Abstract: There has been a great deal of research devoted to estimating visitor expenditures in all types of destinations. Results from those researches are essential for producing comprehensive estimates of tourism’s economic benefits in a destination and wider. Given that the ultimate goal of any tourism destination is maximizing profit, a key factor is understanding the determinants of tourist spending as well as economic values associated with expenditure. This paper examines expenditure patterns of tourists visiting a typical sun and sea destination in the offseason. It investigates the extent to which their family income, origin and length of stay, as well as a set of other determinants, contribute in explaining their expenditure patterns. Furthermore, since in the structure of tourists in Croatia the vast majority refers to international tourists, one of the aims was to investigate differences, if any, in the spending patterns of domestic and international tourists during the offseason.

Key-Words: tourist expenditure, expenditure determinants, expenditure patterns, economic benefits, offseason, sun and sea destinations

1 Introduction
In the last couple of years under the effects of economic crises, all tourist destinations have experienced some kinds of changes. These changes have sometimes influenced tourist behavior. Still, given the fact that tourism has been seen as an inevitable part of life, the number of tourism arrivals and overnight stays in Croatian sun and sea destinations has been increasing despite the economic crisis. Therefore, the long lasting economic crisis has influenced the tourism system much less than the other industries. In the case of Croatia, the majority of overall tourist arrivals (84%) and overnight stays (92%) occur in sun and sea destinations along the Adriatic coast (Croatian Bureau of Statistics, 2013). Many Mediterranean sun and sea destinations are now mature destinations and one of the main strategies used by this type of destination to attract tourists is to decrease prices (Alegre & Cladera, 2012). This kind of strategy, however, may lead to more tourists, but not necessarily entail an increase in the destination’s tourism revenue (Alegre & Pou, 2008). Therefore, in order for these destinations to be sustainable, it is necessary to innovate and enhance the quality of the tourism offering so that tourism revenue increases rather than the number of arrivals. When it comes to Croatia, despite the crisis, average daily expenditure has been also slowly increasing, along with the number of arrivals and overnight stays. According to TOMAS research (Institute for tourism, 2008, 2011), back in 2007, tourists in Croatia spent on average 56€ per person per day during the summer season, while in 2010 average daily expenditure increased up to 58€. Nevertheless this is still not enough since tourism has been and still is a major contributor to the Croatian economy. According to WTTC (2012) total tourism contribution to Croatian GDP accounted for 26.5%, and it is estimated that it will increase up to 31.9% in 2022, whereas at the European level this contribution remains almost at the same level as in 2011 (7.8%). Hence it is evident that the economic impact of tourist flows on the Croatian economy is rather significant. Tourism benefits regional economies through increased output, labor earnings and employment (Horváth & Frechtling, 1999). In order to improve the effects of the visit of tourists, appropriate data and tools are needed to analyze markets and thus direct both private sector supply and policymakers’ actions (Brida & Scuderi, 2013). Tourism has long been viewed as a tool for economic development due to its ability to generate substantial economic benefits to host regions and communities (Cragges & Schofield, 2009). Mihalic (2002) emphasizes that tourism is an expenditure-driven economic activity and that consumption of tourism is at the center of the economic measurement of tourism and the foundation of economic impacts of tourism. Ng and
Lew (2009) also agree that the essence of the tourism economy is built on the expenditures made directly by tourists in the destination. Legohérel & Wong (2006) point out that expenditure is a key component to understanding consumption behavior of tourists; in particular, levels of expenditure are more important than consumption volume. One of the central issues of economic effects of tourism development is tourist expenditure. Destinations are interested in increasing tourist expenditure because that is the way to increase tourism income, which is extremely important for local economies. In order to do so, destination management should be aware of the variables which have a positive impact on expenditure. Consumers’ decisions to spend money on tourism occur in the context of the other potential uses of their resources and corresponding values or utilities (Crouch et al., 2007). Therefore, expenditure patterns present valuable information for the tourism management, since the knowledge of the determinants of tourism expenditure provides them with means to plan, design and implement policies and strategies (Anderson, 2010). Given that the ultimate goal of any tourism destination is maximizing profit, one of the key factors in achieving that goal is understanding the determinants of tourist spending as well as economic values associated with expenditure. According to Aguilo Perez and Juaneda Sampol (2000) the interest towards the determinants of tourist expenditure is linked to the evolution of the tourist market. Before the Eighties tourism was seen as a mass phenomenon; however, changes in motivations, travel patterns and technologies have led to a tourist product that is now a complex mix of complementary services that serve a highly segmented market. Hence, scholars and analysts need to make use of sophisticated tools in order to characterize tourist demand and in that sense econometric models play a central role in offering techniques and analytical approaches for explaining tourist expenditure (Brida & Scuderi 2012). Literature on analysis of the determinants of tourist spending from micro data is scarce in comparison to aggregate data, since numerous studies of household travel and expenditures are available on a macro level and less is known about individual visitor spending behavior and the socio-economic factors that affect spending patterns (Brida & Scuderi, 2013; Cannon & Ford, 2002; Cragges & Schofield, 2009; Fish & Waggle, 1996; Fredman, 2008; Mak, 2004; Nicolau & Mas, 2005). According to the comprehensive review of econometric approaches for the analysis of tourism expenditure at the individual level presented by Brida and Scuderi (2013), the most common approach is the classic linear regression model through OLS estimates that is used by a great number of authors (Agarwal & Yochum, 2000; Aguiño Perez & Juaneda Sampol, 2000; Apostolakis & Jaffry, 2009; Chhabra, 2006; Downward & Lumsdon, 2004 Fredman, 2008; Kozak, 2001; Kruger et al., 2010; Laesser & Crouch, 2006; Legohérel & Wong, 2006; Lee, 2001; Mak et al., 1977; Marcusson, 2011; Moreno & Martin, 2011; Svensson et al., 2012; Wang & Davidson, 2010b; Tang & Turco, 2001; Taylor et al., 1993; Thrane, 2002; Thrane & Farstrad, 2012; Zhang et al., 2010). Expenditure levels, as dependent variables in the literature, are usually expressed as total expenditure (expenditure for the whole trip, expressed either per party, per household, or per respondent), or as expenditure per day, expenditure per person and expenditure per person per day, depending on the main author’s research subject. On the other hand, independent variables are usually divided into four groups: economic, social-demographic, trip related and psychological variables. Among economic predictors, income is the most commonly used variable, since it has an explicit role for economic theory in conditioning purchasing behavior (Brida and Scuderi, 2013). In the majority of cases, a positive relationship between household income and travel expenditure was found (i.e. Agarwal & Yochum, 1999, 2000; Cannon & Ford, 2002; Downward & Lumsdon, 2003; Jang et al. 2004; Lee, 2001; Nicolau & Más, 2005; Taylor et al., 1993; Wang & Davidson, 2010b). Besides economic factors, tourists expenditure is also affected by a complex set of social demographic characteristics of tourists, such as gender, age, marital status, education level, occupation, place of residence, nationality, ethnic background, size and composition of the household (Wang & Davidson, 2010a). According to the same authors, the empirical findings of the effect of social demographic variables on tourism expenditure are often in conflict since some of studies report them to not affect the expenditure while other report the opposite. Still, among social demographic variables, in general, gender is not a significant determinant of spending (i.e. Agarwal & Yochum, 2000; Jang et al., 2004; Wang & Davidson, 2010b). Agarwal and Yochum (1999) and Leones et al. (1998) found that age did not affect tourist expenditure. Others, such as Jang et al. (2004), Mak et al. (1977), Wang et al. (2006) found the relationship between expenditure and the age of tourists to be significant. The research results reported by Aguilo Perez & Juaneda Sampol (2000) and Asgary et al. (1997), Jang et al.
(2004) indicate that the level of education is also a significant variable in explaining daily expenditure; the authors reported that those with higher level education spend more in the destination than those with lower education. On the other hand, Nicolau and Más (2005) did not find a statistically significant relationship between level of education and tourist spending. Trip related variables describe the characteristics of tourists and tourist spending. Significant relationship between level of education and Más (2005) did not find a statistically significant relationship between level of education and tourist spending.

Trip related variables describe the characteristics of tourists’ trips such as travel party size, length of stay, first-time/repeat visitors, type of reservation, and type of accommodation facility and so on. On the one hand, Agarwal & Yochum (1999), Downward & Lumsdon (2004), Nicolau & Más (2005) and Thrane (2002) found that length of stay has a positive impact on total tourist expenditure, but a negative impact on daily tourist expenditure (Mehmetoglu, 2007; Taylor et al., 1993) as reported by Wang & Davidson (2010a). Agarwal & Yochum (1999) found that an increase in travel party size resulted in an increase in total travel expenditure, but a decrease in total expenditure per person per day (Taylor et al., 1993). Aguilo and Juaneda (2000) and Chang et al. (2013) found that among others, type of accommodation also explains expenditure. Psychological variables include tourists’ evaluation of trip/holiday/vendor, psychological characteristics, trip motives, and taste (Wang & Davidson, 2010). Among them, motivation is the most employed independent variable, while, as Wang et al. (2006) point out, other variables referring to tourists’ attitudes and perceptions are rarely employed.

As seen from the previous researches, results vary from destination to destination. Hence it is necessary for destination management to conduct this kind of research in order to learn about tourists’ expenditure patterns in their destination, and consequently influence them in order to enhance the economic impact of tourism in the destination. This paper examines expenditure patterns of tourists who are visiting a typical sun and sea destination – the Opatija Riviera (Croatia) in the offseason. Specifically, this research looks at not only how much money tourists are spending while staying on the Riviera, but also what factors influence their expenditure in the destination.

2 The study

The majority of the Opatija Riviera’s tourism traffic is carried out during summer months (between June and August), when researches regarding tourism in the sun and sea destinations are usually conducted. Since one of the major aims of any tourism development strategy is to prolong the tourism season, it was found necessary to learn more about the main characteristics of tourists visiting the Riviera in spring time, their motivations, attitudes and spending behavior. Hence, the purpose of this study was to examine expenditure patterns of tourists who are visiting the Opatija Riviera in the offseason and to find out what factors influence their expenditure when they are already in the destination.

The survey data for this paper focus on tourists who spent at least one night on the Opatija Riviera, a destination with the longest tourism tradition in Croatia. The Opatija Riviera attracts around 410 000 overnight visitors annually and among them, the vast majority (84%) are foreign tourists. A tourist-on-site-survey was conducted during the spring time of 2012. The survey instrument was a self-administered questionnaire that was related to the tourists’ demographic and socioeconomic details, their motives for coming, length of stay, consumption and attitudes towards the tourism offering. The collected data were analyzed using statistical package SPSS for Windows 21.0. Data analysis included descriptive statistics and linear regression. Finally, a total of 333 questionnaires were completed, with a response rate of 83.2%. In terms of origin, 12.3% of the respondents were domestic and 87% were foreign tourists. Among foreign tourists, the majority were from Germany (25.3%), Austria and Italy (20.9% and 19.2% respectively).

The conducted research aimed at estimating tourist expenditure in the offseason, while also gathering additional information about the characteristics of tourists and their stay in the destination (that is, age, education level, nationality, type of accommodation, length of stay and motives for visiting the Opatija Riviera). Furthermore, the survey provides information on tourists’ satisfaction level with the destination’s tourism offering. The main profile of tourists visiting the Riviera from our sample shows tourists being between 36 and 65 years old (72% of the sample), having at least a college degree (68%), being primary motivated by the rest and relaxation (58%), staying at four- and five-star hotels (59%) between 1 and 3 nights (44%) or 4 - 7 nights (47%). Respondents rated their satisfaction with the Riviera’s tourism offering with a score of 4.06 indicating that they are very satisfied with it (ratings varied from 1= extremely dissatisfied to 5= extremely satisfied).

It is hypothesized that an overnight visit to a given vacation destination is a normal good. Therefore, as visitor income increases, visitor spending is expected to rise (Agarwal & Yochum, 1999).
Table 1 Selected characteristics of tourists surveyed

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Domestic</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of the respondents</td>
<td>333</td>
<td>41</td>
<td>292</td>
</tr>
<tr>
<td>Average length of stay (nights)</td>
<td>4.67</td>
<td>3.07</td>
<td>4.89</td>
</tr>
<tr>
<td>Average monthly family income (€)</td>
<td>2968</td>
<td>1805</td>
<td>3131</td>
</tr>
<tr>
<td>Average daily expenditure per person (€)</td>
<td>67.7</td>
<td>45.0</td>
<td>70.9</td>
</tr>
<tr>
<td>% staying in 4* and 5* hotels</td>
<td>58.5</td>
<td>26.9</td>
<td>63.1</td>
</tr>
<tr>
<td>% staying in 3* hotels</td>
<td>18.3</td>
<td>19.5</td>
<td>18.1</td>
</tr>
<tr>
<td>% staying in private accommodation</td>
<td>10.1</td>
<td>17.0</td>
<td>9.1</td>
</tr>
<tr>
<td>% staying with friends &amp; relatives</td>
<td>13.1</td>
<td>36.6</td>
<td>9.7</td>
</tr>
</tbody>
</table>

In addition, as mentioned before, lots of authors have confirmed that length of stay is a significant tourist expenditure predictor, especially if tourist expenditure is measured for the whole stay. In this case, daily tourist expenditure per person was used as a dependent variable. Daily tourist expenditure includes expenditure related to accommodation, food and drinks outside of the accommodation facilities, expenditure on culture, events, sports, excursions, souvenirs and other expenses in the destination. According to the findings of this research, tourists staying on the Opatija Riviera during the spring time (offseason) spend on average 67.7€ per person per day indicating that expenditure in the offseason in the Opatija Riviera is higher than the average daily expenditure (58.0€) of tourists staying in Croatian sun and sea destination during summer months.

Hierarchical regression analysis was conducted to determine whether the amount of daily expenditure in the destination (measured in euros) can be explained by the family monthly income (low income representing the referent group), tourists’ origin (domestic representing the referent group) and their length of stay (number of days spent in the destination). The second aim was to find out if family income moderates the relationship between the length of stay and tourists’ daily expenditure. Therefore, the first regression model included three predictors (family income, origin of tourists and their length of stay in the destination), while in the second model, their interaction term was included along with other variables (gender, age, education level, type of accommodation facilities, primary motive, travel organization, as well as level of satisfaction with the tourism offering). In order to avoid the problem of collinearity between predictors and interaction term, the length of stay variable was centered before entering the model of the main effects (M1) as well as in the second model that includes the main effects, interaction term and set of additional variables (M2).

3 Results

Data presented in Table 2 indicate that family income has been confirmed as a significant predictor of the level of daily tourist expenditure, when other variables (country of origin and the number of days that tourists are spending in the destination) are controlled. The positive non-standardized regression coefficient shows that tourists with high family income (the indicator variable is coded with 1) have a significantly higher average score on the dependent variable (t=3.46, p<0.01; ΔM=23,794), compared with tourists with lower income (reference group). Furthermore, a statistically significant relationship was determined between the length of stay of tourists and the level of tourists’ daily expenditure in the destination with the control in the differences in income and origin among the respondents (t=3.55, p<0.01) (Table 2) as well as without that control (R=0.22, F(1,331)=16.38, p<0.01). Origin of tourists was found not to be a statistically significant predictor when other variables in the first model were controlled. However, a statistically significant relationship was found between origin and daily tourist consumption in the destination when income and length of stay are not controlled (R=0.14; F(1,331) = 6.58; p<0.05), indicating that daily expenditure of foreign tourists in the destination is higher than that of domestic tourists, when other variables are not controlled.

Results of the second model showed that the second set of variables (interaction term, gender, age, education level, type of accommodation facilities, primary motive, travel organization and satisfaction level) statistically significantly contribute to explaining the variance of the dependent variable in addition to family income, origin and the number of days spent in the destination that are present as predictors in the main effects model (ΔR²=0.11, F (8,306) =4.77; p<0.01).

After introducing all these predictors into the second model, a negative relationship was found between
family income and travel expenditure, when all other variables are controlled (t = -2.61; p < 0.01).

Table 2 Regression model

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Std. Error</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>28,938</td>
<td>9,918</td>
<td></td>
</tr>
<tr>
<td>Family income (high/low)</td>
<td>23,794</td>
<td>6,873</td>
<td>,191**</td>
</tr>
<tr>
<td>Origin (domestic/foreign)</td>
<td>10,739</td>
<td>10,322</td>
<td>,058</td>
</tr>
<tr>
<td>Length of stay (centered)</td>
<td>877</td>
<td>247</td>
<td>,195**</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>76,623</td>
<td>26,175</td>
<td></td>
</tr>
<tr>
<td>Family income (high/low)</td>
<td>-33,802</td>
<td>12,937</td>
<td>- ,271**</td>
</tr>
<tr>
<td>Origin (domestic/foreign)</td>
<td>8,914</td>
<td>10,542</td>
<td>,048</td>
</tr>
<tr>
<td>Length of stay (centered)</td>
<td>-0,048</td>
<td>305</td>
<td>- ,011</td>
</tr>
<tr>
<td>Interaction (family income x length of stay)</td>
<td>2,231</td>
<td>486</td>
<td>,517**</td>
</tr>
<tr>
<td>Gender</td>
<td>-6,704</td>
<td>6,438</td>
<td>- ,054</td>
</tr>
<tr>
<td>Age</td>
<td>-362</td>
<td>2,616</td>
<td>- ,008</td>
</tr>
<tr>
<td>Educational level</td>
<td>4,750</td>
<td>5,997</td>
<td>,044</td>
</tr>
<tr>
<td>Type of accommodation</td>
<td>-5,857</td>
<td>2,145</td>
<td>- ,172**</td>
</tr>
<tr>
<td>Primary motive</td>
<td>3,839</td>
<td>1,670</td>
<td>,128*</td>
</tr>
<tr>
<td>Travel organization</td>
<td>6,622</td>
<td>7,828</td>
<td>,053</td>
</tr>
<tr>
<td>Satisfaction with tourism offer</td>
<td>-3,369</td>
<td>4,288</td>
<td>- ,043</td>
</tr>
</tbody>
</table>

Note: *p<0.05; **p<0.01 or better; Dependent variable: daily tourist expenditure per person

Table 2 shows that, after entering the second set of variables, length of stay (t = -0.16, p > 0.05) was not proved to be a significant predictor of the level of daily tourist expenditure. However, interaction between family income and length of stay was proven to be statistically significant (t = 4.59, p < 0.01) indicating that family income moderates a relationship between the length of stay and tourists’ daily expenditure. The positive unstandardized coefficient of the interaction effect indicates that the regression coefficient of tourists’ length of stay with high incomes is higher than that of tourists with lower income. For the purpose of the interpretation of this interaction, analysis of the simple main effects of the length of stay on the daily tourist expenditure level were conducted separately for the subgroup of respondents with low income and for the respondents with high income. Separate analyzes showed that the relationship between number of days and the level of daily expenditure is positive and statistically significant (r = 0.32, t = 3.98, p < 0.01) in the case of respondents with high income, while when it comes to subgroup of respondents with low income, the relationship between the length of stay and daily tourist expenditure was not found statistically significant (r = 0.04; t = 0.49, p > 0.05).

Among other predictors in the second model, as expected, accommodation facility has proven to be statistically significant (t = -2.731; p < 0.01) when other variables are controlled, as well as without that control (R = 0.24; F(1,326) = 19.98; p < 0.01), indicating that the lower category of the accommodation facility, the lower the daily expenditure per person. Motive was also found to have significant relationship with tourist expenditure in the destination (t = -2.299, p < 0.01) when the other variables are controlled, but without that control, no significant relationship was found with tourist expenditure (R = 0.05; F(1,329) = 0.67; p > 0.05). According to the results there is no significant relationship between education and expenditure (t = 0.79, p > 0.05) when other variables are controlled, but without that control, a positive relationship between them was found (R = 0.13; F(1,331) = 6.10; p < 0.05). For other predictors (that is, age, gender, travel organization and satisfaction level) no significant relationship with tourist expenditure was found when all the other variables are controlled as well as without that control. Results of this study confirm that when it comes to tourist spending patterns, things should be considered in a holistic way. There is no single key factor that has a huge influence on spending behavior, but rather a number of factors which only when taken together can give a realistic picture of tourist expenditure determinants.

Wang and Davidson (2010) point out that independent variables used in existing studies related to the tourist expenditure were not able to sufficiently explain the level of expenditure because most studies reported R² or adjusted R² value, which is sometimes below 0.2, meaning the independent variables included in the analyses accounted for no more than 20% of the variance in expenditures. This has been confirmed in this study as well. In the model, in addition to income, origin and length of stay, and interaction between income and length of stay, a set of new predictors (gender, age, education level, type of accommodation, and travel organization) were included, the results showed that none of them were statistically significant (p > 0.05) when entered simultaneously in the model.
facilities, primary motive, travel organization, as well as level of satisfaction with tourism offer) were introduced. All these predictors again explain a rather modest part of the expenditure variance (20%). Therefore, in further research, along with a larger sample, other socio demographic, trip related and psychographic variables should be introduced, such as occupation, structure of a travel party, type and time of reservation, activities undertaken in the destination, satisfaction with a number of different tourism offering elements as well as others variables.

4 Conclusion
Tourism contributes significantly to the Croatian economy as it impacts a wide range of businesses and increases employment. Knowing that tourist expenditure is a vital element of all economic tourism impact, it is rather unusual that there has been a scarcity of research dealing with the factors that determine the level of expenditure of tourists visiting Croatia. In that sense, the present paper contributes to the literature since it aims to provide a better understanding of expenditure patterns of tourists visiting a typical sun and sea destination in the offseason. Findings of the first regression model confirm family income to be a significant predictor of the level of daily tourist expenditure. Furthermore, a statistically significant relationship was determined between the length of stay of tourists and the level of tourists’ daily expenditure in the destination with the control in the differences in income and origin among the respondents as well as without that control. However, the results of the second regression model indicate that, after introducing interaction term, gender, age education level, type of accommodation, primary motive, travel organization and satisfaction level into second model, a negative relationship was found between family income and travel expenditure, when all other variables are controlled, while length of stay was not proven to be a significant predictor of the level of daily tourist expenditure. Interaction between family income and length of stay was proven to be statistically significant as well, indicating that the relationship between number of days and the level of daily expenditure is positive and statistically significant only in the case of respondents with high income, but not in the case of the subgroup of respondents with low income. Finally, results support the hypothesis that when it comes to tourist spending patterns, things should not be considered isolated from one another, but rather viewed in a holistic way, since a large number of variables influence tourists’ spending behavior in the destination.

The determination of which factors influence the level of tourist expenditure in the destination can be found to be useful since there are a number of broad implications for policy development or implementation raised by the research. The results could be of use to tourism destination management, the tourism economic system and the local community. By knowing the way to increase economic effects, destination management can improve and strengthen tourism’s direct and indirect positive economic and social impact and, consequently, enhance local entrepreneurship and the employment of the local population that could lead to their prosperity. To maximize tourism benefits, the management could contain the variables which have a positive impact on expenditure with the aim of capturing the consumer surplus which is a central element of the economy (Anderson, 2010). The main advantage of this kind of research is the possibility of estimating the average expenditure for typical tourist profiles specific to each destination and testing the existence of significant differences in expenditure levels among them; by establishing these tourist profiles, the tourism product may be understood not only as potential demand, but also in terms of profitability considering the expenditure (Aguilo and Juaneda, 2000).

Finally, it is important to consider some of the limitations of the research. Given that the findings are based on the responses of tourists who stayed on the Opatija Riviera, a typical sun and sea destination in Croatia, it is not advisable to draw conclusions from the results for other type of destinations. In further research it is recommended that along with a larger sample, other socio demographic, trip related and psychographic variables should be introduced. Further research might allow comparing tourists’ attitudes, characteristics and spending patterns, in-season and offseason, and in that way those results may be a more useful tool to assist the destination management and marketing decision process in order to enhance positive economic tourism effects.

References:


