.nl)).

<table>
<thead>
<tr>
<th>Tourist mode includes:</th>
<th>Only room</th>
<th>Room and breakfast</th>
<th>Half board</th>
<th>Full board</th>
<th>All-inclusive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Breakfast</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Lunch</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Dinner</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Unlimited drinks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

**Tourists’ local expenditures**

Tourists’ expenditure is the total trip related consumption expenditures made by the visitor before and during the trip and stay at the destination (Anderson, 2011; Kandari & Chandra, 2004). Mok & Iverson (2000) define local expenditures as any expenditures not prepaid as meals, local tours, shopping or public transport. Tourists’ local expenditures are defined as expenditures made in the tourist destination. This does not mean that these local activities are locally owned or totally contribute to the destination’s economy. Yet, these local activities may involve leakage effects in case of ownership structures, employment and import (Anderson, 2011; Anyango et al., 2013). In this conceptual model, local expenditures made outside the accommodation is meant. Total tourists’ local expenditures can be divided into several expenditure categories, which are discussed in paragraph 4.3.1 Questionnaire construction study 1: Tourist questionnaire.
Leakage effects /Contribution to the destination’s economy

We have seen that a certain part of the tourists’ local expenditures contributes to the destination’s economy and the other part leaks out of the destination’s economy. The contribution to the destination’s economy and the leakage effects of tourists’ local expenditures out of the destination’s economy are related. It is difficult to research the leakage effects of tourists’ local expenditures directly as the locality of the local expenditures should be known in that case. It is not possible to reveal the exact expenditure locations of the tourists. That is why local companies have been studied on their contribution to the destination’s economy in order to reveal information on leakage effects of tourists’ local expenditures in local companies on ownership, purchases and employment. The local companies’ contribution to the destination’s economy is related to the contribution of tourists’ local expenditures outside the accommodation as tourists spend their money in local companies. The higher the local companies’ contribution to the destination’s economy, the lower the leakage effects of tourists’ local expenditures in those companies. The local companies’ contribution to the destination’s economy can be measured as explained in chapter 4. Methods. Yet, in chapter 6. Discussion, an estimation on leakage effects of tourists’ local expenditures has been made.

The research objective is partly focused on leakage effects of tourists’ local expenditures outside the accommodation. Local companies contain external points of leakage (foreign ownership and so profit repatriation) and internal points of leakage (foreign purchases and employment of foreigners). This means that the local companies have leakage effects on the aspects, ownership, purchases and employment. Local companies should minimize the leakage effects on these aspects in order to contribute to the destination’s economy by local ownership, local purchases and local employment.

Local companies can also contribute to the destination’s economy in other ways as outsourcing of the non-core activities as security or laundry (Meyer, 2007). Also, partnerships with the local community can be created; donations, education and capacity building are examples (see also appendix III: The concept of linkage) (ibid.). Yet, the empirical part of this thesis is only focused on the leakage effects on ownership, purchases and employment in local companies. These leakage effects are related to the core business of the company and have extensively been discussed in the literature on leakage effects. That is why I focus on these leakage effects in local companies in this present thesis (see paragraph 4.3.2 Questionnaire construction study 2: Company questionnaire). It is a limitation, that the other ways of local companies’ contribution has not been studied, which is explained in chapter 7. Limitations.
4. Methods

4.1 Introduction

As extensively explained, the research objective is to reveal empirical information on tourists’ local expenditures and the leakage effects of tourists’ local expenditures outside the accommodation. The focus is on the Mediterranean mass tourist destination Side, Turkey. Two studies should be conducted. A first study on tourists’ local expenditures outside the accommodation (study 1) and a second study on local companies’ contribution to the destination’s economy (study 2).

The first study is on the testing of the two hypotheses on the effects of tourist mode and nationality on the tourists’ local expenditures outside the accommodation. The second study is on the extent of local companies’ contribution to the destination’s economy, which is a research question.

In order to test the hypotheses and to answer the research question, two questionnaires have been developed; a tourist questionnaire and a company questionnaire (see appendices I and II). The tourist questionnaire is designed to measure the tourists’ local expenditures outside the accommodation. This questionnaire consists of two parts. The first part contains background information as the tourist mode and travel party. The second part consists of items related to the tourists’ local expenditures outside the accommodation. The company questionnaire is designed to measure the companies’ contribution to the destination’s economy. The questionnaire consists of three questions about the contribution to the destination’s economy by the local company.

The methods chapter is divided into three paragraphs. Paragraph 4.2 discusses the data collection. Paragraph 4.2.1 is on the data collection of study 1. Paragraph 4.2.2 describes the data collection for study 2. During the fieldwork, it was sometimes the case that the actual data collection differed from the ideal situation, for these parts of the data collection the actual situation as well as the ideal situation have been described. The next paragraph, 4.3, is about the questionnaire construction. Also, for the questionnaire construction, paragraph 4.3.1 describes the questionnaire construction of the tourist questionnaire for study 1 and paragraph 4.3.2 describes the company questionnaire’s construction concerning study 2. Furthermore, the methods end with an inventory of required analysis/statistics, paragraph 4.4.

4.2 Data collection

This paragraph describes the data collection in this research. First of all, the study area has been explained. The data collection is separated for study 1 and study 2. Paragraph 4.2.1 is about the data collection on the first study on tourists’ local expenditures outside the accommodation. Paragraph 4.2.2 is on the second study on local companies’ contribution to the destination’s economy.

Study context

The research has been conducted in Turkey. Mbaiwa (2005) said that in Turkey a high level of foreign ownership is the case. During the expansion of tourism in Turkey in the 1990s local investors were displaced in favour of the foreign companies (ibid.). More specifically, Side has been chosen as case study destination. Side is a mass tourist destination (Gezici, 2006). The tourists’ main motivation of visiting Side is the sun-sea-sand factor (ibid.). 61.3 % of the tourists to Side book a package tour. Side belongs to the most famous and most visited tourist destinations of Turkey (ibid.); which means a research in this destination is of significance. Side is the second highest district in the province of Antalya in terms of nights spent (ibid.). The main attractions of Side are the natural beaches and the
archeological sites (ibid.). The archeological sites and agricultural land are in danger as the tourism activities expand in ancient Side and the west coast (ibid.). In Side, mainly all-inclusive resorts can be found (see Sunweb website (http://www.sunweb.nl/); Neckermann website (http://www.neckermann.nl/); TUI reisen website (http://www.tui.com/)). 95% of all the holidays in Side offered by Neckermann’s website (http://www.neckermann.nl/) are all-inclusive holidays. Sunweb’s website (http://www.sunweb.nl/) consists of 90% all-inclusive holidays from the total holidays in Side. TUI reisen (http://www.tui.com) offers 91% all-inclusive holidays from their total offered holidays in Side. Also, the other tourists modes are represented in Side and offered by the several tour operators.

4.2.1 Data collection study 1: Tourists’ local expenditures outside the accommodation

The data collection for the first study on tourists’ local expenditures outside the accommodation is described in this paragraph. The research population, the sample, the sample size, the period, moment, location and type of sampling approach have been described.

Research population

The research population is the tourists in Side. The ministry of tourism revealed that 31,456,076 tourists have visited Turkey in 2011 (Real Turkey, 2013). Most of the tourists are from Germany (4,826,031 in 2011), Russia (3,468,214 in 2011), Great Britain (2,585,054 in 2011) and the Netherlands (814,000 in 2012) (Real Turkey, 2013; Nu.nl, 2014). It should also be noted that for the first half year of 2013 an increase of 18 per cent tourists to Turkey compared to the same period in 2012 has been reported (Nu.nl, 2014). In the research of Doğan et al. (2012) in Alanya, Germany is mentioned as the main market.

The sample

A sample has been drafted from the research population, the tourists in Side. According to the amounts of tourists on the basis of nationality (see research population), German, Russian, Dutch and English tourists had been expected. Based on this expectation and practical reasons, the questionnaire was translated in Dutch, English and German. Other nationalities were asked to fill in the English questionnaire. The German and Dutch tourists were indeed a large group in the sample. Surprisingly, only a few British tourists were included in the sample and more than expected Scandinavian tourists were included. Swedish, Norwegian, Danish and Finnish tourists have been combined to Scandinavian, which is also done by other researchers (e.g. Aguiló & Juaneda, 2000). The data analysis will distinguish these nationality groups including a group ‘other’. Of the another main market according to the literature, the Russians, just two have been approached of which 1 filled the questionnaire in. Thus, it was not a problem that I did not translate the questionnaire in Russian. Other nationalities mainly understood the English language, just a limited amount of respondents refused the questionnaire because of the English language. Yet, the results related to the other nationalities could be biased as only high educated respondents could be able to understand the questionnaire and are included in the sample. Arguments on the translation of the questionnaire are stated in paragraph 4.3.1 in sub paragraph question comprehension.
Sample size

123 tourist respondents have been included in the sample. According to Vaske (2008) a sample size of around 100 tourist respondents is suitable to generalize to the research population with a confidence level of 95% and a +/- 10% sampling error. A confidence level is a degree of confidence that the sample mean falls in a certain interval around the population mean (Hinkle, Wiersma & Jurs, 2003). Setting a confidence level of 95% is a reasonable level of certainty (ibid.). A confidence level of 95% means that the chance is 95% that the sample mean falls between +1.96 and -1.96 standard errors of the population mean in the sampling distribution of the mean (distribution of all possible sampling means with the population mean as the average) (ibid.). This means that there is a 5% chance that the sample mean does not fall in the interval of +1.96 and -1.96 standard errors of the population mean. In addition, the sampling error is the fluctuation of the sample mean from the population mean due to the random sampling (ibid.). The sampling error is 10% with a sample size of 100 respondents, which means that with a confidence level of 95%, it is of 95% chance, that the population mean is 10% less or 10% more than the sample mean. Using a confidence level of 95%, the larger the sample, the lower the sampling error. The appropriate sample size depends on the population size, chosen sampling error and confidence level. Note, that this information on the choice of the sample sizes, confidence levels and sampling errors is based on normally distributed data and random sampling. Yet, in tourism studies random sampling is difficult to apply as there is no list of all the tourists of a specific area available (Vaske, 2008; M.H. Jacobs, personal communication, 19 June 2014). The goal was to reach as many as possible tourist respondents during the sampling period.

Period and moment of sampling

The sample has been spread on 10 days obtained between 21 April and 30 April 2014. This period covers the Eastern holiday for many German districts, Great Britain and almost entire Scandinavia (Schoolvakanties Europa website (http://www.schoolvakanties-europa.nl/)). Also, a part of the May holiday for the Netherlands has been covered (ibid.). This means that the holiday for the most sampled nationalities has been covered. The weather could have influence on the expenditure behaviour (Restaurant worker, personal communication, 30 April 2014). A cloudy day could mean more tourists’ expenditures in the centre (ibid.). Only the expenditure behaviour of sunny days (between 21 - 27 degrees Celsius) were included, which means that the previous day on the sampling day should be a sunny day as the expenditure behaviour of the previous day was asked. The sampling took place every day either between breakfast and lunch time (10:00 – 12:00) or between lunch and dinner time (15:00 – 17:00). On some days, the sampling took place during both time slots.

In the literature review I have mentioned my concerns on the methods of Anderson (2011, 2012) and Aguiló & Juaneda (2000) in their researches about expenditures. The tourists were interviewed at the end of their holiday at the airport. The results could be negotiable on validity as tourists had to fill in their holiday related expenses before and during the holiday in just one moment. If the total expenditures of the holiday are asked, respondents apply the estimate strategy as this information is not well represented in the memory of the respondents (Schwarz, 1999). For this reason, the expenditures of one day (the previous day) have been asked in this present research. Yet, as only the expenditures of the previous day have been asked, this should not be the last day of the respondents’ holiday as that could not be representative for the average daily expenditures. Thus, another location than the airport has been chosen. The location is extensively explained in the next section on the location of the sampling. In this present thesis one expenditure day of the tourists during the holiday at the tourist destination has been asked in order to calculate the average daily expenditures in the analysis. When the sampling of the tourist is close to random, the chosen expenditure days of
respondents’ total holiday are close to random selection as well. The goal is to get an insight in the daily average expenditures of the tourists. The assumption is that the previous day is the best represented in the memory of the tourists. Also, this means that the questionnaire can be filled in faster. Participants are more likely to participate in the research as less time of their holiday is taken.

**Location of sampling**

This section describes the location of sampling of the tourists. The actual sampling location as well as the ideal sampling locations have been described.

There are several sampling locations in order to generate the tourist respondents. The chosen sampling location was along the main road in ancient Side. This road is situated between the bus station and the centre of Side and is the access road to the centre of Side. As the expenditures on the day before the interview have been asked, the results are not biased because of the location of sampling.

Yet, the ideal situation was to sample in two locations. Sampling in the centre and sampling within all-inclusive resorts will give a more representative sample of the tourists of Side. When a part of the sample is generated in the centre of the tourist destination, a specific group of all-inclusive tourists (who stay their entire holiday in their resort) should not be excluded and that is why the other part of the sample should be generated in all-inclusive hotels. Data should be obtained in several all-inclusive hotels, which are different in terms of distance to the centre of Side, amount of facilities, size and value (stars). Unfortunately, during the fieldwork, the sampling took only place in the centre of Side. I experienced difficulties on the distribution of questionnaires in resorts. First of all, I did not receive answers/admission from the hotels on my emails in which I asked if distribution of the questionnaire in their resort is possible. Secondly, I did not have the financial means for this thesis to stay in several all-inclusive resorts in order to distribute the questionnaire (eventually, with approval of the staff). Also, the lack of time plays a role, to obtain a representative sample on both locations more time for the fieldwork is needed. Yet, the goal of the testing of hypotheses is to find if there is a relationship between the expenditure behaviour and the tourist mode and nationality. This means that the exact amount of money is of less importance in testing the hypotheses. It is about the revealing of differences between the expenditures caused by the tourist mode and/or the nationality; the hypotheses are about the relative differences among expenditures between tourist modes and between nationality. One location near the centre contains all the tourist modes as well as the several nationalities and for this reason the comparison of the expenditures with each tourist mode and those nationalities can be made. This shows that, the fact that the distribution of questionnaires did not take place in the resort, has maybe not that much impact, yet it is a limitation of this present research.

Also, two other possible sampling locations, which have been rejected on several reasons, are discussed here. First of all, the tourists can be generated at the airport Antalya while they are leaving. A visit exit survey can be conducted (Anderson, 2011). As already mentioned in the literature review, my critique on this method is that results could be negotiable on validity as tourists had to fill in their expenditures during the holiday in just one moment. Furthermore, when the expenditures of their last day will be asked, this is maybe not representative for their average daily expenditures. Lastly, the sample will not only include tourists from Side, yet also from other tourists’ places around Antalya. Secondly, as another option, the tourists can be obtained at the airport while they arrive. Tourists can be asked if they would like to report their expenditures for one day (say the fifth) during their holiday or even their total daily expenditures for their whole holiday. Choosing this option, the problem that tourists do not remember their expenditures has been solved. Yet, it is not sure if the tourists send and fill in the questionnaire. Furthermore, the tourists may change their behaviour as they know that they
have to report their expenditures (P. Tamas, personal communication, November 2012). Also, for this option tourists staying in different tourists’ places have been included.

**Type of sampling approach**

This section describes the type of sampling approach in the sampling location of tourists. The realised type of sampling approach as well as the ideal type of sampling approach have been described.

Unfortunately, as mentioned in the previous section, sampling in all-inclusive resorts has not been drafted in this present research. The sample has only been drafted in one location, the centre. The type of sampling approach was not totally systematic. During the field work, tourists were more randomly chosen to be asked on one fixed location for the whole sampling period, between the bus station and the centre (tourists were not pure randomly chosen as no list of tourists was available). Each travel party have filled in the questionnaire individually. Discussions with other travel parties have been avoided, this could influence their answers which leads to invalid answers. Individuals within one travel party may discuss as the total expenditures of the entire travel party (the total of each individual in the travel party) should be filled in.

The ideal situation on type of sampling approaches based on two sampling locations for generating the tourists has been described below. As mentioned in the previous section, in the ideal situation two locations for sampling should be taken in order to obtain the tourists. This means that stratified sampling could be applied as two strata of interest can be selected, the centre and the all-inclusive resorts, these two locations contain two subgroups of the total tourists’ population (tourists, who go outside their accommodation during the holiday and all-inclusive tourists who stay in their accommodation during the holiday). Sampling within those two strata should be drafted (Vaske, 2008). Firstly, a systematic sampling within the first strata ‘centre’ should be taken, random sampling is not practicable as there is no list available of all the tourists in the centre during the sampling period (ibid.). For example, every 15th passer-by could be asked starting with a randomly chosen passer-by and a randomly chosen location in the centre. In case of no response, the next passer-by can be asked. Secondly, a sampling of all-inclusive hotels, the second location (strata) should follow, this could be done based on a random sampling of the all-inclusive hotels less than 10 km from Side offered by several tour operators’ websites; every all-inclusive hotel situated less than 10 km from Side with an own website can be included in the random sample and these hotels can be asked if distribution of the questionnaire is possible. After this, systematic sampling follows within the hotels, every fifth person met inside and outside (that could be at the swimming pool or garden; depends on the structure and design of the hotel) could be selected in the sample.
4.2.2 Data collection study 2: Local companies’ contribution to the destination’s economy

The data collection for the second study on local companies’ contribution to the destination’s economy is described in this paragraph. The research population, the sample, the sample size, location and type of sampling approach have been described. The general information on the aspects of data collection has been incorporated in paragraph 4.2.1 Data collection study 1: Tourist’s local expenditures outside the accommodation. This has not been repeated in this paragraph.

Research population

Concerning the second study on local companies’ contribution to the destination’s economy, the research population is the companies in the centre of Side except from the accommodation establishments. Note, from now on, the term destination’s economy is replaced by Turkish economy as the destination’s economy is equal to the Turkish economy in this research in the mass tourist destination Side.

Sample

A sample of the local companies in the centre of Side has been taken. A distinction between the companies is made based on the expenditure items in the tourist questionnaire (see 4.3.1 Questionnaire construction study 1: Tourist questionnaire) and their presence in the centre. Several company groups are the result: shops (jewellery, souvenirs, clothes, other personal products), restaurants, travel/excursion agencies and bars. These four types of companies could easily be distinguished. A sample in each company group in Side has been taken.

Sample size

46 companies in the centre of Side filled in the company questionnaire. The goal was to reach as many as possible company respondents during the sampling period. For the company analysis a lower sample size is appropriate as the population (amount of companies in the centre) is obviously lower than the amount of tourists. Yet, the population of companies in Side centre is unknown (estimated on 450/500).

Location of sampling

For generating the companies for the second study, another company sample in Side has been drafted in the centre as it is impossible to link the tourists’ expenditures to the local companies. The exact expenditure locations of the tourists cannot be revealed. Tourists do not exactly know the companies where they have spent and it is difficult to name those companies by the respondents and the researcher.

Type of sampling approach

This section describes the type of sampling approach in the sampling location of companies. The realised type of sampling approach as well as the ideal type of sampling approach have been described.

As mentioned before, a sample of companies in the centre of Side has been drafted. The companies in the centre of Side have been distinguished by groups based on the expenditure items of the tourist questionnaire and their presence in the centre. Shops (jewellery, souvenirs, clothes, other personal products), restaurants, travel/excursion agencies and bars have been distinguished. This means that stratified sampling has been applied. The ideal situation is that the sampling starts with a randomly
chosen company of each category in the centre and every fifth company in the street of each category follows. In case of no response, the next company of that category can be chosen. In reality the company sampling was not totally systematic. Companies in the centre were more randomly chosen (not pure randomly as no company list is available) per category.

The company questionnaire has been filled in by the manager or a supervisor of the company. In order to get a correct answer on the percentages of the local companies’ contribution to the Turkish economy. It is assumed that normal staff is not able to answer the questionnaire as they likely do not know enough about management information, which could lead to validity problems. Also, the managers of two sampled companies have distributed the questionnaire to other companies in the centre for me.

4.3 Questionnaire construction

This paragraph describes the questionnaire construction in this research. The tourist- and company questionnaire are discussed separately. Paragraph 4.3.1 is about the tourist questionnaire for the first study on tourists’ local expenditures outside the accommodation. Paragraph 4.3.2 describes the company questionnaire construction for the second study on local companies’ contribution to the destination’s economy.

4.3.1 Questionnaire construction study 1: Tourist questionnaire

The tourist questionnaire construction is described in this paragraph. Several items related to the construction of the tourist questionnaire are discussed; the questionnaire items, question comprehension, social desirability, response categories, ordering effects, background information and the lay-out of the questionnaire.

Expenditure items for tourist questionnaire

The tourists’ local expenditures outside the accommodation of the previous day have been asked on several expenditure items.

Doğan et al. (2012) subdivided the tourists’ local expenditures in the following expenditure items in the tourist destination Alanya; Food & beverage, excursions, city transportation, entertainment, textile goods, jewellery, souvenir and the category others. Anyango et al. (2013) studied the distribution of tourists’ expenditures and specified the total trip related tourists’ expenditures before and during the trip. The total trip related tourists’ expenditures before the trip have been divided into the tour operators’ margin/tour leaders wages etc. and the international flight. The local expenditures have been specified by accommodation, visa, local transport, local airport tax, tips, optional excursions, personal expenses and a category unspecified expenses. Anderson (2011) did research on the tourists’ expenditures outside their resort in Zanzibar and distinguished: 1. Restaurant, café and bar, 2. Entertainment and sports, 3. Rent car, 4. Public transport. 5. Communication, 6. Retail shopping and 7. Other expenses. Craggs & Schofield (2009) distinguish local expenditure categories as 1. Shopping, 2. Restaurants, 3. Coffee shops/cafes, 4. Admission fees, 5. Public transport, 6. Bars, 7. Parking. These researches mainly use expenditure products, yet Anderson (2011) and Craggs & Schofield (2009) used expenditure locations and expenditure products in the analysis.

It could be that there is some overlap in the expenditure items; for example a textile good could also be a souvenir. Also, expenditure products and expenditure locations should not be mingled; this does not make it easier for the respondents. In order to avoid overlap between items I have chosen to focus on broad expenditure items, yet the items should be unique. Respondents should easily assign a
specific expenditure to one expenditure item. In order to make it as easy as possible for the respondent I have given examples of specific expenditure items between brackets in illustration of the broad expenditure item. The questionnaire should also be as short as possible, that is why an in depth specification of the expenditures is not applied in the questionnaire. An in depth specification of the expenditures allows an in depth analysis, yet the chance of mistakes and invalidity is higher as respondents could fill in their specific expenditures twice or they do not know exactly how to assign their expenditures to the specific options. Concerning the expenditure item ‘Tips’; it could be that respondents do not distinguish tips from other expenditures as they include it in other expenditure categories. Furthermore, the tips should be a fraction of the total amount spend on a specific item, which means that including or excluding tips will likely not have much impact on the total result on expenditures. For these reasons tips have been excluded from the analysis in this thesis.

The expenditure items which I have developed and used in the questionnaire are: 1. Food and beverage, 2. Public transport, 3. Activities (e.g. entrance fees, hire of car/scooter, excursions, hire of guide, hire of sun-shade/ beach bed, internet use), 4. Products for personal use (e.g. clothes, sunglasses, make up, sunburn lotion), 5. Gifts/Souvenirs, 6. Other expenses (see for questionnaire appendix I: Tourist questionnaire English, Dutch and German).

**Question comprehension**

Schwarz (1999) explains that during question comprehension two processes are involved. The first is the semantic understanding of the utterance; it is about the literal meaning of a sentence (ibid.). The second is the pragmatic meaning of the question. The latter is led by the conduct of conversation of everyday life (ibid.). First of all, the words should be understood by the respondents. Secondly, the respondents should know the researchers’ intention in order to answer properly, which is the pragmatic meaning of the question. The terms in the questionnaire can easily be translated in other languages as the literally meaning is the same, this could not be the case if subjective terms (as emotions) are included, these can be interpreted differently in different languages. In this case, the questionnaire can easily be translated in German, English and Dutch. The questionnaire is more accessible for the tourists, if it is written in their own language. Other nationalities were asked to fill in the English questionnaire if they master the English language. The translation is possible as the questionnaire is short, objective terms are used and the literally meaning remains the same. The expectation is that most of the respondents with another nationality are able to understand the English questionnaire. Concerning the translating of the questionnaire, an international student from the Wageningen University was willing to help translating the questionnaire in German. Dutch and English are the researcher’s languages. It should be noted that the pragmatic meaning of the objective terms could always be interpreted differently by the respondent irrespective of the language. They have to assign their specific expenses to an expenditure item in the questionnaire. Respondents can do the assigning in a different way.

In order to test the comprehension of the questions, the think aloud method, has been applied with students, the supervisor, family and friends. This technique reveals the sources of response errors in questionnaires (Willis, 1999). Testers have to think aloud while answering the question (ibid.). The whole thinking process will be evaluated by the researcher in order to check if the respondents understand the questions in the way as is intended. This has led to the change of several terms in the questionnaire in order to make the intention more understandable. First of all, the term ‘travel party’ has been changed into ‘family or group of friends you are travelling with’. Furthermore, ‘your expenditure’ has been changed to ‘how much money have you spent’. Also, the question about expenditures in general should be made more clear, especially the important words/conditions: 1.
Dillman (2007) states that the first items in the questionnaire should be easy to understand and should be related to the topic of the questionnaire. In this questionnaire the relevant question about the expenditures is placed in the end based on the think aloud method. The background questions are easier to understand. The test respondents informed me that placing the background information in the beginning makes the questionnaire more clear and more accessible. The question about expenditures is assessed as a difficult question (respondents have to think harder). Also, the expenditures to be filled in should be for the entire travel party, if the background question about the size of the travel party precedes, it is more clear for the respondents to fill in their expenditures for their entire travel party. As the questionnaire is short and so is the background information, the relevance of the questionnaire will be reached fast (which is the question about expenditures). The question about expenditures can be considered as more objectionable than the other questions about the travel party and the tourist mode, also for this reason placing the expenditure question to the end will yield in more valid answers as the objectionable questions should be asked near the end (ibid.).

Also, during the filling in of the questionnaire by the respondents, the researcher has checked if the respondents understand everything. The expenditures for the ‘entire travel party’, ‘outside the accommodation’ and ‘yesterday’ have been emphasized by the researcher, when the respondents show uncertainty/unsureness during the filling in of the expenditures. It is important that the researcher should not help the respondents by filling in the questionnaire, this could lead to biased answers. This means that the influence of the researcher should be minimized. Yet, the questions should be understood clearly (especially, the conditions of the last question: outside the accommodation, yesterday and the entire travel party). The conditions should be understood by the respondent in order to get valuable answers on the local expenditures outside the accommodation for the entire travel party on yesterday. These conditions have been repeated by the researcher during the filling in. Respondents also asked questions based on these conditions, the researcher has answered them as objective and short as possible in order not to influence the respondents’ answers. Furthermore, during the sampling, it could be that just a part of the travel party is reached and asked to fill in the questionnaire. This part of the travel party maybe does not know about the expenditures of the other part of their travel party of yesterday, in this case the researcher explains that the expenditures of just the approached part of the travel party may be filled in and the size of the travel party to be filled in should be the approached part of the travel party, which is the number of persons related to the filled in expenditures. As the only reason for asking the size of the travel party is to calculate the expenditures per person, it is not a problem that half of the travel party is reached and their related expenditures are asked. During the field work, just in a few cases a part of the travel party has been reached, the present part of the travel party knew the expenditures of the rest of the travel party.

Social desirability

The problem of social desirability in answering the questions is minimized by mentioning the anonymity of the respondent and confidentiality of the answers. Also, the extent of demographic information is limited (Schwarz, 1999).
Response categories

The tourist questionnaire is about expenditure behaviour. Reporting someone’s behaviour has some validity problems (Schwarz, 1999). Schwarz (1999) states that the response categories presented as a closed-question format (for example <1 euro; 1-5 euro; 6-10 euro; 11-15 euro; 16-20 euro; 21-25 euro; >25 euro) influence respondents’ answers as the chosen frequency scales by the researcher is a source of information for the respondent. Respondents assume that the middle scale will be the average behaviour. This means that respondents use the frequency scales as a frame of reference in order to estimate their own behaviour; this could lead to validity problems of the respondents’ answers (ibid.). Especially, when the expenditure behaviour cannot be remembered completely, the effect of response alternatives is higher (ibid.). Also, using response categories, the given answers will be less precise. In this thesis, the tourists have to estimate their expenditure behaviour, to avoid the creation of frequency scales which they can use as a frame of reference, the tourist respondents can fill in their expenditures by themselves. As mentioned in Schwarz (1999), it is advised to specify the units of measurement, for the tourist questionnaire Turkish lira (TRY) or Euro (EUR). Next to the reduction of the validity problem, this also gives more precise answers for the analysis; the variable tourists’ expenditures is continuous instead of categorical. Schwarz (1999) claims that the use of response alternatives clarifies the intended meaning of the questions. In this questionnaire about expenditures, the meaning is already clear; the amount of money in the countries’ currency spent. The use of boxes in which the respondents can write their expenditures with a comma or point in between has not been applied. The use of comma or final stop as the decimal mark differs from nationality. Furthermore, the amount of placed boxes (3 or 2 boxes) in front of the comma or final stop could steer the respondents in their answer. Also, the tourists may choose between the currencies Turkish lira and Euro to write down their expenditures as items can also be bought in Euro in Turkey based on my own and others’ experiences. The international symbols of the Euro and the Turkish lira have been used in the questionnaires as the position of the sign € is different per country (Taaladvies, 2014; Wikipedia, 2014) and the symbol of Turkish lira (₺) will maybe not be recognized by the tourists as most of the times the international symbol TRY has been used in the tourist destination.

During the data analysis, the amounts in Turkish lira has been converted into Euro (1 EUR = 2,95 TRY or 1 TRY = 0,34 EUR). There are differences between buying conversion rates (1 EUR = 2,94915 TRY (26 April 2014)) and selling conversion rates (1 EUR = 2,95228 TRY (26 April 2014), that is why 1 EUR = 2,95 TRY has been chosen, which is the average conversion rate (rounded off to hundredths) that lies between the buying and selling of 1 EUR on 26 April 2014, a date in the middle of the field work period (OANDA, 2014). Euro has been chosen as the reported currency in this thesis as the Euro is a more used currency, Euro is also better known in the world of science and most of the respondents wrote down their expenditures in Euro. Also, Euro is accepted by almost all the companies in Side. After converting the expenditures from TRY to EUR a rounding off to hundredths has been applied, also earlier research rounded off to hundredths (e.g. Anderson, 2011, 2012). It should be mentioned that most of the respondents wrote their expenditures already down in Euro.

It should be taken into account that respondents made an average for their expenditures, which means that the expenditures are never totally accurate. Furthermore, based on experience, the conversion calculation of (1 EUR = 3 TRY) is used by people in the tourist destination (shops, restaurants). The last has no influence for this research as this research is about the paid expenditures by tourists. Tourists wrote down their paid expenditures as specific as possible in the questionnaire which is converted using the conversion rate by OANDA (2014) during the field work period (the conversion rate on 26 April has been chosen which is in the middle of the field work period).
Ordering effects

During the ordering of the items in the questionnaire a few criteria should be taken into consideration. The first items in the questionnaire should be easy to understand and interesting to the respondent; it should also meet the respondents’ expectations (Dillman, 2007). This means that the background information should be asked in the end as the respondents will not see the direct relevance of this information (ibid.). Also, objectionable items should be asked near the end. These items will more likely be answered after the respondent has had the opportunity to become interested in the questionnaire (ibid.). In contrast, the tourist questionnaire starts with the background information: tourist mode and the size of the travel party. The reason for violation of this rule by Dillman (2007) has been justified in the section on question comprehension. Next to the background information, just one set of items is the case (tourists’ expenditures). The above mentioned ordering criteria should be taken into account within the set of items. Food and beverage has been chosen as first item, this is easy to understand and will likely apply to everyone. Public transport has been chosen as second item. This one may not apply to everyone, yet it is a clear item. In order to avoid the mixing of expenditures on this item with activities, it is better to mention transport early. So, the third item is activities, a general item that applies to many respondents, this item sounds also interesting to the respondents, they will again think about their experiences. Afterwards, products for personal use has been asked, as there is more chance that it applies to many tourists yet it is a less interesting item. Souvenirs follow, as souvenirs will maybe not apply to everyone. The last item is other expenses.

Background information

It is important that the respondents see the relevance of the items and that the respondents can make the link to the purpose of the survey explained in the cover letter (Dillman, 2007). For this reason the background information in the tourist questionnaire should be limited. The first background question is about the tourist mode (all inclusive, full board, half board, room and breakfast or only room), because the analysis is focussed on the difference between the several tourist modes. These terms are generally used by the tour operators (see Sunweb website (http://www.sunweb.nl/); Neckermann website (http://www.neckermann.nl/)). That is why I assume that the tourists are familiar with these terms. Yet, a short explanation is included in the questionnaire. Nationality should not be asked in the questionnaire as the respondents has been given the questionnaire in their language if possible. The nationality has been asked in the introduction talk. The travel party should be asked in order to calculate the expenditures per person during the analysis. The results show the daily average tourists’ local expenditures, which is per person. As the size of the travel parties are different, the total expenditures for the day before has been asked for the entire travel party. This is easier for the tourists to fill in and they do not have to calculate by themselves the expenditures per person. Schwarz (1999) states that you should not let the respondents calculate things. Furthermore, it is often the case that expenditures in a travel party cannot be assigned to individuals as these are shared expenditures on shared products or food.
Lay-out of the questionnaire

The type of the questionnaire is the on-site self-administered survey (Vaske, 2008). The orientation on the questionnaire mode is face to face as the questionnaire has been distributed in the tourist destination in order to reach the sample of tourists. The questionnaire should be as short as possible as the tourists are on a holiday and they should not be bothered with research.

Dillman (2007) states that a respondent-friendly questionnaire design can increase the response rates. Also, a good questionnaire design leads to the reduction of the measurement error (ibid.). The design lay-out could decrease the overlooking of questions and an attractive and interesting design could lead to less biases of the results as people are more willing to fill in the questionnaire (ibid.). The design of the questionnaire is partly discussed above as ordering effects, in this part the lay-out of the questionnaires will be discussed. The physical format, the front and the back of the questionnaire.

Dillman (2007) states that a respondent-friendly questionnaire design can increase the response rates. Also, a good questionnaire design leads to the reduction of the measurement error (ibid.). The design lay-out could decrease the overlooking of questions and an attractive and interesting design could lead to less biases of the results as people are more willing to fill in the questionnaire (ibid.). The design of the questionnaire is partly discussed above as ordering effects, in this part the lay-out of the questionnaires will be discussed. The physical format, the front and the back of the questionnaire.

Dillman (2007) advised to use a vertical book/booklet format, this is a standard format for the most western cultures. Horizontal formats, unusual shapes and printing pages on both sides with a staple are unadvised.

For multi-page questionnaires, a booklet is recommended by Dillman (2007) as it has a professional appearance and the booklet format will be easily understood to use by the respondents. It is said that people are familiar using a booklet format (ibid.). The tourist questionnaire has been folded as a booklet. It is recommended that conventional legal size (8,5 x 14 inch) is used. As A4 is the conventional paper size in Europe, this format will be used. The length and width are both a bit smaller. This means that the booklet consists of two individual pages of 8,27 x 5,85 inch). The first page covers the introduction letter and the background information questions. The second page consist of the question about expenditures.

Concerning the cover pages, these can also improve the amount of responses (ibid.). Dillman (2007) states that the cover pages should motivate the respondents to fill in the questionnaire. It should not contain information about the research. An experiment of two different front pages, one white with little contrast and one black with high contrast, showed that the latter one creates a significantly higher response rate (ibid.). In contrast, an experiment on coloured questionnaire compared to black and white questionnaire resulted in no differences between the response rates (ibid.). Based on these experiments and advise of Dillman (2007), I have chosen to create an attractive front page related to the respondents’ holiday; a front page with pictures of the tourist destination Side, which means high contrast, yet the questionnaire remains black and white as no improvement of response rates is expected and this also reduced the costs. The graphics should be simple and distinct. First of all, simple as more details can lead to the presentation of something that respondents could find unacceptable. Secondly, distinct in order to create a good first impression (ibid.). An aerial photograph of Side and the graphic of the temple of Side are seen as attractive as well as neutral. The title should be short and simple, the respondents should easily understand it. The title is ‘Tourists’ local expenditures survey’ (the English version). A logo of Wageningen University has been included in order to create trust with the respondents. It shows that the questionnaire is from a legitimate source and is used in a legitimated way (ibid.). Dillman (2007) explicitly explains that the back cover should not be read first, this means that it should be simple. It should be avoided that people start the questionnaire from the back page, which means that the most objectionable and difficult question are answered first (question on expenditures), as the theory of ordering effects have been applied in the questionnaires. The back cover is a place for additional comments and a place to thank the respondents for filling in the questionnaire (ibid.).
4.3.2 Questionnaire construction study 2: Company questionnaire

The company questionnaire construction is described in this paragraph. Several items related to the construction of the company questionnaire are discussed; the questionnaire items, question comprehension, social desirability, response categories, ordering effects, background information and the lay-out of the questionnaire. The general information on the aspects of questionnaire construction has been incorporated in paragraph 4.3.1 Questionnaire construction study 1: Tourist questionnaire. This has not been repeated in this paragraph.

Items for company questionnaire

Derived from the theoretical framework, the local companies have leakage effects of their revenue on the aspects: ownership, purchases and employment. This leads to three items for the company questionnaire. Local companies’ contribution to the Turkish economy on ownership, products and staff is measured. The locality of the three items should be researched. In the question posing, the term Turkish or Turkey has been used in order to reveal the contribution to the Turkish economy (see for questionnaire appendix II: Company questionnaire Turkish and Dutch).

Question comprehension

The company questionnaire has been translated in Turkish in order to encourage the companies to fill in the questionnaire and to increase the comprehension of the questions by the managers/supervisors of the local companies. Especially, the managers/supervisors of smaller shops could have difficulties in understanding the English language. The questionnaire has been translated by a Turkish-Dutch person.

Social desirability

Also, for the company questionnaire, the problem of social desirability in answering the questions is minimized by mentioning the anonymity of the respondent and confidentiality of the answers. Yet, I have experienced by distributing the questionnaire that the questionnaire can be experienced as objectionable by the companies’ respondents. The objectionability should always be taken into account, during interpreting the results. From two sides the questionnaire can be experienced as objectionable by the local companies. I had the idea, also based on reviewing the results, that some companies really want to have just Turkish products and other companies just really want to have international products, likely concerning their creation of an image/reputation. This possible wish of the companies can influence their answers on the questionnaire. This should be taken into account during reading of the results.

Response categories

As mentioned in Schwarz (1999), it is advised to specify the units of measurement, this is ‘percentage (%)’ for the company questionnaire. Respondents can fill in the percentage by themselves, no answer categories have been included. The use of the response categories as a frame of reference should be avoided (Schwarz, 1999). The reasons as for the tourist questionnaire can be applied here as well (see 4.3.1 Questionnaire construction study 1: Tourist questionnaire).

Ordering effects

The company questionnaire consists of three questions. The first question about ownership is the easiest to answer as two options are given; Turkish or Foreign. Also, respondents will see the relevance of the question about Turkish staff, yet the question is more difficult to answer as the
respondents have to estimate a percentage, that is why this question has been placed as second question. The question about Turkish products have been placed in the end as the expectation is that the respondents have to think harder on this question. They need to take their products into account in order to calculate a correct percentage. It should be taken into account that all these items can be experienced as objectionable by the managers and supervisors of the companies.

**Background information**

No background information section is needed. A division has made from types of companies using the expenditure items of the tourist questionnaire and the presence of types of companies in the centre. Yet, this distinction can be made by the researcher himself, which means that no question on the type of company is needed.

**Lay-out of the questionnaire**

Also, the company questionnaire mode is face to face as the questionnaire has been distributed in the tourist destination in order to reach the sample of companies. The questionnaire should be as short as possible in order to not disturb the companies in their business. The respondents gave the questionnaire directly after filling in back to the researcher, the researcher was near. Sometimes, the researcher came back to the company later on in order to receive the filled in questionnaire. As the company questionnaire is less than one A4 format (8,27 x 11,69 inch), a booklet format is not needed. The half of an A4 format has been used, which is the same size as one page of a booklet. This means that no front page is included, which is superfluous as all the information fits easily on one page. The company questionnaire is short, which means that including a cover page only makes the questionnaire lengthier. Dillman (2007) advised in these cases, to exclude a separate cover page and start directly on the first page with the questions. The first page should include the subject of the research and the introduction, the questions can be placed directly below (ibid.). The title of the company questionnaire is ‘Companies’ contribution to the Turkish economy’. Also, a logo of Wageningen University has been included. The company questionnaire does not include a back cover. Space for additional comments and a place to thank the respondents for filling in the questionnaire have been placed on the first page at the end.

**4.4 Inventory on required analysis/Statistics**

This paragraph describes the required analysis and statistical tests in order to test the hypotheses and to answer the research question.

First of all, the calculation of the tourists’ local expenditures is explained. As the expenditures for the whole travel party have been asked in the questionnaire, the expenditures per person should be calculated as the dependent variable in the analyses is in expenditures per person. In order to calculate the expenditures per person, weights have been used and adapted for children as the expenditures for children < 13 cannot be accounted as the same for an adult. Expenditures accounted to children are less. For example, based on the fact that children from 3 up and including 12 years old eat less (child menu, yet costs of personal products, activities, public transport and souvenirs/gifts can be assigned to them). Furthermore, expenditures accounted to children younger than 3 years old are lower as they likely do not need souvenirs/gifts, they need less personal products, less food (specific baby food is often taken from the origin (‘Op vakantie met een baby kan er meer dan je denkt,’ 2014; ‘Babyvoeding voor onderweg en op vakantie,’ 2014)), get free public transport and participate likely in less activities (or do not need to pay). Thus, the expenditure behaviour of children below 13 is not considered as the same as the expenditure behaviour of adults. The expenditure behaviour of children
from 13 years old and older is considered as the expenditure behaviour of adults. The weights are defined as follows: adult or child from 13 until 18 years old = 1 person, child from 3 until 13 years old = 0.75 person and a child younger than 3 years old = 0.25 person. This means that if children are involved in the travel party, a higher amount of the total expenditures is assigned to the adults of the travel party.

<table>
<thead>
<tr>
<th>Age</th>
<th>Weight (in person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult (≥ 18)</td>
<td>1</td>
</tr>
<tr>
<td>Child (13 - 18)</td>
<td>1</td>
</tr>
<tr>
<td>Child (3 - 13)</td>
<td>0.75</td>
</tr>
<tr>
<td>Child (&lt; 3)</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Example: an expenditure amount of €27 and a travel party of 2 adults and 1 child younger than 3 will be, €12 spend per person. This means that more money is accounted to the adults. If this has not been done and 3 persons will be used, €9 is the amount spend per person. In the last case, the division of money to the 3 persons is equal, which is unfair if children are involved, in this case a child younger than 3.

Regarding to hypothesis 1, the effect of tourist mode on the tourists’ local expenditures is tested. The analysis strategy is the non-parametric counterpart of the independent t-test, the Mann-Whitney test, as the assumption on normal distribution has been violated (see Appendix IV Assumptions statistical tests). Furthermore, the measurement level of the independent variable is dichotomous (all-inclusive- and non-all-inclusive tourists). The dependent variable, the tourists’ local expenditures, is continues because of the use of amounts of money to measure the expenditures. Next to the main hypothesis, the effect of tourist modes on the specific expenditure items is statistically analysed as well. The hypothesis is tested on the basis of an one-tailed significance level as the hypothesis can be formulated with a certain direction based on earlier research (e.g. Anderson, 2011) (the direction is: all-inclusive tourists spend daily less than non- all-inclusive tourists at the destination outside their accommodation).

Regarding to hypothesis 2, the effect of nationality on the tourists’ local expenditures is tested. The analysis strategy is the non-parametric counterpart of the one-way ANOVA, the Kruskal-Wallis test, as the assumption on normal distribution has been violated (see Appendix IV Assumptions statistical tests). The independent variable is categorical, the nationality (more than 2 groups) and the dependent variable is continues, the tourists’ local expenditures. Also, the effect of nationality on the specific expenditure items is statistically analysed conducting the Kruskal-Wallis test. As the obtained sample contains more than 80% all-inclusive tourists, it is also tested if a significant effect of nationality exist on only the all-inclusive tourists’ local expenditures outside the accommodation. Taking the minimum of 20 respondents per group into account, two groups can be compared on the all-inclusive tourists’ local expenditures outside the accommodation, the German- and Dutch all-inclusive tourists. The Mann-Whitney test has been conducted as the independent variable is dichotomous and the dependent variable is continues. Also, here the assumption on normal distribution has been violated (see Appendix IV Assumptions statistical tests). This sub hypothesis is tested on the basis of a two-tailed significant level, as the sub hypothesis has no direction; there is no expectation on whether the German or the Dutch spend daily more at the destination. The Dutch have not been included in those earlier researches, which is a reason for choosing a non-directional hypothesis (two-tailed p-value). Furthermore, this hypothesis is focussed on all-inclusive tourists, the researches mentioned before do
not only focus on all-inclusive tourists. Thus, on two aspects (tourist mode of tourists and nationality of tourists) the earlier researches differ from this present sub hypothesis.

After testing the hypotheses, a second descriptive analysis on the contribution of the local companies to the Turkish economy is conducted. The contribution of local companies to the Turkish economy is described using the three points of leakage ownership, employment and origin of products, which is discussed in paragraph 4.3.2 Questionnaire construction study 2: Local companies’ contribution to the destination’s economy.

Concerning hypotheses on the tourists’ local expenditures, the daily tourists’ local expenditures are calculated by adding up the daily expenditures on the several expenditure items (in the questionnaire). The hypotheses are also tested for each expenditure item specifically as mentioned before.
5. Results

5.1 Introduction

This chapter entails the results on tourists’ local expenditures outside the accommodation (study 1) and the results on local companies’ contribution to the destination’s economy (study 2) in the study destination Side. The data collection and the questionnaire construction have been described in the previous chapter. In this chapter, the hypotheses are tested and the research question is answered. The chapter is divided in several paragraphs. Paragraph 5.2 describes the descriptive statistics on tourists’ local expenditures. Then, paragraph 5.2.1 discusses the assumptions for testing the hypotheses. Furthermore, in paragraph 5.3, the effect of tourist mode on the tourists’ local expenditures (hypothesis 1) is tested. Afterwards, in paragraph 5.4, the effect of nationality on the tourists’ local expenditures (hypothesis 2) is tested. The results chapter ends with the results on the second study of this thesis, the research question on local companies’ contribution to the destination’s economy, which entails a descriptive analysis in paragraph 5.5. The chapter ends with a summing up of the main results in paragraph 5.6.

Note that in the results chapter, the term tourists’ local expenditures in total and on each expenditure item always concern daily average local expenditures outside the accommodation.

5.2 Descriptive statistics on tourists’ local expenditures

An overview of the tourists’ characteristics (tourist mode, nationality, travel party and tourists’ local expenditures) has been described in table 3. Table 3 shows that most of the tourists in the sample have the travel mode all-inclusive. 82.1% of the respondents have booked an all-inclusive holiday. This high amount of all-inclusive tourists in the sample is also in line with the offer of several tour operators (see paragraph 4.2 Data collection) and with the research of Doğan et al. (2012), who have researched that the all-inclusive holiday is the dominant form in Alanya, another mass tourist destination in Turkey.

Almost 50% of the respondents have the German nationality. The Dutch nationality follows (21.1%). The third largest group are the Scandinavians (16.3%) (Danish, Finnish, Norwegian and Swedish).

The third row of table 3 shows the travel parties of the sample. Only adults is the most common travel party (71.5%). Adult(s) and child(ren) 3 – 13 and adults(s) and child(ren) 13 - 18 follow with respectively 12.2% and 8.1%.

The last row shows that the average tourists’ local expenditure per day in Side is €27.60. The differences among the tourists’ local expenditures between the tourist modes and nationalities is tested in respectively paragraph 5.3 and 5.4.
Table 3: Profile tourist respondents

<table>
<thead>
<tr>
<th>Respondents’ characteristics</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourist mode</strong></td>
<td></td>
</tr>
<tr>
<td>All-inclusive</td>
<td>101 82.1%</td>
</tr>
<tr>
<td>Full board/Half board</td>
<td>9 7.3%</td>
</tr>
<tr>
<td>Room and breakfast/ Only room</td>
<td>13 10.6%</td>
</tr>
<tr>
<td><strong>Nationality</strong></td>
<td></td>
</tr>
<tr>
<td>German</td>
<td>58 47.2%</td>
</tr>
<tr>
<td>Dutch</td>
<td>26 21.1%</td>
</tr>
<tr>
<td>Scandinavian (Danish, Finnish, Norwegian, Swedish)</td>
<td>20 16.3%</td>
</tr>
<tr>
<td>Other (Austrian, Belgian, English, Greek, Polish, Russian, Slovenian, Turkish, Ukrainian)</td>
<td>19 15.4%</td>
</tr>
<tr>
<td><strong>Travel party</strong></td>
<td></td>
</tr>
<tr>
<td>Only adult(s)</td>
<td>88 71.5%</td>
</tr>
<tr>
<td>Adult(s) and child(ren) &lt; 3</td>
<td>4 3.3%</td>
</tr>
<tr>
<td>Adult(s) and child(ren) 3 – 13</td>
<td>15 12.2%</td>
</tr>
<tr>
<td>Adult(s) and child(ren) 13 – 18</td>
<td>10 8.1%</td>
</tr>
<tr>
<td>Adult(s) and children &lt; 3 and 3 – 13</td>
<td>2 1.6%</td>
</tr>
<tr>
<td>Adult(s) and children 3 – 13 and 13 – 18</td>
<td>4 3.3%</td>
</tr>
<tr>
<td><strong>Average tourists’ local expenditures per day</strong></td>
<td>€27.60</td>
</tr>
</tbody>
</table>

5.2.1 Assumptions

In the following paragraphs, the differences among tourists’ local expenditures between tourist modes and nationalities have been tested on significance. First of all, the effect of tourist mode on the tourists’ local expenditures (hypothesis 1) is tested. After this, the effect of nationality on tourists’ local expenditures follows (hypothesis 2).

The independent t-test and the one-way ANOVA are parametric tests based on the normal distribution (Field, 2009). The assumptions for these tests are independent observations, an interval scaled dependent variable, homogeneity of the variances within the group variances (Levene’s test) and the normal distribution of the sample (Kolmogorov Smirnov test) (Field, 2009). As the assumption of normally distributed data has been broken for the distribution of all the dependent variables on expenditures, the non-parametric counterparts of the independent t-test and the one-way ANOVA, respectively Mann-Whitney test and the Kruskal-Wallis test should be conducted (see appendix IV for assumption testing).

5.3 Tourist mode has an effect on the tourists’ local expenditures

As mentioned before, the sample contains a high amount of all-inclusive tourists, 101 respondents (82.1%), only 9 respondents (7.3%) have the full board/half board tourist mode and only 13 respondents (10.6%) have room and breakfast/only room. In the descriptive analysis before, the tourist modes full board and half board have already been combined to one tourist mode as well as room and breakfast and only room. Yet, during the testing of hypotheses, the non-all inclusive modes have been combined further as it is not justified to find relationships with the 3 categories separately due to the low amount of respondents for full board/half board and room and breakfast/only room tourists. The minimum of 20 respondents per group has to be taken into account if hypotheses are tested (Simmons, Nelson & Simonsohn, 2011). Simmons et al. (2011) studied that samples smaller than 20 per group do
not have enough power to detect most effects, which means that a smaller number of respondents per group is unadvised.

The differences among the daily tourists’ local expenditures on the several expenditure items including the total local expenditures between the all-inclusive- and the non-all-inclusive tourist mode have been tested on significance conducting the non-parametric counterpart of the independent t-test, the Mann-Whitney test.

### Table 4: Mann-Whitney test tourists’ local expenditures and tourist mode

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Tourist mode</th>
<th>U statistic</th>
<th>P-value&lt;sub&gt;1&lt;/sub&gt; (one-tailed)</th>
<th>Effect size&lt;sub&gt;2&lt;/sub&gt; (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All-inclusive</td>
<td>Non-all-inclusive</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
<td>Median</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>1.76</td>
<td>0.00</td>
<td>19.57</td>
<td>12.72</td>
</tr>
<tr>
<td>Public transport</td>
<td>1.20</td>
<td>0.00</td>
<td>0.92</td>
<td>0.00</td>
</tr>
<tr>
<td>Activities</td>
<td>1.57</td>
<td>0.00</td>
<td>10.06</td>
<td>0.00</td>
</tr>
<tr>
<td>Personal products</td>
<td>15.70</td>
<td>0.00</td>
<td>3.69</td>
<td>0.00</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>3.69</td>
<td>0.00</td>
<td>3.28</td>
<td>0.00</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>1.03</td>
<td>0.00</td>
<td>2.24</td>
<td>0.00</td>
</tr>
<tr>
<td>Total daily local expenditures</td>
<td>24.95</td>
<td>5.50</td>
<td>39.76</td>
<td>31.70</td>
</tr>
</tbody>
</table>

<sup>1</sup> P < 0.05 = significant  
<sup>2</sup> r = 0.10 (small effect); r = 0.30 (medium effect); r = 0.50 (large effect)

Tourist mode has a small to medium effect on the total daily tourists’ local expenditures. There is a significant effect of tourist mode on the total daily local expenditures. This means that with respect to the total daily local expenditures, the all-inclusive tourists (€24.95) spend less than the non-all-inclusive tourists (€39.76).

Furthermore, the effect of tourist mode on the expenditure items is significant for two expenditure items, food and beverage (large effect) and activities (medium effect). On these expenditure items, all-inclusive tourists spend significantly less than non-all-inclusive tourists. Among the other expenditure items (public transport, personal products, gifts/souvenirs, other expenditures) no significant differences have been found between the all-inclusive- and non-all-inclusive tourists. This means that on these 4 expenditure items there is no difference in daily local expenditures between all-inclusive- and non-all-inclusive tourists. All-inclusive- and non-all-inclusive tourists spend daily the same amount on these 4 expenditure items.

The choice between an one-tailed or two-tailed significance level has no impact on the significance of the relationships. Yet, the one-tailed significance level has been shown as the hypothesis can be formulated with a certain direction based on earlier research; All-inclusive tourists spend daily less than non-all-inclusive tourists at the destination outside their accommodation.

The next section discusses the range of scores for each tourist mode in the sample, which is a more specific descriptive analysis than the description of the mean per tourist mode. Concerning the all-inclusive tourist group, the median is €5.50, this means that the middle all-inclusive tourist spend €5.50 (note that the mean for this group is much higher). It can also be concluded that 25% of the all-inclusive tourists spend €0.00. Another 25% of the respondents spend between €0.00 and €5.50, which means that 50% of the all-inclusive tourists spend between €0.00 and €5.50. Also, the most given answer (the mode) by the all-inclusive tourists is €0.00. This is not the case for non-all-inclusive tourists. The median for non-all-inclusive tourists is €31.70. For the non-all-inclusive tourists, 50% of the scores lies between €14.84 and €61.67. Furthermore, the lowest 25% of the scores lies between
€0.00 and €14.84. For the non-all-inclusive tourists, €0.00 has been answered by one respondent. Also, it should be mentioned that a lot of outliers are present in the data of the daily all-inclusive tourists’ local expenditures.

In appendix V the hypothesis has also been tested using three groups of tourist modes (all-inclusive (101), full board/half board (9), room and breakfast/only room (13)). Note, this analysis is actually not justified as the minimum of 20 respondents per group has to be taken into account (Simmons et al., 2011). Yet, the reason is to give an idea on the differences between all-inclusive-, full board/half board- and room and breakfast/only room tourists’ local expenditures. Yet, future research should confirm these results.

5.4 Nationality has an effect on the tourists’ local expenditures

The differences among the daily local expenditures on the several expenditure items including the total daily local expenditures between the nationalities have been tested on significance conducting the non-parametric counterpart of the one-way ANOVA, the Kruskal-Wallis test. The group other nationalities has been excluded from the hypothesis testing, as this group contains several nationalities, which means that it is not possible to make conclusions on these nationalities.

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Nationality</th>
<th>H statistic</th>
<th>P-value1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>German</td>
<td>Dutch</td>
<td>Scandinavian</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Median</td>
<td>Mean</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>2.87</td>
<td>0.00</td>
<td>1.89</td>
</tr>
<tr>
<td>Public transport</td>
<td>1.36</td>
<td>0.00</td>
<td>0.51</td>
</tr>
<tr>
<td>Activities</td>
<td>1.95</td>
<td>0.00</td>
<td>1.42</td>
</tr>
<tr>
<td>Personal products</td>
<td>20.16</td>
<td>0.00</td>
<td>10.23</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>3.42</td>
<td>0.00</td>
<td>2.76</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>1.22</td>
<td>0.00</td>
<td>0.60</td>
</tr>
<tr>
<td>Total daily local</td>
<td>30.98</td>
<td>8.00</td>
<td>17.41</td>
</tr>
<tr>
<td>expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Danish, Swedish, Norwegian, Finnish
2 P < 0.05 = significant

The total daily average local expenditures are for German tourists, €30.98. Scandinavian and other nationalities spend €29.38. The Dutch tourists spend daily €17.41. Yet, nationality has not a significant effect on the total daily tourists’ local expenditures.

More specifically, the tested effects of nationality on each expenditure item are not significant either. Among the expenditure items no significant differences have been found between the nationalities. German, Dutch and Scandinavian tourists spend daily the same on all the expenditure items.

Also here, the range of tourists’ local expenditures for each nationality in the sample is described. Concerning the German tourists, the median is €8.00, this means that the middle German tourist spend €8.00. The median for Dutch tourists is €5.34. Note, here that the mean of the Germans is much higher compared the Dutch, whilst the medians differ less between these groups. Furthermore, 50% of the scores lies between €0.00 and €8.00 for the Germans. For the Dutch, 50% of the scores lies between €0.00 and €5.34. It can also be concluded that 25% of the German tourists and the Dutch tourists spend €0.00. Also, it should be mentioned that a lot of outliers contain in the data of the German tourists’ expenditures. The range of scores for the Scandinavians is larger. Scandinavians have a
higher median respectively €16.03. For the Scandinavians, 50% of the scores lies between €0.00 and €16.03. Furthermore, the lowest 25% of the scores lies between €0 and €0.13 for the Scandinavians.

The obtained sample contains more than 80% all-inclusive tourists, which shows the dominance of all-inclusive tourists in the mass tourist destination Side. Also, earlier studies revealed that the all-inclusive mode is a dominating tourist mode compared to the other modes in Zanzibar and Turkey (Doğan et al., 2012; Anderson, 2013). So, it is useful to focus on this tourist mode specifically as well. Because of this important group, it is interesting to test if there is not a significant effect of nationality on only the all-inclusive tourists’ local expenditures either.

The differences in means of the all-inclusive tourists’ local expenditures among the German and Dutch tourists have been tested conducting a Mann-Whitney test. The Scandinavian all-inclusive tourists have not been included in this hypothesis test as this group consists of just 10 respondents. The minimum of 20 respondents per group has to be taken into account during hypotheses testing (Simmons et al., 2011). This means that the German and Dutch all-inclusive tourists are compared on their daily local expenditures.

Table 6: Mann-Whitney test all-inclusive tourists’ local expenditures and nationality

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>German Mean</th>
<th>German Median</th>
<th>Dutch Mean</th>
<th>Dutch Median</th>
<th>U statistic</th>
<th>P-value, (two-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>2.73</td>
<td>0.00</td>
<td>0.61</td>
<td>0.00</td>
<td>558.500</td>
<td>0.299</td>
</tr>
<tr>
<td>Public transport</td>
<td>1.49</td>
<td>0.00</td>
<td>0.55</td>
<td>0.00</td>
<td>492.500</td>
<td>0.058</td>
</tr>
<tr>
<td>Activities</td>
<td>1.38</td>
<td>0.00</td>
<td>0.83</td>
<td>0.00</td>
<td>615.500</td>
<td>0.598</td>
</tr>
<tr>
<td>Personal products</td>
<td>21.54</td>
<td>0.00</td>
<td>11.09</td>
<td>0.67</td>
<td>607.500</td>
<td>0.735</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>3.68</td>
<td>0.00</td>
<td>2.99</td>
<td>0.00</td>
<td>690.500</td>
<td>0.437</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>1.33</td>
<td>0.00</td>
<td>0.65</td>
<td>0.00</td>
<td>705.500</td>
<td>0.125</td>
</tr>
<tr>
<td><strong>Total daily local expenses</strong></td>
<td><strong>32.17</strong></td>
<td><strong>7.50</strong></td>
<td><strong>16.72</strong></td>
<td><strong>4.09</strong></td>
<td><strong>578.000</strong></td>
<td><strong>0.515</strong></td>
</tr>
</tbody>
</table>

₁ P < 0.05 = significant

The total daily average local expenditures are for German all-inclusive tourists, €32.17. Dutch all-inclusive tourists spend daily €16.72. There is no significant effect of nationality on all-inclusive tourists’ local expenditures. Also, German and Dutch all-inclusive tourists spend daily the same on all the expenditure items specifically (see table 6).

The hypothesis has been tested on the basis of a two-tailed significance level as the hypothesis has no direction; there is no expectation on whether the German- or the Dutch all-inclusive tourist spend daily more at the destination (see paragraph 4.4 Inventory on required analysis/Statistics).

Also here, the range of all-inclusive tourists’ local expenditures for each nationality in the sample is described. Concerning the German all-inclusive tourists, the median is €7.50, this means that the middle German all-inclusive tourist spend €7.50. The median for Dutch all-inclusive tourists is €4.09. Note, here that the mean of the Germans is much higher compared to the Dutch, whilst the medians differ less between these groups. It can also be concluded that 25% of the German and Dutch all-inclusive tourists spend €0.00.

Now, we have revealed empirical data on tourists’ local expenditures outside the accommodation. The next step is to study the leakage effects of those tourists’ local expenditures outside the accommodation. To what extent do the tourists’ local expenditures remain in the Turkish economy? The local companies’ contribution to the destination’s economy is related to the leakage effects of
tourists’ local expenditures outside the accommodation as tourists spend their money in local companies. The next paragraph describes the results on the second study of this thesis, the local companies’ contribution to the Turkish economy. An estimation of the leakage effects of tourists’ local expenditures has been made in chapter 6. Discussion.

5.5 Local companies’ contribution to the Turkish economy

The results on the second study on local companies’ contribution to the Turkish economy have been described and analysed in this paragraph. First of all, the results on local companies’ contribution to the Turkish economy follow. Afterwards, additional results on the conversation with tourism workers have been included.

Results on local companies’ contribution to the Turkish economy

First of all, the types of companies in the sample are described in table 7. Table 7 shows that most of the companies from the sample are restaurants and souvenir/clothes/jewellery shops. It should be noted that only a few travel/excursion agencies and one bar have been included in the sample. The results for these types of companies cannot be generalized and are only shown in order to give an impression of the results for these types of companies. Yet, bars and travel/excursion agencies are obviously less presented in Side than the restaurants and souvenir/clothes/jewellery shops are.

Table 7: Company respondents’ characteristics

<table>
<thead>
<tr>
<th>Type of company</th>
<th>Respondents</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
<td>21</td>
<td>45.7%</td>
</tr>
<tr>
<td>Souvenir/Clothes/Jewellery shop</td>
<td>21</td>
<td>45.7%</td>
</tr>
<tr>
<td>Travel/excursion agency</td>
<td>3</td>
<td>6.5%</td>
</tr>
<tr>
<td>Bar</td>
<td>1</td>
<td>2.2%</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td>100%</td>
</tr>
</tbody>
</table>

The companies’ characteristics are presented in table 8. Almost all the sampled companies are Turkish owned. The companies of the sample employ mainly Turkish staff (94.5%). Furthermore, 73.4% of the companies’ products are made or produced in Turkey.

Table 8: Summary of companies’ characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Turkish</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>97.8%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Staff</td>
<td>94.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Products</td>
<td>73.4%</td>
<td>26.6%</td>
</tr>
</tbody>
</table>

A more detailed analysis of the local companies’ contribution to the Turkish economy has been described below in table 9. First of all, the restaurants of the sample are all Turkish owned. These restaurants have almost 99% Turkish staff and use almost 86% Turkish products. The contribution of souvenir/clothes and jewellery shops to the Turkish economy is as follows. Also, all the shops are Turkish owned. The shops have more than 93% Turkish staff and almost 65% of their products is made or produced in Turkey. The other two types of companies are underrepresented in the sample, this should be taken into account. Just three travel/excursion agency have been included, of which one agency is foreign owned (33.3%). Furthermore, these travel/excursion agencies have 73.3% Turkish staff and use 63.3% Turkish products. Lastly, one bar have been included in the sample. This bar is Turkish owned, have 100% Turkish staff and 30% of the products is produced in Turkey as the bar serves mainly international drinks (bar keeper, personal communication, 30 April 2014).
To conclude, the leakage effects of local expenditures in the local companies in Side are minimal. The local companies’ contribution to the Turkish economy can be considered as substantial. An estimation of the leakage effects of the tourists’ local expenditures based on these results have been made in chapter 6. Discussion.

### Table 9: Companies’ characteristics by type of company

<table>
<thead>
<tr>
<th>Type of company</th>
<th>Ownership</th>
<th>Staff</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Turkish</td>
<td>Foreign</td>
<td>Turkish</td>
</tr>
<tr>
<td>Restaurant</td>
<td>100%</td>
<td>0%</td>
<td>98.6%</td>
</tr>
<tr>
<td>Souvenir/Clothes/Jewellery shop</td>
<td>100%</td>
<td>0%</td>
<td>93.1%</td>
</tr>
<tr>
<td>Travel/excursion agency</td>
<td>66.7%</td>
<td>33.3%</td>
<td>73.3%</td>
</tr>
<tr>
<td>Bar</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>97.8%</td>
<td>2.2%</td>
<td>94.5%</td>
</tr>
</tbody>
</table>

**Conversations with tourism workers**

Also, next to the results on the company questionnaire, two conversations with a local shop manager and two restaurant workers gave more insight in the contribution of the companies in the centre of Side to the Turkish economy. These three informants can be considered as experts. As in qualitative research, expert interviewing is a method, these conversations can be seen as short expert interviews. It is assumed that the shop manager and restaurant workers are well informed on the local companies’ contribution to the Turkish economy in the location of the centre of Side. Interviewing of persons who are well informed on specific problems and who are well socialized in specific locations or social situation are characteristics of expert interviews (Reulink & Lindeman, 2005).

The shop manager told me that the average companies’ contribution to the Turkish economy is as follows: Most of the companies in the centre of Side are Turkish owned, have more or less 100% Turkish staff and have around 80% Turkish products. Despite the objectionable questions of the questionnaire, this information of the shop manager is well in line with the results from the questionnaire, which is a confirmation of the results by a person who can be considered as expert (manager of a local company in the centre of Side).

The restaurant workers told me that the owners of the restaurants and shops in the centre of Side are for 99% from Side. Yet, they do mostly not work in their company, they are the investors. The owners let their restaurants and shops out for hire and operation. The workers who rent the restaurants and shops from the owners are for 98% from East Turkey and for 2% from West Turkey. The restaurant workers gave as an example that in their street, several shops and restaurants are owned by one investor from Side. To conclude, most of the investors are from Side and most of the workers, those who run the businesses, are from East Turkey. This thesis is about the local companies’ contribution to Turkey. Thus, this information can be considered as additional information in this thesis.

### 5.6 Conclusion main results

This paragraph sums up the main results of the two studies on the tourists’ local expenditures and local companies’ contribution to the Turkish economy. The results suggest the following:

- Tourists spend locally €27.60 per day in Side;
- In total, all-inclusive tourists (€24.95) spend locally significantly less than non-all-inclusive tourists (€39.76);
- Specifically, all-inclusive tourists spend only locally significantly less than non-all-inclusive tourists on food and beverage and activities;
- All-inclusive and non-all-inclusive tourists spend locally the same on public transport, personal products, gifts/souvenirs and other expenditures;
- Nationality has no significant effect on the tourists’ local expenditures outside the accommodation;
- Local companies’ contribution to the Turkish economy can be considered as substantial.
6. Discussion

This chapter reflects on the results of this thesis on tourists’ local expenditures and the local companies’ contribution to the Turkish economy. The results have been compared with earlier studies and theories on tourists’ expenditures and leakage effects. First of all, the tourists’ local expenditures in Side have been compared with tourists’ local expenditures in Zanzibar as the study in Zanzibar was also focused on tourists’ local expenditures outside the accommodation. Furthermore, earlier research on nationality and tourists’ expenditures has been discussed and compared with the situation in Side. Then, an estimation of the leakage effects of the tourists’ local expenditures follows. The discussion on the local companies’ contribution to the local region or to Turkey has been covered as well. Finally, the dealing with outliers in the statistical analyses has been discussed.

All-inclusive- and non-all-inclusive tourists’ local expenditures

This present thesis has revealed the tourists’ daily local expenditures outside the accommodation in Side. Anderson (2011) studied the same in Zanzibar. The results show some similarities. In this present research, the non-all-inclusive packages have been combined. Anderson (2011) distinguished six packages (only transport, only room, room and breakfast, half board, full board and all-inclusive). The questionnaire of this present thesis contained all these packages except from only transport. Because of the amount of respondents, I have chosen to combine the non-all-inclusive tourist modes to one tourist mode. When the expenditures of the non-all-inclusive tourists except from the only transport group of Anderson’s research are combined, the expenditure amount can be compared with the result of this thesis on non-all-inclusive tourists’ expenditures. Then, the results of non-all-inclusive- and all-inclusive tourists of Side and Zanzibar can be compared. Anderson (2011) used the Dollar (USD) as unit of measurement, this should be converted to Euro in order to compare the expenditures. First of all, all-inclusive tourists in Side (based on this research) spend €24.95 and all-inclusive tourists in Zanzibar spend $20.79 which should be converted to €15 in July 2009 (OANDA, 2014). Secondly, non-all-inclusive tourists in Side spend €39.76, compared to $32.68 converted to €28 for non-all-inclusive tourists in Zanzibar. All-inclusive as well as non-all inclusive tourists in Zanzibar spend daily less than in Side. Yet, the difference in expenditures between non-all-inclusive and all-inclusive is more similar in both destinations. In Side as well as in Zanzibar all-inclusive tourists spend daily around 40-50% (€10) less than non-all-inclusive tourists. A relationship between all-inclusive- and non-all-inclusive tourists’ local expenditures is assumed, which is useful information for (local) government and companies for respectively policy making on (local) economic stimulation and marketing purposes. Of course, this relationship should be further researched in more tourist destinations. Unlimited reasons for the higher expenditures in Side can be formulated. The price level of the country and inflation could be two reasons of the higher expenditures in Side. First of all, the price level could be higher in Side than in Zanzibar. Secondly, the research in Zanzibar was in 2009, prices have increased in 2014 (inflation).

Nationality and tourists’ local expenditures

As tested in the results chapter, nationality has not an effect on the tourists’ local expenditures in Side. The local expenditures of German, Dutch and Scandinavian tourists have been compared. Also, among just the all-inclusive tourists an comparison has been made between German and Dutch tourists, which did not result in a significant difference in tourists’ local expenditures either. In contrast, other researches revealed that differences in tourists’ expenditures exist between nationality. Yet, they tested different combinations of nationality. For example, Díaz-Pérez et al. (2005) studied that the group German and British tourists spend significantly less at the destination than the following other
nationalities: Austrians, Norwegians, Swedes, Italians and Spaniards in the Canary Islands. This shows that Germans spend less than Scandinavian tourists. Also, Aguilo & Juaneda (2000) studied that Germans spend less than Scandinavian tourists in the Balearic islands. Surprisingly, in this thesis the comparison of the German, Dutch and Scandinavian nationality has resulted in no differences among tourists’ local expenditures between those three nationalities.

**Leakage effects of the tourists’ local expenditures**

The theoretical framework shows the relating leakage effects of the tourists’ expenditures; the three locations of leakage effects (flight and tour operator costs, accommodation costs and local expenditures) and the types of leakage effects: external points of leakages (pre-leakage, profit repatriation) and internal points of leakages (foreign purchases and -employment). First of all, Anyango et al. (2013) researched that 50% of the total tourists’ expenditures do not reach the tourist destination and can totally be considered as pre-leakage (booking phase). The accommodation costs (18% of total tourists’ expenditures) and the local expenditures (32% of total tourists’ expenditures) have also leakage effects. The exact leakage effects of these two locations are not known. Yet, this present research have sampled companies in the centre of Side. It can be said that the leakage effects in these companies are minimal (see results, chapter 5.). The tourists’ local expenditures outside the accommodation (which is a part of the 32% tourists’ local expenditures ( = €24.95 for all-inclusive- and €39.76 for non-all-inclusive tourists)) that take place in the centre of Side minimally leak away out of the country. It has not been researched how much of the local expenditures of the sampled tourists really take place in the centre of Side. This is a limitation of the study, the leakage effects of the tourists’ local expenditures cannot be calculated as the locality of those expenditures has not been studied (yet, an estimation is possible, see below). In order to relate those expenditures accurately with the related leakage effects future research is needed.

Additionally, as the local companies’ contribution of restaurants and shops have been studied it is possible to estimate the leakage effects of the tourists’ local expenditures on food and beverage, personal products and gifts/souvenirs because these expenditures likely take place in respectively restaurants and shops, assuming that the researched tourists’ local expenditures take place in the centre of Side. The results on local expenditures on these expenditure categories have been combined with the results on local companies’ contribution of restaurants and shops in order to estimate leakage effects of these local expenditures. Unfortunately, it is not possible to estimate leakage effects of the other expenditures categories as the related local companies’ contribution, where these expenditures take place, has not been researched. This is the reason that it is not possible to research the total leakage effects of the total tourists’ local expenditures. Yet, we can estimate the percentage of the leakage effects of the local expenditures in restaurants and the shops.

First of all, we need to have information on average staff costs, import costs and profit (related to ownership) as percentage of the total revenue for restaurants and shops. Then, we can calculate which part of the tourists’ local expenditures covers the staff costs, import costs and profit. After that, it is possible to calculate the leakage effects of the revenue assigned to these cost categories as we know the local companies’ contribution to the Turkish economy on these cost categories.

The exploitation figures (average percentages of the cost categories in the company from the total revenue) depend on the company sector. This means that the staff- and import costs and profit as percentage of the revenue are different for the types of companies. Concerning, the retail sector, 66.4% of total revenue covers the import costs, 12.8% staff costs and 5.6% of the total revenue is the profit
(Firm Focus Business Solutions, n.d.). The average exploitation figures in the restaurant sector are as follows. The total revenue consists of 32.8% import costs, 27.6% staff costs and 12% profit (ibid.).

Concerning the shops, the leakage effects of 84.8% of the revenue (= import costs, staff costs and profit) can be explained. For restaurant, leakage effects of 72.4% of the revenue can be explained by calculating leakage effects on staff, import costs and profit repatriation. In this analysis, we assume that the other cost categories respectively 15.2% and 26.6% of the total revenue does not have leakage effects involved. The local companies’ contribution to the Turkish economy has only be measured on import, staff and profit (ownership), which entails the highest share of the revenue. That is why only the leakage effects of these three cost categories have been calculated in order to calculate the total leakage effects of the total local expenditures on food and beverage and personal products and gifts/souvenirs per tourist mode.

Table 10 shows that 5.1% of food and beverage expenditures leaks out of the Turkish economy. From the €1.76 spend on food and beverage by all-inclusive tourists, €0.09 leaks out of the country on a daily basis. From the non-all-inclusive tourists’ local expenditures €1.00 leaks out of the Turkish economy from the total of €19.57 spend on food and beverage per day.

A leakage effect of 24.4% on local expenditures on personal products and gifts/souvenirs occur (see table 11). From the all-inclusive tourists’ expenditures on personal products and gifts/souvenirs, €4.74 leaks out of the country from the total all-inclusive tourists’ local expenditures of €19.39 on these items per day. Non-all-inclusive tourists spend €6.97 on personal products and gifts/souvenirs of which €1.70 leaks daily out of the Turkish economy.

The leakage effects of tourists’ local expenditures on food and beverage, personal products and gifts/souvenirs are totally considered as internal leakages as no profit repatriation and so no external leakage effects are involved. In the introduction chapter internal leakages of 40-50% in developing countries and 10-20% in more diversified and advanced developing countries occur (Meyer, 2007). This means that the internal leakages of local expenditures on food and beverage (staff and import) (around 8%) are below average. The internal leakages of local expenditures on personal products and gifts/souvenirs (staff and import) (around 31%) are higher than the average internal leakage effect in more diversified and advanced developing countries.

Table 10: Leakages effects of tourists’ local expenditures on food and beverage

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Type of Company</th>
<th>All-inclusive tourists’ local expenditures per day in euro</th>
<th>Non-all-inclusive tourists’ local expenditures per day in euro</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Expenditures</td>
<td>Leakage effects</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>Restaurant</td>
<td>Total</td>
<td>1.76 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Staff</td>
<td>0.49 (27.6%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Import</td>
<td>0.58 (32.8%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profit</td>
<td>0.21 (12%)</td>
</tr>
</tbody>
</table>
### Table 11: Leakage effects of tourists’ local expenditures on personal products and gifts/souvenirs

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Type of Company</th>
<th>All-inclusive tourists’ local expenditures per day in euro</th>
<th>Non-all-inclusive tourists’ local expenditures per day in euro</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Expenditures</td>
<td>Leakage effects</td>
</tr>
<tr>
<td>Personal products + gifts/souvenirs</td>
<td>Shops</td>
<td>Total</td>
<td>19.39 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Staff</td>
<td>2.48 (12.8%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Import</td>
<td>12.87 (66.4%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profit</td>
<td>1.09 (5.6%)</td>
</tr>
</tbody>
</table>

### Local companies’ contribution to the local region

Gezici (2006) researched the local contribution of hotel establishments in Side and concluded that the development of Side depends mainly on capital and employment from outside the region. In this present research on the contribution of local companies to the Turkish economy, it has also been revealed that the workers of the restaurants and shops in the centre of Side are from outside the region, in this case mainly from East Turkey. This present research was about the local companies’ contribution to the Turkish economy, which can be considered as high. For future research, the same company questionnaire could be used, yet focussing on the economy of the region instead of the economy of Turkey as a whole. Also, Chirenje et al. (2013) emphasized the difference between contribution to the national level and the local level. In Nyanga, Zimbabwe, profits remain for a high extent in Zimbabwe, yet not in Nyanga itself, which means that locals in Nyanga do not profit from tourism. In this present research, tourism profits remain in Turkey in a high extent, yet to what extent the locals of Side do profit from tourists’ local expenditures has not been researched. Further research can be focussed on the leakage effects from the region instead of the national level.

### Outliers

Two respondents on the tourists’ local expenditures have been considered as outliers and have been deleted from the analysis. It concerns two outliers with exceptional amounts of money spent on a certain category compared to the other respondents. These respondents should have influenced the results/average in a high extent. Especially, as it concerns non-all-inclusive respondents (which are only 22 respondents in the sample, otherwise 24), it would influence the average exceptionally, which does not represent the sample anymore. Deleting these outliers means that I was more strict in finding significant differences between the tourists’ local expenditures per tourist mode.
7. Limitations

This chapter discusses the limitations of the present study. The thesis entails some limitations on the results and the methods. The limitations are extensively discussed including the impact of these limitations on the results. The following limitations have been discussed. First of all, the relation between the two separate studies in the thesis is discussed. Then, the underrepresentation of travel agencies and bars in the companies’ sample follows. Furthermore, a reflection on the operationalization of the variable tourist mode in two groups has been made. Also, limitations concerning the sample location have been included. Finally, other ways of companies’ contribution to the Turkish economy have been discussed. The next chapter, 8. Conclusion, proposes recommendations for future research, which are based on these limitations as well.

The relation between tourists’ local expenditures and the local companies’ contribution to the Turkish economy

In this thesis, the tourists’ local expenditures and the local companies’ contribution in the centre of Side to the Turkish economy have been studied. This gave an insight in differences in local expenditures between tourist modes and nationalities and insight in the leakage effects of tourists’ expenditures in companies in the centre of Side.

As already mentioned in the discussion chapter, based on this study no direct link between the tourists’ local expenditures and the local companies’ contribution to the Turkish economy can be made. In this present thesis two separate studies have been conducted. These studies gave insight in the tourists’ local expenditures outside the accommodation and in the local companies’ contribution to the Turkish economy. As the locality of the tourists’ local expenditures outside the accommodation has not been revealed it is not known which part of these expenditures contribute to the Turkish economy. This also means that it is not researched which part of those expenditures really have been spent in the companies in the centre of Side. The results of the local companies’ contribution show that leakage effects of tourists’ expenditures in these companies in Side are minimal. So, we can conclude that the tourists’ local expenditures that do take place in the centre of Side minimally leak out of the country. We cannot calculate the percentage of the researched tourists’ local expenditures that contributes to the Turkish economy. Yet, an estimation of the leakage effects of tourists’ local expenditures on food and beverage, personal products and gifts/souvenirs has been made using the results on local companies’ contribution (restaurants and shops) to the Turkish economy and average exploitation figures (see chapter 6. Discussion).

Travel agencies and bars underrepresented in the sample

As mentioned before, the results on the local companies’ contribution to the Turkish economy for the travel agencies and bars are conceptual and are difficult to generalize as just three travel/excursion agencies and one bar have been included. The results for these types of companies are only shown as an impression of the results for these types of companies. Yet, these three travel/excursion agencies and bar have been included by a sampling close to random. It should be mentioned that travel/excursion agencies and bars are less presented in the centre of Side than the restaurants and Souvenir/Clothes/Jewellery shops.
**Distinction between several tourist modes**

The results chapter has discussed and tested all-inclusive tourists (101) and non-all-inclusive tourists (22) on expenditures as it was not justified to split up the non-all-inclusive tourist group to full board, half board, room and breakfast and only room tourists. The minimum of 20 respondents per group should be taken into account if hypotheses are tested (Simmons et al., 2011). A larger sample should allow a distinction between the several non-all-inclusive tourist groups. Then, more specific tourist modes (all-inclusive, full board, half board, room and breakfast and only room) can be distinguished as Anderson (2011) did. This leads to a more specific analysis of the effect of tourist mode on tourists’ local expenditures. More time was needed for this research to obtain a larger sample, which allows the distinction between specific tourist modes. Yet, based on the respondent amounts, a high percentage of the tourists, stay all-inclusive in Side. The sample has been drafted close to random on one specific location and more than 80% of the sample contained all-inclusive tourists. The dominance of all-inclusive tourism in Side can also be confirmed by the offer of several tour operators (see Sunweb website (http://www.sunweb.nl/); Neckermann website (http://www.neckermann.nl/); TUI reisen website (http://www.tui.com/).

**Sampling location was limited to the centre**

The chosen sampling location was along the main road in ancient Side. This road is situated between the bus station and the centre of Side and is the access road to the centre of Side. The sample has been drafted only in the centre due to difficulties on the distribution of questionnaires in the all-inclusive resorts. Yet, the ideal situation is that two sampling locations had been chosen. One part of the sample generated in the centre and the other part in the all-inclusive resorts. Some tourists are likely always outside (especially tourists with the package only room), yet other tourists stay their whole holiday in the resort. A combination of two sampling locations (centre and inside the all-inclusive resort) is better as first of all the ‘enclave tourists’ (who are during their whole holiday in the resort) will otherwise be missed. It could be that all-inclusive tourists generated in their accommodation stay their whole holiday in their resort and spend marginally (Carlisle & Jones, 2012). Secondly, the asked respondents in the centre could likely stayed in the resort the day before (the asked expenditure day). In order to cover all tourists, these two sampling locations should be chosen. The first reason, showed that measured expenditures can be higher than reality. The second reason, showed that measured expenditures can be lower than reality. This means that the impact of this limitation could be minimal.

Focusing on the analysis using two sampling locations, a statistical test should be done in order to check if the results of all-inclusive tourists in the resort can be combined with the results of all-inclusive tourists obtained in the centre or if these results significantly differ. If the two groups of all-inclusive tourists do not differ significantly, the two groups will be combined to one group: all-inclusive tourists. Otherwise the results of the two groups of all-inclusive tourists will be analysed as two different groups and the sampling on the two locations was necessary as it distinguishes two different groups of tourists.

Yet, in this thesis concerning the hypotheses, a relationship between expenditures and tourist mode and nationality has been made. It is about the comparison of expenditures per tourist mode and nationality in a relative sense. One location near the centre contains all the tourist modes and several nationalities and for this reason the comparison of the expenditures with each tourist mode and those nationalities can be made. The fact that the distribution of questionnaires did not take place in the resorts, has likely not that much impact in testing the hypotheses.
Other ways of local companies’ contribution to the Turkish economy

The local companies’ contribution in the centre of Side to the Turkish economy has been studied. The extent of the leakage effects of tourists’ expenditures in the local companies has been revealed. Leakage effects in local companies can exist on ownership, purchases and employment (see also paragraph 2.2.1 The concept of leakage) (Meyer, 2007; Anderson, 2013; Chirenje et al., 2013; Supradist, 2004). These leakage points have been researched for companies in the centre of Side. Yet, local companies can also contribute to the Turkish economy in other ways as explained in the article of Meyer (2007) (see also appendix III The concept of linkage). Examples are the outsourcing of the non-core activities by the local companies, as security, merchandise and laundry to other local companies (ibid.). Also, other partnerships with the local community can be created. These partnerships are called community development activities and consist of, among others, donations, education and capacity building (as support given to primary and secondary schools) and resource sharing (ibid.). These activities can be done in order to contribute to the society as a company. Resource sharing as an activity to help supporting the local community means that at the same time benefits are created for the company and the local community (ibid.). Examples are the development of an electricity network, the development of infrastructure and water supply for both the village and the companies (ibid.). These developments benefit both the companies as well as the local villages/community.

These ways to contribute to the Turkish economy have not been researched in this thesis. The extent of local companies’ involvement in other ways to contribute to the Turkish economy is a task for future research. To conclude, the contribution to the Turkish economy researched in this thesis refers just to the extent of leakage effects. Other activities that contribute the Turkish economy as explained in Meyer (2007) have not been included.
8. Conclusion

It is claimed that mass tourists’ expenditures marginally contribute to the destination’s economy, as high leakage effects of the tourists’ expenditures are involved (e.g. Meyer, 2007; Mowforth & Munt, 2009). Also, enclave tourists spend marginally in the tourist destination (Rewtrakunphaiboon & Oppewal, 2004; Anderson, 2011, 2012; Carlisle & Jones, 2012; Shaw & Shaw, 1999). This thesis was focussed on this societal problem. The objective of the thesis was to focus on tourists’ local expenditures and the leakage effects of those tourists’ local expenditures.

Tourists’ local expenditures

The first objective of the thesis was to focus on tourists’ local expenditures outside the accommodation in Side, Turkey. Next to the descriptive information on tourists’ local expenditures, two hypotheses have been tested. H1: Tourist mode has an effect on the tourists’ local expenditures outside the accommodation. H2: Nationality has an effect on the tourists’ local expenditures outside the accommodation.

It is claimed that enclave tourists have a negative impact on the level of local expenditures in the tourist destination (Rewtrakunphaiboon & Oppewal, 2004; Anderson, 2011, 2012; Carlisle & Jones, 2012). The reason for testing hypothesis 1 is to research scientifically and quantitatively the statement that all-inclusive tourists spend less than non-all-inclusive tourists outside their accommodation in Side, a mass tourist destination in the Mediterranean. Scientific prove has been gained on this statement in this present research. Furthermore, according to the literature, nationality has an effect on the tourists’ expenditures in several tourist destinations (Aguiló & Juaneda, 2000; Díaz-Pérez et al., 2005; Doğan et al., 2012). This gave the reason to research the differences in local expenditures between nationalities in Side as well.

Hypothesis 1 has been accepted. Tourist mode has an effect on the tourists’ local expenditures outside the accommodation. Results show that the total daily average local expenditures are higher for non-all-inclusive tourists (€39.76) compared to the all-inclusive tourists (€24.95). Yet, the effect of tourist mode on the tourists’ local expenditures is just significant for two expenditure items: all-inclusive tourists spend only significantly less than non-all-inclusive tourists on food and beverage and activities. All-inclusive tourists spend the same as non-all-inclusive tourists on the other four expenditure categories: public transport, personal products, gifts/souvenirs and on other expenditures.

Concerning nationality and tourists’ local expenditures. The total daily average local expenditures are for German tourists, €30.98, Scandinavians spend €29.38 and the Dutch tourists spend daily €17.41. Yet, hypothesis 2 has been rejected. Nationality has no significant effect on the tourists’ local expenditures outside the accommodation.

Local companies’ contribution to the Turkish economy

The second objective was to research the local companies’ contribution to the Turkish economy in the centre of Side. Characteristics of the local companies concerning leakage effects on ownership, purchases and employment have been revealed. Leakage effects of local expenditures outside the accommodation have not been studied in earlier research yet. This research question contributes to the existing literature on leakage effects on accommodation costs and tour operator/flight costs. As local companies’ contribution to the destination’s economy has been researched in this thesis, empirical data on leakage effects of the tourists’ local expenditures in these local companies have been revealed.
The results on the local companies’ contribution are as follows: Almost all the sampled companies are Turkish owned. The companies of the sample employ mainly Turkish staff (94.5%) and 73.4% of the companies’ products are made or produced in Turkey. Local companies’ contribution to the Turkish economy can be considered as substantial. Also, an estimation of the leakage effects of tourists’ local expenditures on food and beverage, personal products and gifts/souvenirs has been made. It is estimated that around 5% of the tourists’ local expenditures on food and beverage leaks out of the destination Turkey. Furthermore, 24% of the local expenditures on personal products and gifts/souvenirs has been estimated as leakage.

Practical implications

Concerning the practical implications of this study, this research on tourists’ local expenditures and the local companies’ contribution to the Turkish economy provides information for the (local) government and tourism planners. The results can be used in their policy (spatial planning, (local) economic stimulation etc.). The results can also be used for the marketing purposes of local companies. It should be taken into account that all-inclusive tourists spend significantly less than non-all-inclusive tourists on only two items (food and beverage and activities). Yet, most of the tourists have the all-inclusive tourist mode. The sample contained more than 80% all-inclusive tourists.

Future research

Proposals for future research have been defined as follows. Firstly, this thesis revealed that minimal leakage effects exist in the companies in the centre of Side, which means that those tourists who spend in the centre contribute to the Turkish economy in a high extent. Future research should reveal which part of the total tourists’ local expenditures is really spent in the centre of Side and has minimal leakage effects. Then, the tourists’ contribution to the Turkish economy in the centre of Side can be calculated. Also, the locality of the other part of the tourists’ local expenditures can be researched in order to estimate the leakage effects of the other spending locations of the tourist. An estimation on leakage effects of the total tourists’ local expenditures could be made.

Secondly, this research gave quantitative data on tourists’ local expenditures and the local companies’ contribution to the Turkish economy on ownership, purchases and employment. A qualitative research on the motivations and reasons of tourists’ expenditures and the local companies’ contribution to the Turkish economy can follow. An explanation on the contribution to the Turkish economy in local companies and the extent of local companies’ involvement in other ways to contribute to the Turkish economy as explained in chapter 7. Limitations (donations, education and capacity building, resource sharing) is a task for future research. The motivations behind the choice on the extent of Turkish products, Turkish personnel and Turkish ownership can be studied doing interviews. Also, future plans on companies’ contribution to the Turkish economy can be revealed in qualitative research. Concerning the tourists’ expenditures, motivations behind the reasons of their expenditure pattern are of relevance. (Local) government and tourism planners can use these qualitative information for setting their tourism policy. Also, the local companies can use this information for marketing purposes.

Thirdly, in this present research it has been concluded that companies in the centre of Side contribute in a high extent to the Turkish economy on national level. Yet, the contribution to the specific region could be studied in the future. It has already been revealed that the workers of the restaurants and shops in the centre of Side are from outside the region, in this case mainly from East Turkey. In order
to research the contribution to the specific region, the same questions of the company questionnaire can be used, yet then focussing on the economy of the region specifically.

Fourthly, in this present research non-all-inclusive tourists and all-inclusive tourists have been compared. Future research on tourists’ local expenditures in Side should focus on a larger sample size. This allows to distinguish more tourist modes (all-inclusive, full board, half board, room and breakfast and only room). A more specific analysis of the effect of tourist mode on tourists’ local expenditures will be the result.

Finally, research on tourists’ local expenditures outside the accommodation should be conducted for other Mediterranean (mass) tourist destinations as well. A comparison among Mediterranean tourist destinations on tourists’ local expenditures can be made. High spending and low spending destinations can be distinguished. Also, the leakage effects of those tourists’ local expenditures of several Mediterranean tourist destinations can be researched and estimated in the future.
References


Appendices

Appendix I: Tourist questionnaire English, Dutch and German

If you have any comments on this survey about tourists’ local expenditures please feel welcome to write this down in the box below.

Tourists’ local expenditures Survey
My name is Nick van Faals, master student of the Wageningen University. I am conducting a research about tourists’ expenditures. Your help will be appreciated as it helps me to finish my education in tourism. All the responses remain strictly confidential and anonymous. It will only take a few minutes.

1. Could you please fill in the kind of your travel package? (Please tick the box that applies to you)
   - [ ] All-inclusive
   - [ ] Full board (room, breakfast, lunch and dinner)
   - [ ] Half board (room, breakfast and dinner)
   - [ ] Room and breakfast
   - [ ] Only room

2. Could you please write down the size of your family/group of friends you are travelling with? (Please write down the numbers that apply to you)
   - [ ] adult(s) (older than 18 years old)
   - [ ] children(s) from 13 up and including 17 years old
   - [ ] children(s) from 3 up and including 12 years old
   - [ ] children(s) younger than 3 years old

3. Could you please write down for each category how much money you have spent (in Turkish lira = TRY or Euro = EUR) outside your accommodation on yesterday for your entire family or group of friends you are travelling with? I know it could be difficult please try to make an estimate for each category.

<table>
<thead>
<tr>
<th>Category</th>
<th>TRY</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and Beverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities (e.g. entrance fees, hire of scooter, excursions, hire of guide, hire of sun-shade/beach bed, internet use)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products for personal use (e.g. clothes, sunglasses, cosmetics, sunburn lotion)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and Souvenirs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank you for your participation.
Eventuele opmerkingen over deze enquête over lokale vakantie-uitgaven kunt u kwijt in het vak hieronder.
Mijn naam is Nick van Faals, master student aan de Wageningen Universiteit. Ik doe een onderzoek over vakantie-uitgaven. Uw hulp wordt zeer gewaardeerd omdat u mij helpt om af te studeren. Al uw antwoorden zullen anoniem en vertrouwelijk worden verwerkt. Het invullen kost u maar een paar minuten.

1. Zou u de verzorgingsvorm van uw reis kunnen aangeven? (Kruist u alstublieft het juiste vakje aan)
   - □ All-inclusive
   - □ Volpension (kamer, ontbijt, lunch en diner)
   - □ Halfpension (kamer, ontbijt en diner)
   - □ Kamer en ontbijt
   - □ Alleen kamer

2. Zou u de grootte van uw familie/vriendengroep met wie u op reis bent kunnen aangeven? (Vult u alstublieft de juiste aantallen in)
   - __ volwassene(n) (ouder dan 18 jaar oud)
   - __ kind(eren) van 13 tot en met 17 jaar oud
   - __ kind(eren) van 3 tot en met 12 jaar oud
   - __ kind(eren) jonger dan 3 jaar oud

3. Zou u voor elke categorie kunnen aangeven hoeveel u gisteren buiten uw accommodatie voor uw gehele familie of vriendengroep met wie u op reis bent heeft uitgegeven (in Turkse lira = TRY of Euro = EUR). Ik begrijp dat het invullen lastig is, maar zou u alstublieft een schatting kunnen maken voor elke categorie.

<table>
<thead>
<tr>
<th>Categorie</th>
<th>TRY</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eten en Drinken</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openbaar vervoer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activiteiten (bijv. entreeprijzen, scooterhuur, excursies, gids, strandbed/parasolhuur, internetgebruik)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Producten voor persoonlijk gebruik (bijv. kleding, zonnebril, cosmetica, zonnebrandmelk)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cadeaus en Souvenirs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andere uitgaven</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bedankt voor uw deelname.
Falls Sie Fragen oder Anmerkungen zu dieser Umfrage zu Urlaubsausgaben haben sollten so schreiben Sie diese bitte in die untere Textbox.

Umfrage zu Urlaubsausgaben

1. Welche Verpflegungsart haben Sie während Ihrem Reiseaufenthaltes? (Bitte kreuzen Sie die entsprechende Box an)
   - □ All-inclusive
   - □ Vollpension (Übernachtung, Frühstück, Mittagessen und Abendessen)
   - □ Halbpension (Übernachtung, Frühstück und Abendessen)
   - □ Übernachtung und Frühstück
   - □ Nur Übernachtung

2. Bitte geben Sie die Größe der Familie bzw. der Gruppe von Freunden an mit denen Sie im Urlaub sind. (Tragen Sie bitte die richtigen Anzahl ein)
   - ___ Erwachsene(r) (älter als 18 Jahre)
   - ___ Kind(er) von 13 bis 17 Jahren
   - ___ Kind(er) von 3 bis 12 Jahren
   - ___ Kind(er) jünger als 3 Jahre


<table>
<thead>
<tr>
<th>Kategorie</th>
<th>TRY</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essen und Trinken</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Öffentlicher Verkehr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aktivitäten (z. B. Eintrittsgelder, Rollerverleih, Exkursionen, Liegestuhl-/Sonnenschirmverleih, Nutzung des Internets)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Produkte für den persönlichen Gebrauch (z. B. Kleidung, Sonnenbrille, Kosmetika, Sonnenschutzmilch)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geschenke und Souvenirs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weitere Ausgaben</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Vielen Dank für Ihre Teilnahme.
Appendix II: Company questionnaire Turkish and Dutch

Türk turizm ekonomisine katkısı
Anket

Benim adım Nick van Faals. Ben Hollanda'da Wageningen Üniversitesi Turizm öğrencisiyim ve Türk turizm ekonomisine katkısı üzerinde araştırmam.


Sahibinin milliyet nedir? □ Türk □ Yabancı
(Lütfen uygun kutuyu işaretleyin)

Personelin yüzde kaç Türk? ___ %
(Yüzde yazınız)

ürünlerinizin yüzde kaç Türkiye'de yapılıyor/üretiliyor? ___ %
(Yüzde yazınız)

Katılımınız için teşekkür ederiz.

Bu anket hakkında herhangi bir yorumunuz varsa, aşağıdaki kutuya yazınız.

WAGENINGEN UR
For quality of life

Bijdrage van toerisme aan de Turkse economie
Enquête


Wat is de nationaliteit van de eigenaar? □ Turks □ Buitenlands
(Kruist u alstublieft het juiste vakje aan)

Hoeveel procent van uw medewerkers is Turks? ___ %
(Schrijft u alstublieft een percentage op)

Hoeveel procent van uw producten is gemaakt/geproduceerd in Turkije? ___ %
(Schrijft u alstublieft een percentage op)

Bedankt voor uw deelname.

Eventuele opmerkingen over deze enquête kunt u kwijt in het vak hieronder.

WAGENINGEN UR
For quality of life
Appendix III: The concept of linkage

This thesis is about the tourists’ local expenditures and the local companies’ contribution to the destination’s economy, which is useful input for the creation of poverty alleviation programs in the tourist destination. In the discussed literature is stated that leakages of tourists’ expenditures to the First world are the case, which is a societal problem. The linkages to the destination’s economy can be increased in tourist destinations as a way of development. That is why the concept of linkage is also explained here.

The concept of linkage is as first used by Hirschman in the 1950s as activities-induced-activities, meaning that ongoing activities induce agents to start new activities (Anderson, 2013). A linkage is about the extent of supply-demand interrelationship between sectors of the economy (ibid.). In the article of Anderson, linkages can be categorized in backward and forward linkages.

A forward linkage measures the relative importance of the sector as supplier to other sectors in the economy (ibid.).

Backward linkages measures the relative importance of a sector as demander for other sectors (ibid.). Concerning the tourism industry backward linkages are involved (ibid.). The tourism industry needs operational inputs as capital, manpower, materials and information from other sectors (the agricultural sector for example) (ibid.). Examples of linkages are: accommodation sector with recruitment and training of locals (ibid.). The accommodation sector can also link the destination’s economy by supporting expenditures on local arts and cultural products and local transport (ibid.). Linkages in the tourism sector can be created by local community participation (e.g. Meyer, 2007; Anderson, 2013). Mbaiwa (2005) gives the following examples of linkages with the domestic economy: agriculture, manufacturing, construction, wholesale and retail trade, hotels and restaurants, transport, banking and insurance services, water and electricity, and social and personal services. Thus, strong linkages with the domestic economy can be created if the tourism industry is linked to and needs these sectors (ibid.).

Meyer (2007) describes four types of potential linkages (employment, sourcing and procurement, SMME development and outsourcing and other types of partnerships). Figure 6 shows these four types of potential linkages between the accommodation and the community. Linkages with the accommodation’s core business and linkages with the non-core business are distinguished. The core-business is related to the unique activities of the company; the competitive advantage. Meyer (2007) states that pro poor tourism activities could focus on the core-business as well as the non-core business; they are both equally important. First of all, employment of locals with fair working conditions, wages and training creates linkages. Education of locals is often lacking which means that they have difficulties to get a middle management or top management job. Secondly, the sourcing of local goods by the accommodation creates linkages with the destination’s economy. For example, the all-inclusive resorts: Super Clubs in Jamaica, cooperate with the Jamaica Agricultural Society (JAS) in order to promote the sale of locally produced goods to residents, visitors and exporters, of course the resorts also import these local products from the JAS. Thirdly, outsourcing of the non-core activities by the accommodation, as security, merchandise and laundry, to the local SMME’s (Small, Micro and Medium Enterprises) linkages are created. The local SMME’s will be supported and developed. Finally, also other partnerships with the local community can be created. These partnerships are called community development activities and consist of, among others, donations, education and capacity building (as support given to primary and secondary schools), social protection (as provision of health facilities) and resource sharing. These activities can be implemented in the companies’ CSR program.
(Corporate Social Responsibility program) in order to contribute to the society as a company. Resource sharing as an activity to help supporting the local community will be explained in more detail. Resource sharing means that at the same time benefits are created for the company and the local community. Examples are the development of an electricity network, the development of infrastructure and water supply for both the village and resort. These developments benefit both the resort as well as the local villages/community. To conclude many leakage points explained in table 1 can be changed to linkage points as local employment and local products explained in this paragraph and as summarized in figure 5 (ibid.). Yet, linkages can also be made in other ways as creating partnerships.

Appendix IV: Assumptions statistical tests

Assumptions hypothesis 1: Tourist mode has an effect on the tourists’ local expenditures

This section gives a detailed analysis on the assumptions of the independent t-test and the choice for the non-parametric counterpart, the Mann-Whitney test, in order to test the effect of tourist mode on the tourists’ local expenditures.

The independent t-test is a parametric test based on the normal distribution (Field, 2009). The assumptions are independent observations, an interval scaled dependent variable, homogeneity of the variances within the group variances (Levene’s test) and the normal distribution of the sample (Kolmogorov Smirnov test) (ibid.). The assumption independent observations is met as the respondents are not related to each other (ibid.). The respondents are from separate entities based on a type of sampling close to random sampling. It is unlikely that the respondents have influenced each other. Furthermore, the dependent variable is interval scaled as tourists’ local expenditures is a continues variable, the difference between each value is equal in distance. The assumption on the homogeneity of the variances within the groups for each expenditure item has been tested in table 12. The output of the independent t-test will give an adjusted T statistic if equal variances have not been assumed (Levene’s test is significant) (ibid.). Lastly, the assumption on normality should be tested doing the Kolmogorov-Smirnov test. The distributions within the groups should be normally distributed (ibid.).

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Levene Statistic (F)</th>
<th>P-value$_{1}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>75.517</td>
<td>0.000</td>
</tr>
<tr>
<td>Public transport</td>
<td>0.509</td>
<td>0.477</td>
</tr>
<tr>
<td>Activities</td>
<td>24.233</td>
<td>0.000</td>
</tr>
<tr>
<td>Personal products</td>
<td>8.184</td>
<td>0.005</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>0.373</td>
<td>0.542</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>1.761</td>
<td>0.187</td>
</tr>
<tr>
<td><strong>Total daily expenditures</strong></td>
<td><strong>0.132</strong></td>
<td><strong>0.717</strong></td>
</tr>
</tbody>
</table>

P < 0.05 = significant

The assumption of homogeneity of the variances is broken for some of the expenditure items (p < 0.05). To solve this, the adjusted t-statistic should be used in testing relationships (Field, 2009). This means that the adjusted t-statistic should be used for the tests on relationships between the tourist mode and the local expenditures on food and beverage, activities and personal products.

The last assumption is on the normal distribution of the sample which can be tested by doing the Kolmogorov-Smirnov test.

The Kolmogorov-Smirnov test compares the data of the sample with normally distributed data using the same mean and standard deviation as the sample distribution (ibid.). If the test is non-significant (p > 0.05), then the sample does not differ significantly from a normal distribution. The testing of the hypotheses here involves comparing groups (tourist mode), this means that the distribution in each group should be tested on normality (ibid.). The distribution of all the dependent variables (all the specific expenditure items) are significantly non-normally distributed (p < 0.00) (see table 13). The distribution is only significant normal for the non-all-inclusive group in the total daily expenditure category (see table 13). This means that the Mann-Whitney test, the non-parametric equivalent of the independent t-test, should be conducted as the distribution is not normal in each group for all the dependent variables (the expenditure items).
Table 13: Test of normality tourists’ local expenditures within groups of tourist mode

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Kolmogorov-Smirnov</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>D-Statistic</td>
<td>P-value,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All inclusive</td>
<td>Non-all inclusive</td>
<td>All inclusive</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>0.365</td>
<td>0.226</td>
<td>0.000</td>
</tr>
<tr>
<td>Public transport</td>
<td>0.367</td>
<td>0.385</td>
<td>0.000</td>
</tr>
<tr>
<td>Activities</td>
<td>0.507</td>
<td>0.351</td>
<td>0.000</td>
</tr>
<tr>
<td>Personal products</td>
<td>0.325</td>
<td>0.309</td>
<td>0.000</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>0.391</td>
<td>0.333</td>
<td>0.000</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>0.461</td>
<td>0.484</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Total daily expenses</strong></td>
<td><strong>0.268</strong></td>
<td><strong>0.128</strong></td>
<td><strong>0.000</strong></td>
</tr>
</tbody>
</table>

* P < 0.05 = significant

The assumption of normally distributed data has been broken for the distribution of all the dependent variables on expenditures. It is not possible to correct for this problem (ibid.). A non-parametric test should be conducted in this case also known as assumption-free tests (ibid.). These tests work on the principle of ranking the data (the highest score gets the rank of 1, the next highest score gets the rank of 2 and so on), which means that some information is lost about the magnitude of the differences (ibid.). So, non-parametric tests can be less powerful than parametric tests. The consequence is that a parametric test is better in detecting a relationship in the data than a non-parametric test. Yet, the parametric test works only in case the assumptions are met. If the assumptions are not met, then the non-parametric test is better in finding relationships in the data.

The non-parametric counterpart of the independent t-test is the Mann-Whitney test. This test should be conducted in order to find an effect of tourist mode on tourists’ local expenditures. Field (2009) states that it is more appropriate to mention the median than the mean in non-parametric tests.

**Assumptions hypothesis 2: Nationality has an effect on the tourists’ local expenditures**

This following section gives a detailed analysis on the assumptions of ANOVA and the choice for the non-parametric counterpart, the Kruskal-Wallis test, in order to test the effect of nationality on the tourists’ local expenditures.

Before testing the hypothesis, the assumptions of ANOVA under which the F statistic is reliable should be met (Field, 2009). The assumptions of ANOVA are as for all parametric tests based on the normal distribution (ibid.). The assumptions are independent observations, an interval scaled dependent variable, homogeneity of the variances within the group variances (Levene’s test) and normally distribution of the dependent variable (Kolmogorov Smirnov) (ibid.). Also here, the assumptions independent observations and the dependent interval scaled variable are met. The assumption on the homogeneity of the variances within the group variances (Levene’s test) has been tested in table 14. The Welch’s F statistic will be used if the Levene’s test is significant (ibid.). Lastly, the assumption on normality should be tested doing the Kolmogorov-Smirnov test. The distributions within the groups should be normally distributed (ibid.). Also, Field (2009) states that when group sizes are equal the violation of normality has a minimal effect on the F statistic, the F statistic remains reliable. Yet, in this research the group sizes are not equal (see also paragraph 5.2 Descriptive statistics on tourists’ local expenditures).

The assumption on the homogeneity of the variances within the group variances has been tested in table 14 using the Levene’s test. As mentioned before, the Welch’s F will be used if the Levene’s test is significant.

65
Table 14: Levene's test tourists’ local expenditures and nationality

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Levene Statistic (F)</th>
<th>P-value₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>6.833</td>
<td>0.002</td>
</tr>
<tr>
<td>Public transport</td>
<td>2.522</td>
<td>0.085</td>
</tr>
<tr>
<td>Activities</td>
<td>3.129</td>
<td>0.048</td>
</tr>
<tr>
<td>Personal products</td>
<td>3.062</td>
<td>0.051</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>0.311</td>
<td>0.733</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>0.685</td>
<td>0.506</td>
</tr>
<tr>
<td><strong>Total daily expenditures</strong></td>
<td><strong>3.204</strong></td>
<td><strong>0.045</strong></td>
</tr>
</tbody>
</table>

₁ P < 0.05 = significant

The test on homogeneity of the variances shows that the Welch’s F statistics should be used in order to test the effect of nationality on tourists’ local expenditures on food and beverage, activities and the total daily local expenditures, for these expenditure items: p < 0.05.

Lastly, the assumption on normality should be tested doing the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov test has been conducted in order to test the distribution in each group on normality. The distribution in all the groups for all the expenditure items is significant non-normal (see table 15).

Table 15: Test of normality tourists’ local expenditures within groups of nationality

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Kolmogorov-Smirnov</th>
<th>D-Statistic</th>
<th>P-value₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td></td>
<td>0.328</td>
<td>0.350</td>
</tr>
<tr>
<td>Public transport</td>
<td></td>
<td>0.348</td>
<td>0.502</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td>0.507</td>
<td>0.534</td>
</tr>
<tr>
<td>Personal products</td>
<td></td>
<td>0.312</td>
<td>0.328</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td></td>
<td>0.401</td>
<td>0.381</td>
</tr>
<tr>
<td>Other expenditures</td>
<td></td>
<td>0.503</td>
<td>0.462</td>
</tr>
<tr>
<td><strong>Total daily expenditures</strong></td>
<td><strong>0.267</strong></td>
<td><strong>0.239</strong></td>
<td><strong>0.212</strong></td>
</tr>
</tbody>
</table>

₁ P < 0.05 = significant

The assumption of normally distributed data has been broken for the distribution in each group for all the dependent variables on expenditures. A non-parametric test should be conducted. This means that the Kruskal-Wallis test, the non-parametric counterpart of the one-way ANOVA should be conducted. This test should be conducted in order to find an effect of nationality on tourists’ local expenditures.

Assumptions: Nationality has an effect on the all-inclusive tourists’ local expenditures

This section gives a detailed analysis on the assumptions of the independent t-test and the choice for the non-parametric counterpart, the Mann-Whitney test, in order to test the effect of nationality on the all-inclusive tourists’ local expenditures.

The assumptions independent observations and an interval scaled dependent variable have already been tested before. The assumption on the homogeneity of the variances within the nationality groups for each expenditure item has been tested in table 16. The assumption of homogeneity of the variances is broken for some of the expenditure items (p < 0.05). To solve this, the adjusted t-statistic should be used in testing relationships (Field, 2009). This means that the adjusted t-statistic should be used for the tests on relationships between the independent variable and the expenditures on food and beverage, public transport, personal products and the total daily local expenditures.
Lastly, the assumption on normality should be tested doing the Kolmogorov-Smirnov test. The distributions within the groups should be normally distributed (ibid.). The assumption of normally distributed data has been broken for the distribution of all the dependent variables on expenditures (see table 17). The non-parametric counterpart of the t-test should be conducted, the Mann-Whitney test.

### Table 16: Levene’s test all-inclusive tourists’ local expenditures and nationality

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Levene Statistic (F)</th>
<th>P-value₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage</td>
<td>8.690</td>
<td>0.004</td>
</tr>
<tr>
<td>Public transport</td>
<td>6.872</td>
<td>0.011</td>
</tr>
<tr>
<td>Activities</td>
<td>0.476</td>
<td>0.492</td>
</tr>
<tr>
<td>Personal products</td>
<td>3.758</td>
<td>0.056</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>0.625</td>
<td>0.432</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>0.631</td>
<td>0.430</td>
</tr>
<tr>
<td><strong>Total daily expenditures</strong></td>
<td><strong>6.116</strong></td>
<td><strong>0.016</strong></td>
</tr>
</tbody>
</table>

₁ P < 0.05 = significant

### Table 17: Test of normality all-inclusive tourists’ local expenditures within groups of nationality

<table>
<thead>
<tr>
<th>Expenditure category</th>
<th>Kolmogorov-Smirnov</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>D-Statistic</td>
</tr>
<tr>
<td></td>
<td>German</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>0.351</td>
</tr>
<tr>
<td>Public transport</td>
<td>0.325</td>
</tr>
<tr>
<td>Activities</td>
<td>0.505</td>
</tr>
<tr>
<td>Personal products</td>
<td>0.307</td>
</tr>
<tr>
<td>Gifts/Souvenirs</td>
<td>0.417</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>0.501</td>
</tr>
<tr>
<td><strong>Total daily expenditures</strong></td>
<td><strong>0.272</strong></td>
</tr>
</tbody>
</table>

₁ P < 0.05 = significant
Appendix V: The effect of tourist mode on tourists’ local expenditures using three values for tourist mode

In the results chapter, the hypothesis on tourist mode and tourists’ local expenditures has been conducted using two groups all-inclusive tourists (101) and non-all-inclusive tourists as the amount of respondents for the non-all-inclusive group (22) was low, which was the reason for combining the non-all-inclusive tourist modes to one group. It is not justified to split up the non-all-inclusive tourist group to full board/half board and room and breakfast/only room tourists in order to find differences among expenditures between these 3 groups. Discussing each tourist mode separately is not even justified at all. The minimum of 20 respondents per group should be taken into account if hypotheses are tested (Simmons et al., 2011).

In spite of it, I have conducted the analysis also using three groups of tourist modes right here: all-inclusive (101), full board/half board (9), room and breakfast/only room (13). This analysis is only discussed here and is not a part of the results chapter as the respondent amounts are too low to generalize as already explained. Yet, it has been discussed here to give an idea on the differences between all-inclusive-, full board/half board- and room and breakfast/only room tourists’ local expenditures. Yet, future research should confirm these results. The non-parametric counterpart of the one-way ANOVA, the Kruskal-Wallis test has been conducted in order to find differences among the tourists’ local expenditures between the three tourist modes. The reason for the Kruskal-Wallis test is that the assumption of normally distributed data has been broken for the distribution of all the dependent variables on expenditures. This was also the case for the distribution of the all-inclusive- and non-all-inclusive tourists’ local expenditures and the distribution of the tourists’ local expenditures per nationality.

Distinguishing three groups of tourist modes and conducting a Kruskal-Wallis test resulted in the following: tourist mode has an effect on the total daily tourists’ local expenditures. There is a significant effect of tourist mode on the total daily tourists’ local expenditures (H (2) = 10.405, p = 0.006).

More specifically, the effect of tourist mode on the expenditure items is significant for three expenditure items specifically, food and beverage (H (2) = 48.952, p = 0.000), activities ( H(2) = 11.338, p = 0.003) and other expenditures (H (2) = 6.929, p = 0.031). Among the other expenditure items (public transport, personal products and gifts/souvenirs) no significant differences have been found between the tourist modes.

The differences and similarities in results between the use of three values for the independent variable tourist mode and two values for tourist mode is as follows: Tourist mode has in both analyses an effect on the total daily tourists’ local expenditures, more specifically tourist mode has an effect on expenditures on food and beverage and activities. Yet, tourist mode has also an effect on the item other expenditures if three values for tourist mode are taken into account. No effect of tourist mode on other expenditures has been found if the values for tourist mode consists of all-inclusive and non-all-inclusive, 2 groups.

An advantage of the use of three values for tourist mode is that a more detailed analysis can be conducted. Conducting pairwise comparisons show these details. The previous Kruskal-Wallis test was about the finding of significant differences between the independent variable (tourist mode) and the dependent variables (expenditure items), if there is a significant difference between tourist mode and an expenditure item, it is still not clear for which categories (tourist modes) the difference exist.
The pairwise comparison analysis tests significant differences between pairs of group means for the expenditure items, so it becomes clear where the differences lie.

As seen before, tourist mode has a significant effect on total daily tourists’ local expenditures. Pairwise comparisons show that only the relationship between the expenditures from all-inclusive tourists and room and breakfast/only room tourists is significant ($U = -31.73$, $r = -0.28$). All-inclusive tourists spend daily significantly less than room and breakfast/only room tourists. The all-inclusive tourists do not spend daily significantly less than the full board/half board tourists. Also, the room and breakfast/only room tourists do not spend daily significantly more than the full board/half board tourists.

More specifically, tourist mode has a significant effect on the following three expenditure items food and beverage, activities and other expenditures.

Firstly, focusing on food and beverage, pairwise comparisons show that the difference between all-inclusive and full board/half board is significant ($U = -33.57$, $r = -0.28$). Also, the all-inclusive tourists and room and breakfast/only room tourists differ significantly ($U = -60.51$, $r = -0.59$). So, it can be said that all-inclusive spend significantly less on food and beverage than full board/half board and room and breakfast/only room tourists. There is no significant relation between full board/half board and room and breakfast/only room tourists.

Secondly, regarding the activities, pairwise comparisons show also that there is a significant difference between all-inclusive and full board/half board ($U = -17.16$, $r = -0.23$) and between all-inclusive and room and breakfast/only room ($U = -14.35$, $r = -0.22$). All-inclusive tourists spend daily significantly less than full board/half board and room and breakfast/only room tourists. Also here, no significant difference has been found between full board/half board and room and breakfast/only room tourists on the expenditures on activities.

Thirdly, concerning the item other expenditures, pairwise comparison show that there is only a significant difference between room and breakfast/only room and full board/half board tourists ($U = 21.17$, $r = 0.23$). Room and breakfast/only room tourists spend daily significantly less than full board/half board tourists. The other expenditures of all-inclusive tourists and room and breakfast/only room and full board/half board tourists do not differ significantly.

Furthermore, the expenditures of all the three tourist modes do not differ from each other on the expenditure items: public transport, personal products and gifts/souvenirs. All-inclusive-, full board/half board- and room and breakfast/only room tourists all spend the same on these expenditure items.

It should be noted that using three values (all-inclusive, full board/half board, room and breakfast/only room) for tourist mode and conducting a Kruskal-Wallis test, which has been done above, is based on low amounts of respondents per value, which is not justified in scientific research (Simmons et al., 2011). For this reason, the results (see chapter 6. Results) discussed two values for the variable tourist mode; the all-inclusive tourists and the non-all-inclusive tourists (combination of full board/half board and room and breakfast/only room). The above explained analysis is just to give an idea about the differences between three tourist modes, yet this should be further researched in future research.
Appendix VI: Email to All-inclusive resorts

Email to All-inclusive resorts in order to distribute questionnaires in their hotel

Subject: Research on tourists’ expenditures

Dear hotel management,

My name is Nick van Faals, a master student in tourism from the Wageningen University in the Netherlands. In order to finish my education, I am conducting a research on the local expenditures of tourists in Side. For my research I would like to collect expenditure information from tourists in Side by distributing a questionnaire to the tourists. The questionnaire includes questions about the tourists’ expenditures on several expenditure items. Is it possible to visit your hotel and distribute my questionnaire to a number of your guests during 1 hour on a day of your choice between 15 April and 28 April 2014? The questionnaire is short, it takes a few minutes to fill in. The results remain strictly confidential and anonymous. The questionnaire has no any commercial interest, it is only for a research for my education in tourism. Of course, I will also send you the general results (a report in English) after completing the research. You will have a better insight in the expenditure behaviour of your guests and it will help me finishing my education. I am looking forward to your response.

Thank you in advance.

Kind regards,

Nick van Faals
MSc student Leisure, tourism and environment
Wageningen University
The Netherlands