Vacationers and the economic “double dip” in Europe

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Abstract

The subject of this study concerns individual vacationers’ reactions to the global economic crisis. This crisis is lasting longer than expected, resulting in Europe in a “double dip”. Vacationers can use different strategies to cope with this crisis: from pruning (giving up the vacation) via cheese-slicing (economizing on vacation attributes) to non-economizing. Based on a theoretical framework, it was predicted that over time the pruning segment would become larger than the cheese-slicing segment. A longitudinal study in The Netherlands, covering 4 years, shows economic developments having a relatively minor effect on vacationers’ holiday plans and intentions, with no increase in the size of the pruning segment. Six vacationer segments were found, three of which can be considered to be crisis-resistant. Each segment pursues different economizing strategies, with each requiring a customized marketing strategy. Five explanations are proposed for the relatively limited influence of the economic “double dip” on Dutch vacationers. Future research can be directed to comparing vacations with other consumer products, in order to explain the crisis-resistance of vacation planning during this economic crisis.

1. Introduction

Despite the overwhelming attention on the global economic crisis in the public media, studies into the relation between this crisis and tourism attitudes and behavior are still limited (Smeral, 2009). This is probably partly due to the unavoidable delay between the occurrence of a crisis and financial and methodological opportunities for carrying out research into this phenomenon and having it published. In addition, expectations concerning the duration and the depth of the crisis can also play a role. Li, Blake & Cooper (2010), for example, suggested that an economic crisis could be L-shaped, V-shaped, U-shaped or W-shaped. If people expect a V-shaped crisis, as many did in 2008, the seriousness of the problem might not have warranted a deeper investigation. However, in 2012 and 2013, especially in Europe, it seems evident that the crisis is at least W-shaped, or perhaps even worse: according to several European statistical agencies, a triple dip seems to be inevitable. This development into a long-term crisis provides a unique opportunity for tracing the effects of this kind of crisis on tourists’ attitudes and behavior over a longer period.

Investigating crises in general has been a long-standing tradition in tourism, hospitality and leisure research. Hall (2010) makes a distinction between five types of crises, of which an economic recession is one. Crises-oriented research can be classified into two main streams: crisis-management-oriented approaches (Carlsen & Liburd, 2007) and consumer-oriented approaches. The former focuses on how the tourism industry can deal with different types of crisis (e.g. energy issues, health issues, political issues and environmental disasters), while the latter examines how tourists change or do not change their vacations when crises occur. Within...
the consumer-oriented approach, two strands can be discerned. The first is to use aggregate data from official statistics — for example, the number of hotel nights spent by (leisure) travelers in a city — and then to apply econometric methods to arrive at predictions for the future. As Song, Dwyer and Zheng Cao (2012), p. 1655 state: “Tourism demand is predominantly measured by the number of arrivals and the level of tourists’ expenditure (receipts) along with their variations, in per capita terms”. A recent example linking arrivals to the economic crisis is given by Page, Song and Wu (2012). The other strand uses data collection methods like surveys and questionnaires to obtain information about attitudes and behavior of individual tourists. The benefit of this approach when compared to the aggregate data approach is that it excludes business travel and thus provides a better view of “pure” tourist demand. Smeral (2012) remarks that in aggregate data between 10 and 20% of travel expenditures is business-driven.

An overview of the literature shows that the majority of the research into crises follows the crisis-management approach and the consumer approach using aggregate data. Recent examples of the former are Causevic and Lynch (2013) and Tsai and Chen (2011), while Song et al. (2012) review the latter. They conclude (p. 1673) that “demand analysis continues to dominate tourism economics studies in terms of research interests and methodological advancements”.

The research reported on in this contribution differs from these dominant approaches as it uses data concerning individual tourists’ preferences and behavior when a crisis occurs. In terms of opportunities for influencing tourism demand, this approach seems to offer a wider range of strategies for persuasion, as it can generate different behavioral segments of (non-)economizers, for which different marketing strategies can be devised. As Sheldon and Dwyer (2010, p. 2) state: “...a better understanding of consumer behavior and attitudes to travel is needed in times of economic recession. Our lack of knowledge about possible consumer responses to the crisis places great impediments in the way of forecasting its effects on the industry”.

An example of the approach advocated by Sheldon and Dwyer (2010) is the study by Bronner and de Hoog (2012). This research is based on a theoretical framework in which a relation is postulated between the type of crisis and individual tourist reactions to each type. From this framework they predict that when a crisis has a moderate depth and a world-wide impact, tourists will mainly follow a cheese-slicing economizing strategy which entails spending less on one or more attributes of a holiday, for example: booking a cheaper hotel. This prediction — that cheese-slicers will predominate — was corroborated in the Netherlands. However, during the period of their research (a single measurement in April 2010), it was unclear which direction the crisis would take. In the meantime, we know that the crisis will definitely have at least a W-shape or double dip in the greater part of Europe, resulting in a more long-term phenomenon. This calls for longitudinal data that span several years of the crisis to see if the behavioral changes predicted by Bronner and de Hoog (2012) can be confirmed or rejected. We adopt a consumer-oriented approach based on longitudinal surveys to investigate individual tourist behavior and attitudes in times of a persisting global economic crisis.

2. Theory and research questions

Research questions are derived from the theoretical framework proposed by Bronner and de Hoog (2012). Their four categories of tourists’ reactions to a crisis are based on the depth of a crisis (reflects “the effects an event can have on individual tourists in terms of disposable income and economic confidence in the future”) and the range and scope of the effects of the crisis (reflects “the geographical aspects of an event, local or global”). This leads to four quadrants, and for each quadrant a tentative prediction about tourists’ behavior in relation to their vacations is made:

1. Moderate depth — local in scope: tourists will mainly change an intended destination in favor of a very similar destination; for example, if traveling to Israel and Egypt is perceived as risky due to political uncertainties, tourists will choose a holiday in Turkey.
2. Moderate depth — global in scope: tourists will mainly follow a cheese-slicing strategy, which means economizing on one or more aspects of a holiday; for example choosing a 3-star hotel instead of a 4-star hotel at the same location.
3. Deep — global in scope: tourists will mainly give up holidays (pruning strategy) and will probably spend the money on essentials like clothing, food and housing.
4. Deep — local in scope: tourists will mainly opt for day trips from home; for example, visiting adventure parks in the vicinity of the place where one lives.

Bronner and de Hoog (2012) predicted that the crisis in the Netherlands in 2010 was located in the second quadrant above, and as a consequence the cheese-slicing strategy would predominate. This prediction was confirmed. Developments between 2010 and 2012 in the Netherlands have shown that the crisis was deeper than had been expected in 2010 (the period of data collection) in terms of income effects as well as duration. These developments likely caused a shift from the second quadrant to the third quadrant for the Netherlands. As a consequence, the framework predicts that in 2012 the pruning strategy will pre-dominate, rather than the cheese-slicing strategy. This shift is in line with the conclusion of Smeral (2012, p. 380) that “All these studies find that the income elasticity of tourism demand, especially demand for international tourism, is greater than one, i.e. that tourism needs to be seen as a luxury good”. If a good is seen as a luxury good, it will be sacrificed as soon as the disposable income of households decreases.

From this perspective three research questions are formulated, that are subsumed under a general one which is related to the longitudinal aspect of the unfolding of a crisis.

What is the long-term influence of economic developments and their subjective interpretation on the behavior of Dutch vacationers?

It is generally agreed that the global economic crisis started in 2008 (Page et al., 2012) and in 2009 the first effects were felt by consumers in the Netherlands. So our longitudinal investigation starts in 2009, leading to the first research question.

RQ1: what are the developments between 2009 and 2012 in terms of:
- Economic developments in general
- Subjective experiencing of these economic developments by all consumers
- The impact of these subjective experiences on individual vacationers in terms of:
  - Their plans/intentions
  - Their expenditures

Bronner and de Hoog (2012) make a distinction between different strategies for dealing with an economic crisis, resulting in three segments: pruners (giving up the holiday), cheese-slicers (reduce expenditures on one or more attributes of a holiday) and non-economizers (spending the same amount of money, or more, as compared with previous years). As said above, the prediction is that pruning will become the pre-dominant strategy. Which leads to the second research question.
RQ2: what is the size of the three main segments defined above, and what are the main characteristics that can be discerned as regards those vacationers whose vacation plans are influenced by their economic expectations?

As cheese-slicing can be applied to different attributes of a holiday, the third research question addresses this issue.

RQ3: can different cheese-slicing strategies be discerned for different cheese-slicing segments?

These three questions will be answered in the empirical section.

3. Research methodology

The samples in this study are sub-samples from the Dutch ‘Continu Vakantie Onderzoek’ (CVO – Continuous Vacation Panel; see also Bargeman & van der Poel, 2006; Bronner & de Hoog, 2008). This panel consists of respondents who report on their vacation behavior four times a year. It is refreshed annually. The CVO data are weighted for socio-demographics, resulting in a sample that can be considered as representative of the Dutch population for variables crucial to the vacation decision. All tour-operators in the Netherlands make use of these data, and the study is considered to be the standard for obtaining insight into holiday plans and decisions. The fieldwork is carried out by TNS NIPO, one of the largest Dutch market research agencies. For data collection, CASI (Computer Assisted Self Interviewing) is used. Respondents can answer the questions at home at a time that is convenient to them and can take the time they require to answer the questions. This customer-friendly approach increases response and data quality as was shown by Bronner and Kuijlen (2007). In addition, according to Dolnicar, Yanamandram & Cliff (2012), online panels don’t suffer from higher levels of sample bias than traditional mail surveys.

The sample sizes in the period 2009–2012 are shown in Table 1. All data were collected in the month of April in the year of measurement.

The difference between the sample sizes for 2009–2011 and that for 2012 is due to the need to analyze relatively small segments of the population in 2012. We wanted to carry out a more detailed analysis regarding those vacationers whose plans are influenced by their economic expectations, because, as we know from previous research, there can be several different reasons for economizing on a holiday, such as a marriage, a divorce, an illness, buying a house etc., which are events that affect a sizable part of the population.

The questions used in all four samples were:

- Do you expect that your economic situation in the next twelve months will deteriorate, stay the same, or improve?
- Do you intend to go on holiday one or more times in 20......? Answers: Yes, definitely; yes, probably; perhaps; no, probably not; no, definitely not.
- As compared with the number of holidays in the previous year, do you expect to go on holiday this year more frequently, less frequently or the same amount of money on your holiday(s) as compared to last year.

If spending less money:

- What percentage less do you expect to spend: between 1 and 15% less, between 15 and 25%, more than 25%

The questions asked exclusively in the 2012 sample were:

- In your holiday plans this year, what role was played by your expectations as regards the economic developments? Five point scale from ranging from a “very large role” to “no role at all”.
- Did you go on one or more holidays the previous year? Yes or No.
- Filter question: this year, do you expect to spend more, less, or the same amount of money on your holiday(s) as compared to last year.
- If less money:
  - On which aspects of a holiday do you intend to economize as regards your holidays in 2012?
  - Going less frequently (Less frequently)
  - Going for a shorter period (Shorter period)
  - Staying closer to home (Less distant)
  - Avoiding high season periods (Other period)
  - Spending less on the spot (Less on the spot)
  - Choosing another means of transport (Cheaper transport)
  - Choosing a cheaper type of accommodation (Cheaper accommodation)

Additionally in all samples questions were included regarding gender, income, family composition and age.

4. Results

4.1. RQ1: what are the economic developments between 2009 and 2012

4.1.1. Economic developments in general

Fig. 1 shows the development of disposable income in The Netherlands between the first quarter of 2008 (Q08-I) and the third quarter of 2012 (Q12-III).

![Fig. 1](image-url)
Quarter of 2012 (Q12-III) in terms of the percentage change as compared to the previous Quarter.

The data in Fig. 1 are provided by the official governmental bureau of statistics of The Netherlands (CBS, 2013a). This organization concluded from these data that there is a double dip, a term which was adopted by all Dutch media and political parties. Variants of Fig. 1 did appear in all mass media in The Netherlands at a regular basis during the period 2009—2012 and can influence the perception of consumers about the state of the economy. This makes taking the W-shape from Fig. 1 a fitting starting point for our analyses. The W-shape is characterized by the curve hitting the bottom twice (3rd quarter of 2009 and 2nd quarter of 2012) and the first weak signs of a recovery can be seen towards the end of 2012. Economic indicators for other European countries point in the same direction.

The indicators above are objective ones, but the individual subjective experiencing of these economic developments is not necessarily the same.

4.1.2. Subjective experiences concerning these developments in general

First we turn to the individual economic perspectives for the future, as it can be expected that tourists’ vacation plans will be influenced by these perspectives (see Fig. 2, percentages on the vertical axis).

Comparing Figs. 1 and 2, there is clearly a delayed or lag effect (Hall, 2010) of the objective disposable income developments on subjective perspectives as regards the future. The double dip, which should show as an increase in the “deteriorate” category in Fig. 2 is not clearly visible, even if there is a small increase in this category in 2010. This cautions against the tendency to directly translate objective economic data into subjective, behavior-relevant interpretations of these data.

4.1.3. Impact of subjective experiences of these developments on individual vacationers

Fig. 3 shows the development of individual holiday plans over time (likelihood of going on a holiday), with percentages on the vertical axis.

The conclusion from Fig. 3 is that overall differences in plans between the years are small. Only the category “Yes, definitely” declines from 61% in 2009 to 57% 2012. If we combine the categories “Definitely not” and “Probably not” in the pruner category, this category includes 10% of the respondents in 2009, and 11% in 2012. There is no indication of an increase in the number of pruners between 2009 and 2012.

Clearly, there is a weak effect of economic developments on individual economic perspectives for the future, and almost no effect on vacation plans. We will return to this issue in Section 5.

4.1.4. Expenditures

The actual expenditures of the Dutch vacationers between 2009 and 2012 are shown in Fig. 4 in billion Euro’s on the vertical axis. From Fig. 4 it can be seen that the total expenditures on vacations hardly change in the Netherlands between 2009 and 2012, which differs substantially from the developments in disposable income shown in Fig. 1.

However, going on vacation still leaves open the opportunity to cut on or increase expenditures, which can cancel each other in the total expenditures. Fig. 5 (percentages on the vertical axis) shows the development of expenditure plans for vacations in the period 2009—2012.

From Fig. 5 it can be seen that there is an indication of growing cheese-slicing behavior, as the category “Less than previous year” increases between 2010 and 2012 (from 17% to 23%).

If we take a closer look at the category of vacationers who intend to spend less than the year before, we can discern “heavy cheese-slicers” (more than 25%), “moderate cheese-slicers” (15–25%) and “light cheese-slicers”(1–15%); see Fig. 6 (percentages on the vertical axis).

From Fig. 6 it is clear that the numbers of “heavy cheese-slicers” and “light cheese-slicers” change considerably. As compared with Figs. 3 and 4, one can observe that even if not much appears to
change in vacation plans at the overall level, below the surface cheese-slice-driven changes are substantial.

Summarizing: between 2009 and 2012, cheese-slicing behavior increased and pruning behavior stayed more or less the same, even though the overall economic situation took a turn for the worse.

4.2. RQ2: what is the size of the three main segments, and what are the main characteristics that can be discerned as regards those vacationers whose vacation plans are influenced by their economic expectations?

The analysis of the 2012 sample for RQ2 is based on those respondents whose economic expectations for the future play a role in their holiday planning in 2012. As we know from previous research, there can be several different reasons for economizing on a holiday, such as a marriage, a divorce, an illness, buying a house, but the economizing segments can also include those who don’t have a financial problem at all. Taken together, this is a sizable part of the population. To gauge the precise effect of a deteriorating economic situation on holiday plans, people who economize for those non-economy-related reasons listed above (27% in the 2012 sample) must be excluded, as they will distort the segmentation analysis. The research concerns the influence of an economic downturn on vacation behavior, in particular as related to whether or not one economizes on a vacation and does not concern many other non-economic factors that also could influence the wide range of aspects that make up vacation behavior. The respondents who answered the question about the role their expectations about the economic developments play as regards their holiday plans with “No role at all” or “A very small role” (see Section 3) were excluded from the analysis for RQ2.

Based on this selection, the sample for RQ2 consists of \( n = 3649 \), which can be divided into 6 segments (3 main segments and 3 subsegments), following an a priori approach based on a combination of four questions detailed in Section 3.

Table 2 shows how the segments are defined and the number of respondents in each segment.

Despite the economic “double dip” downturn, two-thirds of those vacationers for whom economic considerations play a role in their vacation intentions do not intend to economize on their holidays in 2012. This can be due to a delayed effects of this crisis on holiday plans and expenditures: these appear to occur gradually rather than suddenly. In a Dutch study (Wenhkamp, 2011), it was shown that when confronted with a question regarding which items have the highest priority for economizing, holidays were mentioned by only 8% of the respondents, while luxury items were mentioned by 66%, reductions in shopping by 50%, and cars by 25%. We will return to other reasons that could explain this phenomenon in Section 5.

The sum total of the three categories of cheese-slicers in Table 2 amounts to 22%, and the sum total of the two categories of pruners amounts to 12%, an indication that cheese-slicing is more used in the current economic climate than pruning, which is contrary to our expectation derived from the W-shaped curve showing the depth of the economic crisis.

Concerning the characteristics of these segments, we will turn first to demographic variables: age, income, household size and gender. As regards age, no significant linear relationship between age and segment type is found, as the pruner categories encompass relatively younger people (18–24) and the oldest people (65+). As regards income, the conclusion is that pruners belong more frequently to the lowest income category, cheese-slicers more frequently to a medium income category and non-economizers more frequently to the highest income category (\( F = 40.1, df = 5/2843, \ p < .05 \)). As regards household size, a single significant difference was found between the hard-core pruners and the other segments: the first-named have on average the smallest household size (\( F = 8.2, df = 5/3643, \ p < .05 \)). As household size is directly related to family size, this seems to confirm what was emphasized by Kluin and Lehto (2012): that shared leisure has an impact on the functioning of the extended as well as the immediate family, leading to a relatively important role for vacations, which makes economizing on them less attractive (see also Lehto, Choi, Lin & MacDermid, 2009). As regards gender, it was found that overall women are somewhat more inclined to economize than men are.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Name</th>
<th>Variables used</th>
<th>( n )</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hard-core pruners</td>
<td>No holidays in 2011, no intention for 2012</td>
<td>286</td>
<td>8</td>
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<tr>
<td>2</td>
<td>Pruners</td>
<td>Holiday in 2011, no intention for 2012</td>
<td>131</td>
<td>4</td>
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<tr>
<td>3</td>
<td>Heavy cheese-slicers</td>
<td>Intention to go in 2012, spending less money (more than 25% less)</td>
<td>300</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Moderate cheese-slicers</td>
<td>Intention to go in 2012, spending less money (16–25% less)</td>
<td>303</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>Light cheese-slicers</td>
<td>Intention to go in 2012, spending less money (1–15% less)</td>
<td>211</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Non-economizers</td>
<td>Intentions to go in 2012, spending more money or the same amount of money</td>
<td>2418</td>
<td>66</td>
</tr>
</tbody>
</table>
5. Summary and conclusions

5.1. Summary

This study follows a consumer-oriented approach to economizing on vacations, using longitudinal surveys of Dutch tourists. Based on a theoretical framework it was predicted that given the economic developments from a V-shaped curve to a W-shaped (double dip) curve, the number of people giving up their holidays (pruning segment) would pre-dominate in 2012.

Three research questions were investigated.

RQ1: what are the developments between 2009 and 2012 in terms of economic developments in general, the experience of these developments by all consumers, and the impact of these developments on intentions of vacationers.

Economic developments took a turn for the worse: the double dip materialized in the economic indicators of statistical agencies, but the effects of these developments on consumers' subjective experiences was limited. As regards holiday intentions, there appears to be a delayed or lag effect, since the number of pruners hardly changes between 2009 and 2012. Overall, the percentage of vacationers who do economize on their holidays increases somewhat between 2009 and 2012, while those who economize have been saving more every year since 2010. There is an indication of growing cheese-slicing behavior but not of growing pruning behavior, which is contrary to our prediction derived from the theoretical framework of Bronner and de Hoog (2012).

RQ2: what is the size of the three main segments, and what are the main characteristics that can be discerned as regards those vacationers whose vacation plans are influenced by their economic expectations?

Six segments (main segments and sub-segments) are defined which show differences according to socio-economic variables. It appears that there is a sliding scale for economizing, running from hard-core pruning via (light) cheese-slicing to non-economizing. The position of a vacationer on this scale is determined by general economic conditions as well as demographic aspects like income, household size and age. It is remarkable that 66% of the vacationers whose vacation plans are influenced by their economic expectations, do not intend to economize on their 2012 holidays.

RQ3: can different cheese-slicing strategies be discerned for different cheese-slicing segments?

The three segments constructed a priori, based on the level of savings (see Fig. 6), use different economizing strategies. Heavy cheese-slicers mainly use a kind of “staycation” strategy, which means going less far, less frequently and for a shorter period than the moderate and light cheese-slicers. The moderate cheese-slicers opt for a holiday that can be characterized as a “holiday light”, by economizing on all aspects to some extent, but significantly more on going less frequently, less far and spending less on the spot than the light cheese-slicers. However, they only save more than either heavy and light cheese-slicers on economizing options with no significant differences between the segments. Finally, the light cheese-slicers opt for a more “austere holiday” by mainly economizing on expenditures on the spot and choosing another period.

This appears to reflect opportunities for configuring a holiday: major economizing can only be realized when core aspects of a holiday, like frequency, duration but can economize on additional aspects on the “fringe” of a holiday. Also, postponing economizing by intending to spend less on the spot is very attractive for light cheese-slicers, but when the holiday materializes this may turn out differently.

5.2. Conclusions

The answer on our general research question “What is the long-term influence of economic developments and their subjective interpretation on the behavior of Dutch vacationers.” is that this influence is limited and certainly has not led to an increase in a pruning strategy, contrary to what was predicted based on, among others, an income elasticity for vacations greater than one. However, the research that led to this conclusion as regards income elasticity was limited to minor ups and downs in the economy with a long term rising trend and paid no special attention to a rare phenomenon like a serious and lasting worldwide economic downturn.

Five possible explanations for the relatively limited influence of the economic downturn on vacation behavior are proposed below:
1. Holidays are seen as an important moment in a stressful and hectic professional and family life. As Lehto et al. (2009), p. 463 have noted: “Family vacation travel is much more than getting to a particular destination......all these elements provide family members with an interactive space that represents a reconfiguration of interpersonal distance”. This is a more socially oriented explanation: holidays do contribute to family cohesion.

2. Holidays are not seen as a luxury good, but as an essential to feeling well or, in other words, to the quality of life. Dolnicar et al. (2012) investigated the contribution of holidays to the perceived quality of life. They conclude that vacations should be acknowledged as contributing to the quality of life. This entails that giving up a holiday is seen by consumers as stepping down the pyramid of needs leading to a substantial loss in satisfaction (Maslow, 1943; Smeral, 2012). This refers more to the individual experiencing of holidays.

3. The effects of an economic downturn are delayed; they have more the character of a python effect that strikes gradually, rather than a cobra effect that strikes suddenly, as proposed by Seymour and Moore (2000). Therefore, income effects can lag and even if they occur, they will not immediately affect vacationers’ plans. This differs from other types of crises, like political or environmental crises, which have an immediate effect. Clearly, in the Netherlands the budget cuts and tax increases planned for the coming years will in the end directly affect people’s purchasing power, which can lead to substantially more drastic ways of economizing. There may be some kind of threshold in consumer confidence and budget: when it drops below this value, a discontinuity occurs, resulting in substantial changes in behavior. In other words, the objective economic facts about a crisis, the individual subjective awareness of a crisis, the personally-felt effects and the translation of these effects into vacation plans and attitudes do not have to coincide within a short period of time. This can be labeled as the delayed or lag effect.

4. Another explanation for the lag effect is that vacationers use their savings account to sustain their holiday and spend more or less the same amount as in previous years. In Smeral’s terms (2012), they don’t have serious liquidity constraints. In the Netherlands, most households possess substantial savings amounting on average to 42,000 Euro in 2011 (CBS, 2013b). This is the precautionary savings argument.

5. As suggested by Smeral (2012), vacationers are loss averse, which means, according to the prospect theory of Kahneman and Tversky (1979), that losses weigh heavier than comparable gains, so that consumers do not reduce their consumption level in an economic difficult situation. This implies that economic hardships have less consequences for economizing than economic prosperity has for increasing expenditures on a vacation. This fifth explanation can be characterized as the loss aversion one.

In terms of the future, these explanations lead to different predictions for tourists’ behavior. The first explanation predicts that (married) couples during the parental stage view holidays as crucial for family life and will continue spending money on holidays until their children choose their own holidays. This could lead to cheese-slicing behavior by the parents, as well as by their children when they arrange their own holidays. The second explanation predicts that not much will change, as consumers do not easily skip the essentials of life. At most, an increase in the number of light and moderate cheese-slicers can be expected. The third explanation predicts that when loss of income really matters, the number of pruners and heavy cheese-slicers will substantially increase. The fourth explanation predicts that substantial economizing will take place when the precautionary savings “dry up”. The final one predicts that vacationers will avoid serious losses, like pruning, and will opt for cheese-slicing. If the economy substantially improves, this explanation predicts a rapid rise in vacation expenditures.

5.3. Managerial implications

Understanding crises and their impact upon tourist behavior can help in the development of adequate marketing strategies. As Dolnicar et al. (2012, p. 75) say: “crisis resistant” segments are highly attractive to the tourism industry because they have the potential to reduce vulnerability to unpredictable external shocks. Also understanding the different roles vacations play in the life of different market segments enables tourism marketers to customize the marketing mix and thus increase the effectiveness of marketing action.” In our study the three cheese-slicing segments and the non-economizers can be considered as being the more crisis-resistant segments. For the different cheese-slicing segments, the data show that they pursue different saving strategies: a staycation, a holiday light and an austere holiday. As a consequence, customizing of marketing efforts is needed.

This raises the question as to which marketing efforts should be directed towards which segment. Lee et al. (2011) argue that advertising message strategies generally fall into two types: transformational and informational. The former aims at making consumers feel good by creating positive feelings around a brand, while the latter is more product-directed and focuses on features and performance of a product. From their research they conclude that as the economy worsened advertisers turned more frequently to the use of informational strategies. Applied to the tourism industry, this would entail emphasizing specific offers and features of holiday options. The features which can be stressed in advertising messages could be derived from Table 3 above. Also, research by Fleischer et al. (2011), p. 820 points in this direction: “Our findings indicate that in order to adjust the package holiday to trends in demand, tour organizers will have to change and offer packages that are shorter or of more flexible duration”. From a media perspective, the important role of the Internet and the associated increasing searching abilities of vacationers will greatly facilitate this customization process.

5.4. Limitation and future research

The most important limitation of the research is its reliance on data about holiday plans and intentions instead of actual behavior. Bronner and de Hoog (2012) found that not all economizing plans are realized, nor were all non-economizing plans. However, these categories were of approximately the same size, which makes it more likely that estimates based on plans can be used for predicting actual behavior at an aggregate level.

The most important question that remains is why, overall, vacations are very crisis-resistant in the Netherlands. The five explanations given (family functioning, quality of life, python-like nature of the crisis, precautionary savings, loss aversion) can all drive new research. Maybe the most promising option is to investigate how holidays are positioned amongst other consumer goods when the need to economize arises. This entails a comparison across discretionary and non-discretionary products (for example, insurance, cars, daily goods, clothing, luxury accessories), which could result in segments that either use a broad-based economizing strategy including all product categories inclusive of holidays, or limit their strategy to one or more product domains. From this the relative value of holidays in a broad spectrum of consumer goods can be determined, which can shed light on the plausibility of the
five explanations provided above. As the Dutch economy is at the beginning of 2013 entering a triple dip, there are opportunities for investigating the five explanations over a longer time span.

Another possibility could be that the crisis is so persisting that crisis resistance breaks down and vacationers start to economize substantially on their holiday expenditures. This option raises some interesting research questions. The first one being which aspects of a holiday will be sacrificed first. Preliminary research points in the direction of going for a staycation, that is staying closer to home and reducing the duration of a holiday, while the frequency of going on holiday stays the same. Inevitably the crisis will end and disposable incomes start to increase again. The related question is then if the aspects which were sacrificed first will recover more quickly or slower than what happened during the economic downturn. Smeral (2012) sees this as asymmetric income and price effects on tourism demand during business cycles. If this asymmetry occurs, the question is what drives this difference between what happens during downturns and upturns.

Acknowledgments

The authors would like to thank NBTC-NIPO Research for funding the fieldwork for this study. For their stimulating comments, we thank Ad Schalekamp and Bianca Hopman (TNS-NIPO).

References


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