



FREIE UNIVERSITÄT BOZEN

LIBERA UNIVERSITÀ DI BOLZANO

FREE UNIVERSITY OF BOZEN · BOLZANO

Competence Centre in Tourism Management and Tourism Economics (TOMTE)

Advances in Tourism Research Workshop

Bruneck / Brunico, South Tyrol, Italy · September 27–29, 2009

Abstracts

Abstracts are sorted according to the last name of the first author.

How to cite?

Authors (2009). *Title of presentation*. Paper presented at the Advances in Tourism Research Workshop, held at the Competence Centre in Tourism Management and Tourism Economics (TOMTE) of the Free University of Bozen/Bolzano, September 27–29, 2009, Bruneck/Brunico, South Tyrol, Italy.



The Economics of Casino Gambling: Evidence for Portugal

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Keywords: Gambling economics, gambling receipts, Casinos, domestic income, international tourism

Abstract

Gambling generates a significant source of income for certain countries/regions. There is a general assumption that a significant share of gambling receipts is originated on both domestic and international tourism flows. In this paper, we argue that while that might be the case for Las Vegas, Macau or Hong Kong, it is certainly not the case for Portugal, where the empirical evidence shows that gambling receipts are highly dependent on national per capita income (instead of international tourism).

We use a multiple regression model, with the tourism receipts depending on both international tourism and national income. The GLS estimators, under the assumption of auto correlated errors, exhibit statistically relevant coefficients for GDP for all Casinos in Portugal. On the contrary, international tourism has shown to be insignificant in all Casinos except for the special case of the Madeira Island.

Considering that the model shows gambling receipts depending strongly on domestic income in Portugal, while international tourism is not statistically relevant, some policy and management implications can be derived from this main conclusion. Most notably, it can be argued that marketing investments and general promotion of the Casino business should be addressed to residents rather than non-residents given that the former are the ones holding the main potential for spending in Casinos in Portugal.

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The productivity issue in tourism local systems

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Keywords: productivity, tourism local systems, Coase theorem, equilibrium stability

Abstract

This paper discusses the issue of measuring productivity of systems of Small Medium Size firms (SMEs). These are known in Italy as industrial districts, in Porter's terminology *clusters* and, with reference to tourism, as Tourism Local Systems (LTS), where SMEs are operating in the production of the variety of tourist related goods and services. Benchmarking with the Vertically Integrated Firm (VI), we establish a correspondence theorem between productivity and stability of the two modes of production organization. This permits us to outline a new method to calculate productivity of networked firms. Such a method fills in a gap in standard productivity analysis that is, basically, either macroeconomic (as in growth theories) or is done at the microeconomic level of the individual firm, but never at the level of whole networks. For this reason, if it proves empirically implementable, the method outlined has a scope going beyond Local Tourist System and a more general applicability.



Factors Related To Earnings Benchmarks In The Spanish Hotel Industry

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Keywords: Earnings benchmarks, financial activities, real activities, Spanish hotel industry

Abstract

This paper focuses on the hypothesis of avoiding losses and earnings decreases in the Spanish hotel industry. First, we examine the earnings distribution in order to analyse the manager's tendency to achieve these two earnings benchmarks. Second, we use a wide set of variables to check out the existence of a different behaviour between firms just miss the benchmark and firms just beat the benchmark. Particularly, we analyse a set of variables based on financial activities and real activities and variables related to corporate governance such as audit and board of directors. The results show that managers of Spanish hotel firms avoid reporting losses and earnings decreases. It is also detected that firms just beat the benchmark present different profile in levels (and variations) in fundamental variables in relation to firms just miss the benchmark.



Elements of Corporate Governance in Tourism Organizations. Empirical Survey in South Tyrol (Italy), Austria and Switzerland

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Abstract

In the past tourism organizations were central players when it came to creating and marketing competitive bundles of touristic services in a destination, the destination management. However, destination management demands on the part of the market but also on the part of local stakeholders have changed very much since then, both in form and content. Entrepreneurial qualifications and processes but also constant innovation and development are required, especially challenging the small-scaled Alpine tourism (cf. Pechlaner & Tschurtschenthaler, 2003). Competitive destinations of the future therefore are in need of well-governed and locally legitimated and accepted tourism organizations, developing from operative administrations to strategically thinking enterprises. One approach to further develop and professionalize tourism organizations might be the concept of corporate governance. It offers organizations a set of instruments to govern, control and monitor themselves and enables the implementation of previously defined structures and standards (cf. Beritelli et al., 2007; Pechlaner & Raich, 2005). Possessing a strong self-organization tourism organizations are enabled to again take a leading part in future destination governance. During a broad literature review in governance theory a number of elements have been derived giving evidence about the degree of corporate governance in tourism organizations. These elements are the 1) functioning and efficient management of the organization, 2) controlling and benchmarking of its business performance, 3) the application of instruments of governance (e.g. strategic business plan, controlling, statutes...), 4) the application of a common code of values and 5) the knowledge of and the support of local networks of stakeholders. However, given the peculiarities of tourism organizations (e.g. low hierarchy, dependency on public administration and on their members, small scale...) these elements, usually being implemented in quoted enterprises, cannot be transferred without modification. The study in hand analyzes, whether and how these elements of corporate governance are applied in tourism organizations in the Alps and what characteristics these elements offer. A quantitative empiric survey in form of an online questionnaire being sent to the members of associations of tourism managers in South Tyrol (Italy), Switzerland and Austria (n=127) was conducted. The Interpretation of the results is not finished yet. It can be stated, that tourism organizations are aware of these corporate governance elements and even of their potential. However, the degree of their application so far is comparably poor.

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The regional public spending for tourism in Italy: An empirical analysis

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Keywords: Tourism; Regions; Public Spending; Regional Public Account

Abstract

We analyse the effects of public spending for tourism, in Italian regions. The evaluation is permitted by the availability of the databank under the project “Conti Pubblici Territoriali” (“Regional Public Account”) of the Ministry of Economic Development: the spending of all public subjects over the period 1996-2007 is aggregated according to the regions of destinations, and classified according to different criteria, including the sectoral criterion. We take a cross-section regression analysis approach. The effects of public spending for tourism on tourism attraction are investigated. Generally speaking, the effectiveness of public spending appears to be really weak. We find that the ties of the cumulative expenditure in capital account for tourism (interpreted as a measure of public capital for tourism accumulated at the regional level over the period time under consideration) is very weakly correlated with any specific infrastructure. Moreover, its links with the size and dynamics of tourists’ presence are very weak as well.



Performance of hotel firms: the case of Milan

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Keywords: urban destination, performance, hotel businesses, star rating, location, size.

Abstract

The present paper investigates the link existing between the commercial mix, seasonality of destination and daily performances of hotel businesses. The choices made at city level form a commercial mix which, despite the differing emphases and specific features of single businesses, tends to mark the entire hotel industry, with limited differences according to quality levels and location.

The Milan case, in particular, shows the capacity of trade fair events and business components to increase average room rates and occupancy. On the other hand, there is a resulting slackening in holiday periods and non-working weeks (some 100 days per year), when a low level of the average room rate and occupancy is seen.

Empirical findings suggest the central role played by metamanagement strategy. For this reason the article proposes an approach to help destination managers to reduce the seasonalities on which to focus their lines of development. Moreover, the identification of the periods marked by high performances makes it possible to pinpoint some critical management aspects to guide development or re-launch actions.



Heritage and tourism: theoretical and empirical issues

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Keywords: Tourism, Culture, Heritage, Seasonality

Abstract

It is a common opinion that culture and tourism are strictly complementary activities because of the positive externalities that culture sector generates on tourism. In this paper, we aim at evaluating this common opinion. Firstly, we explore the concept of cultural tourism and the different definitions provided in the literature. Secondly, we deal with the role that cultural tourism play in Italy and particularly in Sicily. We focus on the role of cultural tourism to lessen the seasonality of tourism flows, providing empirical evidence on some Sicilian cases. Finally, we analyse the related policy implications. From this point of view, it is worth exploring how different institutional arrangements are able to deal with the vertical and horizontal fragmentation of competencies and to offer solutions for the governance of the interaction of the different actors (public, private, no profit) in order to enhance the above mentioned positive externalities.

