

Title**Determinants of All-Inclusive Travel Expenditure****Author****Anderson Wineaster****Abstract:****Purpose**

This paper aims to examine the determinants of the expenditure for the all-inclusive (AI) package tourists.

Design/methodology/approach

Using a visitor exit-survey, a total of 843 all-inclusive tourists visiting the Balearic Islands were involved. Then, a least square regression model was estimated, with the two dependent variables (logarithm of average daily expenditure in the country of origin and logarithm of average daily expenditure in the destination) while sharing the same explanatory variables (visitor and travelling attributes) to determine the variables which are more associated with the respective expenditure category.

Findings

It was found that the presence of the AI holiday experience at the destination as well as visitor and traveling attributes, were the important contributing determinants of expenditure either at home or destination economies. Noticeably, the tourist who could have visited the Balearics even in the absence of the AI holidays has spent more money compared to the tourist who could not have visited the destination. This implies that the kind of the customers the AI tourism tries to attract have the least economic contribution.

Practical implications

Expenditure patterns are always important element for tour organizers and marketers when planning, designing and delivering their products. With the intention of maximizing the tourism benefits the destination management could focus on the variables which have positive impact on the expenditure with the aim of capturing the consumer surplus which is central element of the economy. The study gives the insights.

Originality/value

While the determinants of tourism expenditure have been widely studied in tourism literature little is still known on the same determinants for the specific tourism segments like the all-inclusive tourism. It is niches or segments that make up the total tourism market; unfortunately most researches focus on the total market while ignoring its niches. This study is an effort to focus on individual tourism niches.

Keywords:

Tourism, Travel, Expenditure, Spain