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ABSTRACT

This brief paper focuses on Dutch outbound tourism, i.e. international flows with the Netherlands as a place of origin. Using data provided by CBS Statistics Netherlands, we show that the total number of international holidays, both in absolute terms and per capita, has significantly grown in the last three decades, denoting a significant increase in the propensity of Dutch residents to engage in international tourism; moreover, year-by-year variations seem to be positively, but weakly, associated with the general conditions of the Dutch economy. In terms of the composition of international holidays by destination country, we found evidence of some instability in the relative importance of different destinations, with an increase in the diversity of choices by Dutch tourists and in the distance of their preferred destination.

Key words: Outbound tourism, international holidays, the Netherlands, tourism markets, tourist preferences, tourist area cycle of evolution.

INTRODUCTION

Worldwide international tourism flows have witnessed impressive growth rates in the last decades, in particular following World War II: 25 million arrivals in 1950, 277 million in 1980, 435 million in 1990 and 675 million in 2000 (source: World Tourism Organization). Not only is this phenomenon of great economic relevance for the countries involved, but it also has a social, cultural and environmental impact (not necessarily positive) both for the countries of origin and destination countries.

This brief paper focuses on Dutch outbound tourism, i.e. international flows having the Netherlands as a place of origin. More specifically, we use data provided by CBS Statistics Netherlands, relating to changes in the trends of international holidays taken by Dutch citizens from 1983 to 2009. Within Europe, the Dutch are among the most active as regards travelling for pleasure, coming third after the Norwegians and Finns in terms of participation in holidays (Statistics Netherlands, 2011). Moreover, for a small country like the Netherlands, international tourism constitutes (almost by definition) the most significant form of tourism: Dutch citizens spend more than 80% of their overall tourism expenditure on international tourism (Statistics Netherlands, 2011).

The descriptive analysis reported in the following section concerns two levels of analysis. First, focusing on the total number of international Dutch holidays, we look at change over time with respect to the development of the Dutch economy as measured by the real GDP growth rate. The empirical literature on the determinants of international tourism flows (e.g. see Lim, 1997, for a literature review) has identified income as key explanatory variable although the magnitude of its impact on tourism flows varies across studies. Our results provide some evidence related to the Dutch case.

The second level of analysis concerns the change in the relative importance of the various destinations over time. Here we provide three pieces of information: i) we classify the destinations of Dutch tourists in two categories, those which have increased in importance from the beginning to the end of the period of analysis and those which have decreased in importance; ii) we construct two indicators, the Gini and the Herfindahl indexes, in order to look at the development of diversity in tourist destination choices by Dutch citizen; iii) we explore the geographical dimension of our data by building an index of ‘weighted average distance’ associated with Dutch international holidays, and we look at changes over time.

Data on tourism flows can be looked at from two different perspectives: from the perspective of destination countries, they can be viewed in terms of market share resulting from competition in a

specific market; from the point of view of the origin country, their analysis may provide 'macro' insights into changes in tourism preferences.

This paper follows the second perspective, and a few possible interpretations of our evidence will be proposed based on the notions of allocentric vs. psychocentric travellers (Plog, 1974, 2001) and tourist area cycle of evolution (Butler, 1980). According to Plog, travellers can be classified according to their psychological characteristics, which in turn influence the type of holidays they search for. The psychocentric tourist is portrayed as more intellectually restricted, cautious, and therefore conservative in his or her choices. He or she travels less frequently, often prefers driving to flying and searches for familiar, well-developed destinations. At the other extreme, the allocentric tourist is an intellectually curious, open-minded, independent individual who seeks variety and novelty by exploring new areas before they become too popular. These two types must be conceived as the two extremes of a continuum, with midcentric tourists lying between the two. For Plog, the proposed classification helps in explaining the evolution of many destinations, which go through the stages of a life cycle: 'exploration', 'involvement', 'development', 'consolidation', 'stagnation', and possibly 'rejuvenation', in the words of Butler (1980). In different stages, the destination would appeal to a different psychographic group of travellers; it would appeal first to allocentric tourists, who act as innovators in discovering a place (leading to initial growth), then to midcentrics, who characterize the maturity phase, and finally to the psychocentrics in the declining phase. More recent contributions (McKercher, 1995, 2005) have argued that since destinations serve many markets simultaneously, at any point in time a destination will appeal to markets at different stages of their life cycles.

TRENDS IN DUTCH INTERNATIONAL OUTBOUND TOURISM

The data on outbound tourism used in the following analyses are those provided by Statistics Netherlands on its website,[1] and refer to the number of holidays taken abroad by the Dutch population. (Long) holidays are defined as periods of four days or longer spent outside the Netherlands for recreation or pleasure.[2] One important caveat is that, from 2002, the definition of holiday includes periods spent with family, friends and acquaintances living abroad. This, of course, creates an upward break in the series, but it is of less concern when we look at the relative importance of different destinations. Data are distinguished according to the place of destination, identifying 17 main destination countries, or small sets of countries (i.e. Austria; Belgium and Luxembourg; the Czech Republic and Slovakia; Denmark; the Federal Republic of Yugoslavia;[3] France; Germany; Greece; Hungary; Italy; Norway, Sweden and Finland; Portugal; Spain;

Switzerland; Turkey; the United Kingdom; the United States of America) and two residual categories (other countries in Europe; other countries outside Europe). In addition to these data, data on real GDP growth rates and total population have been retrieved from the Eurostat website.[4]

Overall number of holidays and relationship with the Dutch economy – Figure 1 reports the total number of international holidays of Dutch residents per inhabitant, and shows that Dutch propensity for taking holidays has significantly increased in the period 1983–2009. Since the Dutch population has also increased, the total number of holidays (not reported here) is characterized by a similar positive trend, having more than doubled in the last three decades.

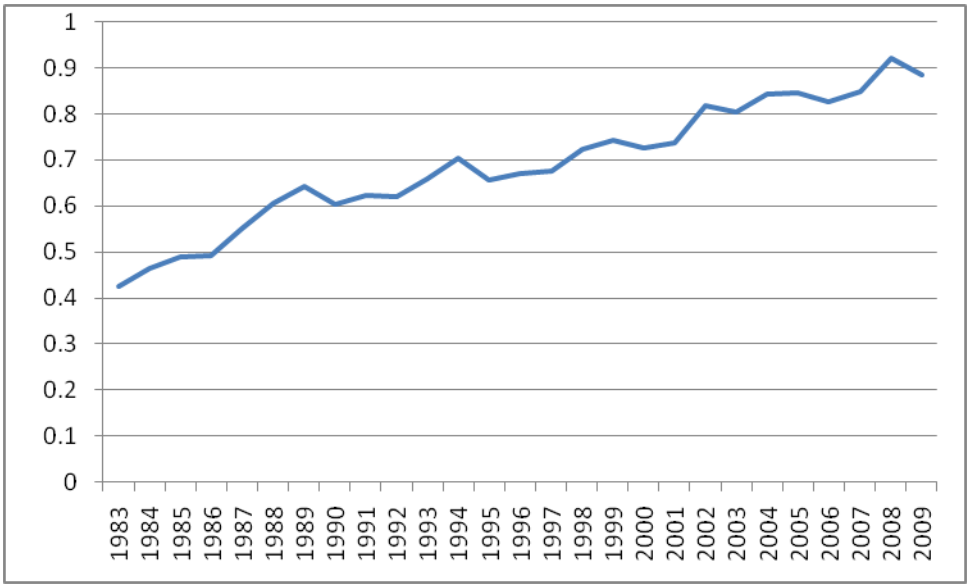

Figure 1. Total number of international holidays per Dutch inhabitant (all destinations)

All the econometric evidence on tourism flows identifies income as a key determinant. In that respect, at the aggregate level we are considering, we can look at the relationship between the growth rate in the number of international holidays and the real GDP growth rate to see to what extent the growth in international tourism flows is associated with improvement in the general conditions in the Dutch economy. This is illustrated in Figure 2 (in order to smooth the data, three-year moving averages are reported).

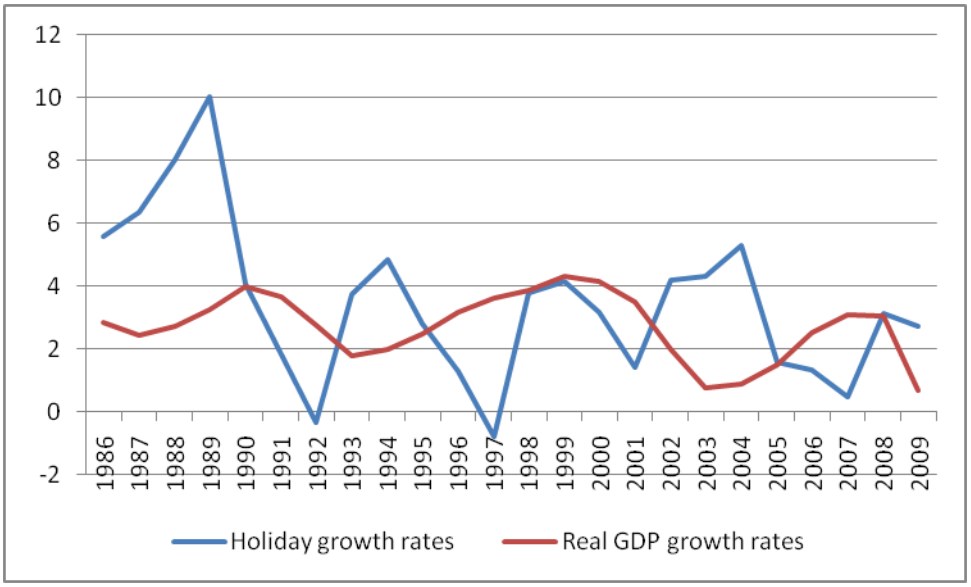

Figure 2. Holidays and real GDP growth rates

Figure 2 provides a number of interesting results. First of all, both international holidays and real GDP have exhibited sustained growth (the average numbers in the period considered are 3.55 and 2.52). In order to examine the average effect of income on outbound tourism, we computed the average value of the ratio between holidays and GDP growth rates, the value being 3.236.[5] This ratio is related to the notion of income elasticity of demand, defined as the ratio between the percentage variation in demand and the percentage variation in income, keeping all other determinants of demand fixed. The relation is far from perfect: i) what is observed is not the demand function, but the 'equilibrium' points where demand meets supply (the so-called 'identification problem'); ii) all the other variables influencing demand are not controlled for. In particular, in the period under consideration we observed a significant negative trend in transport prices due to technology and competition (e.g. the emergence of low-cost carriers), together with price fluctuations mainly due to variations in oil prices. Albeit treating it with caution, the value computed suggests that, on average, the percentage variation in holidays goes in the same direction as the variation in income and the relation is more than proportional. In economics, an income elasticity of greater than 1 is what defines a luxury good. Many tourist destinations seem to share this property (Lim, 1997) and therefore our evidence on the Netherlands is in line with this.

As a second observation, we note that the variability in international holiday growth rates is higher than the variability in income. Moreover, in terms of the relationship between GDP and international tourism, the correlation index between the growth rates (0.0386) suggests a positive, but rather weak (in fact, statistically insignificant) linear relationship between holidays and income.[6] Indeed, in some years (e.g. 1990 and 1995) positive and significant growth rates in real

GDP are accompanied by negative growth rates (i.e. a decline) in the number of holidays. On the one hand, this evidence is not unexpected since many variables other than income can influence tourism demand (but also tourism supply); on the other hand, variations in the propensity to travel that are unrelated to income are at least consistent with a change in the preferences of Dutch tourists. Following the discussion put forth in the Introduction, one possible explanation for this evidence is the increased importance of allocentric tourists (the active type of tourists) in the Dutch population.

Trends in destinations for Dutch outbound tourism – In this section, we turn our attention to changes in Dutch tourists' choices in international holidays based on the yearly number of holidays taken in each of the main destinations. First, we divide the period into two sub-periods (1983–1995 and 1996–2009). For each sub-period, we computed the average market share of a destination, defined, for a given year, as the ratio of the number of holidays taken in that destination, and the total number of international holidays by Dutch tourists in that year. We use s_{it} to denote the share of destination i at year t, and s_{iB} and s_{iF} the average shares in the two sub-periods (B for the beginning period 1983-1995, F for the final period 1995-2009). In order to quantify the change in the attractiveness of the various destinations, we computed the absolute differences in the average market share, i.e. $\Delta s_i \equiv s_{iB} - s_{iF.}$ All these values are reported in Table 1, in which countries are listed according to their rank in the beginning period.

Table 1. Trends in tourist destinations for Dutch outbound tourism

	1983–1995		*1996–2009*		
Destination	**Share**	**Rank**	**Share**	**Rank**	Δs_i
France	19.71	1	17.71	1	-2.00
Germany	14.42	2	11.34	3	-3.08
Austria	12.96	3	8.23	5	-4.73
Spain	11.13	4	11.96	2	0.83
Belgium and Luxembourg	9.48	5	8.06	6	-1.42
Italy	4.59	6	5.50	7	0.91
Switzerland	4.30	7	2.81	11	-1.49
Greece	3.86	8	4.44	8	0.58
Other countries outside Europe	3.86	9	8.48	4	4.62
United Kingdom	3.32	10	3.37	10	0.05
Federal Republic of Yugoslavia	2.11	11	0.91	18	-1.20
Portugal	1.69	12	2.10	15	0.41
Other countries in Europe	1.46	13	2.41	13	0.95
Denmark	1.35	14	1.36	17	0.01
Norway, Sweden and Finland	1.32	15	1.89	16	0.57
United States of America	1.28	16	2.16	14	0.88
Czech Republic and Slovakia	1.23	17	2.48	12	1.25
Hungary	1.10	18	0.89	19	-0.21
Turkey	0.82	19	3.87	9	3.05

First of all, Table 1 shows that the ranking in the two sub-periods exhibit both elements of stability and change. France was the leading destination in both periods and the lists of the top five destinations share four countries in common. On the other hand, the positions of countries in the two lists do differ. In the second sub-period, for instance, Germany lost its second position in favour of Spain, while Austria moved from third to fifth position; Turkey entered the top ten positions, while Switzerland exited. As for the variation in market share, we note that the three leading countries in the period 1983–1995 (France, Germany and Austria) are those exhibiting the largest decrease in their market share. Along these lines, we computed the correlation between Δs_i and s_{iF}, and we find a value of -0.61, i.e. the destinations with the highest initial share tend have the largest decrease in market share. In other terms, we observe a tendency towards convergence of different destinations, with the laggards gaining against the leaders. It is important to note that all these considerations relate to the relative strength of each destination. In absolute values, only Austria,

Switzerland and Yugoslavia saw the total number of holidays taken by Dutch tourists decline in the second sub-period.

The observations so far may suggest an increase in the diversity of destination choices by Dutch tourists. In order to explore this issue, we computed two indexes for each year: the Gini index and the Herfindahl index. The Gini index is an inequality index often used to measure income or wealth inequality: in our case it measures the extent to which the distribution of Dutch holidays among destinations deviates from a perfectly equal distribution. The index takes the value 0 in the case of perfectly equal distribution and 1 in the case of perfect inequality. The Herfindahl index, on the other hand, is a concentration index commonly used in industrial organization and it is defined as , with *n* being the number of destinations (in our case 19). It takes a value between 1/*n*, when the diversity of choices is maximal (all the possible destinations have the same 'market share') and 1 when the diversity of choices is minimal (all the tourists choose the same destination, which has a market share equal to 1). Figures 3 and 4 report the evolution of the Gini and the Herfindahl indexes over time.

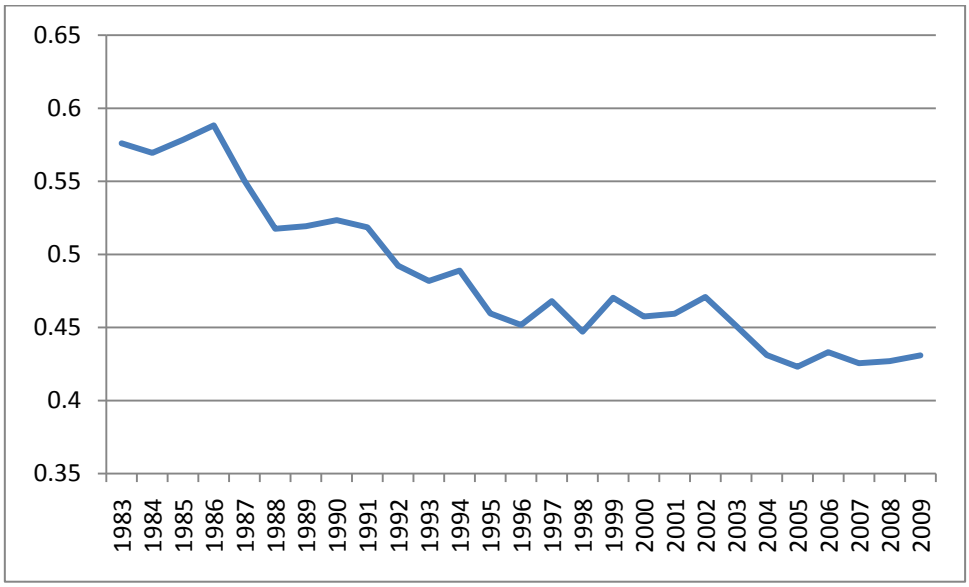

Figure 3. Gini index for destinations

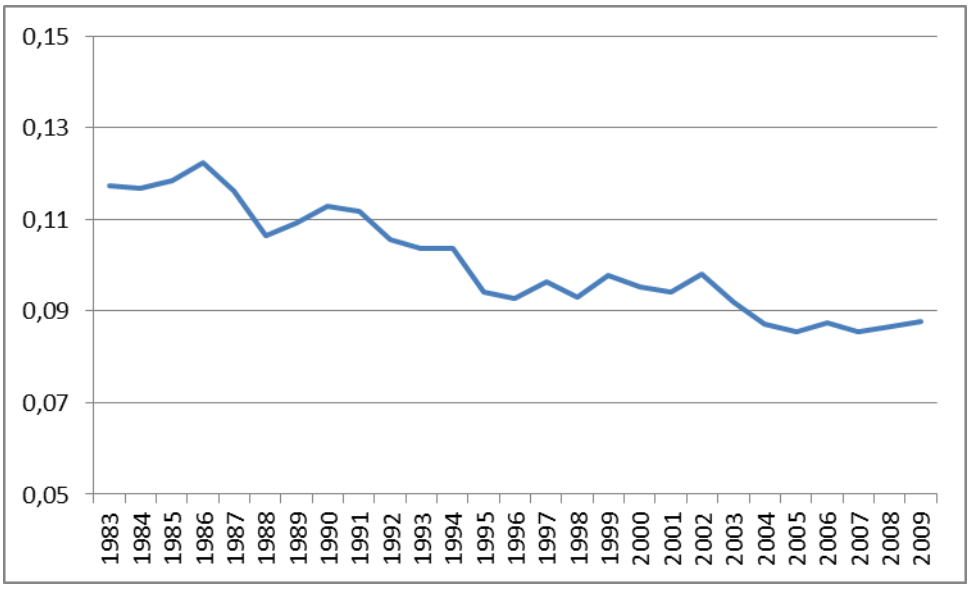

Figure 4. Herfindahl index for destinations

Figures 3 and 4 both exhibit a negative trend (which is more pronounced in the case of the Gini index), i.e. Dutch tourists' choices have become more diverse over time (however, we do not observe a monotonic relation, since a period of stability or slight increase in both the Gini and the Herfindahl indexes are observed). One way to explain this trend that is coherent with a point previously made is the increased importance of allocentric tourists, i.e. those tourists who seek novelty and diversity in their travelling choices.

The last piece of evidence we analyse explores the geographic dimension of Dutch international holiday activity. For each year, we computed the weighted average distance of destinations. For each destination (excluding the residual categories) we define its distance from the Netherlands (denoted with d_i) as the air distance of the destination's capital from Amsterdam.[7] Then the weighted average distance is given by . Figure 5 reports the development of this index over time.

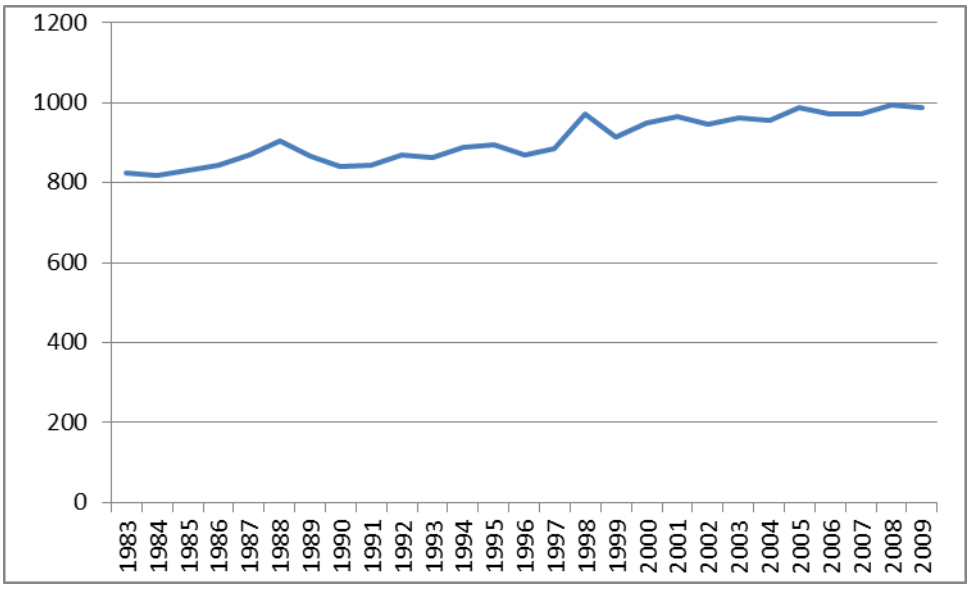

Figure 5. Weighted average distance of destinations

Figure 5 clearly shows an increase in *D* over time. This implies that, on average, Dutch tourists are travelling longer distances for their international holidays. Allocentric tourists are defined not only as the most active and 'novelty-seeking', but also as the most open-minded and curious. If geographical distance is also a proxy of other forms of distance (in particular, of cultural distance), then we expect allocentric tourists to choose relatively long-haul destinations. Therefore, this last piece of evidence may also confirm the view of an increased role of allocentric tourists in the Dutch population.

To conclude, a visual synthesis of the previous discussion is provided by the following map (Figure 6).[8] For all the main destinations (thus excluding the residual categories), the colour of the country in the map is related to its share variation: black corresponds to 'large' ($\Delta s_i > 0.08$) positive variations; dark grey corresponds to 'moderate' positive variations; light grey corresponds to negative variations). Moreover, the map also reports the shares of tourism flows for each country in the final period (the upper number) and in the beginning period.

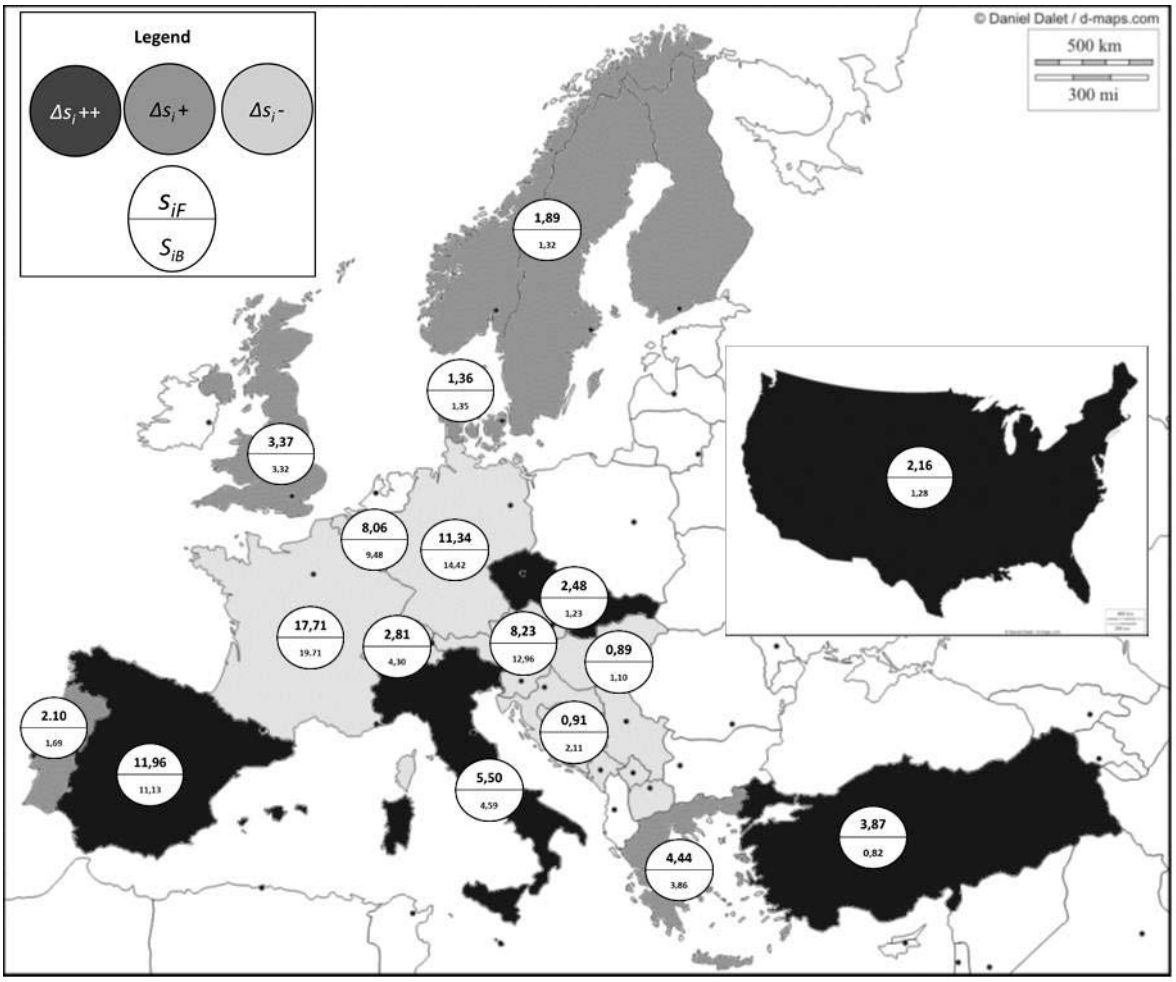

Figure 6. A map of Dutch international tourism flows

CONCLUSIONS AND THE WAY AHEAD

The data discussed in the previous section give a synthetic representation of the international holiday activity of Dutch citizens in the last three decades, which can be summarized as follows:

i. The total number of international holidays, both in absolute terms and per capita, has significantly grown in the last three decades, denoting a significant increase in the propensity for international tourism by Dutch residents.

ii. Given the positive trend, year-by-year variations seem to be positively associated with the general conditions of the Dutch economy (as measured by the GDP growth rate), although there is also evidence of variability in the number of holidays which is associated with other determinants.

iii. In terms of the composition of international holidays by destination country, we found evidence of a certain instability in the relative importance of different destinations, with an

increase in the diversity of destinations chosen by Dutch tourists (as measured by the Herfindahl index) and in the geographical distance of their preferred destinations.

This paper has suggested that the change in Dutch tourists' preferences, in particular the increase in the proportion of allocentric, or almost allocentric tourists, is one possible explanation for this evidence. Certainly, other explanations are also possible. When we look at the overall concentration of international arrivals by destination country, a sharp reduction is also observed. In 1950, the top five countries in terms of international tourist arrivals (the USA, Canada, Italy, France and Switzerland) accounted for around 71% of international tourist arrivals worldwide. In 2006, the corresponding value was 33%, and the list of 'top five destinations' also changed (in that year, they were France, Spain, the USA, China and Italy). This might suggest that there are common trends in the preferences of the most important countries of origin. On the other hand, it might be that supply-side considerations, in particular the sharp decreases in transport and information costs that characterized the end of 20th century, played the most important role. In other words, for given tastes, larger accessibility due to lower transport cost could have made some destinations (especially the more distant ones) a viable solution. Or, a co-evolution of demand and supply factors could have occurred. Understanding the relative role of the various factors which requires comparing the Dutch data with data from other (notably European) countries, and possibly the use of individual data (as in Bargeman and van der Poel, 2006), is left for future work.

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[1] http://www.cbs.nl.
[2] In spite of the title of this paper, all means of transport are included.
[3] The data for the Federal Republic of Yugoslavia include the data for all the constituent republics after 1991.
[4] http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home
[5] The year 2002 is an outlier because the definition of holidays has changed, but also because the Euro currency was introduced. As a result, the growth rate in the number of holidays was higher than in the rest of the period. Excluding this year yields a value of 1.29. For the same reason, using three-year moving averages yields a ratio equal to 1.73.
[6] Using three-year moving averages, the correlation is also insignificant (and even negative in sign).
[7] For all the destinations including more than one country, we use the distance from the capital of the largest country in terms of population. Therefore, for Belgium and Luxembourg we use Brussels; for the Czech Republic and Slovakia we use Prague; for Norway, Sweden and Finland we use Stockholm.
[8] The blank map was retrieved from the website http://www.d-maps.com.