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# Enclave tourism and its socio-economic impact in emerging destinations

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This study explores the socio-economic implications of enclave tourism in emerging destinations. The focus is on Zanzibar. The specific objectives are to estimate the gross tourist expenditure; to analyze the tourist expenditure in relation to the tourist demographic characteristics; and to find out whether there is any statistical difference between the expenditure caused by the type of the chosen tour mode. A specific visitor-survey was conducted at the Zanzibar Airport during the summer of 2009. Then, the flow of the tourist expenditure was estimated using aggregate-case summaries while the equality of the mean was analyzed using a one-way analysis of variance. Analysis of expenditure between the different categories of the tours reveals that the average daily expenditure spent by the enclave tourist was well below that made by the other types of contracts. There is statistical evidence to suggest that the differences were due to the chosen tour mode, as the type of tour has a significant effect on the average daily expenditure per tourist at the destination. The study recommends calculated strategies for linking the tourism industry with the local people for pro-poor tourism promotion.

**Keywords:** enclave tourism; tourist expenditure; emerging destinations; Zanzibar

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## Introduction

The knowledge of enclave tourism and its socio-economic implications in emerging destinations is scanty and, generally, this type of tourism has not received enough attention in the academic arena (Sheldon & Mak, 1987; Tourism Intelligence International, 2005). Sheldon and Mak (1987), on their seminal work on the demand for package tours, describe enclave tourism as a trip bought at a single price in the tourist's origin covering a broad range of items from commercial transportation and accommodation to meals and sightseeing, sometimes accompanied by an escort or a guide. The most recent work of Tourism Intelligence International (2005) defines enclave tourism as a trip prepaid in advance and which includes a number of services that the tourist might need for the trip and vacation at the destination. The services include a return ticket, ground transfers, accommodation, all meals and drinks, sporting activities, entertainment, clothes and other items. Similar definitions are given in Enoch (1996), Holloway (1998, 2000), Middleton (1994) and Millington et al. (2001) among others. The concept of 'emerging destinations' in this context refers to any destination where the tourism industry is in its infancy, but growing.

When making comparisons of the tourism dependent economies that experience various tourist segments, knowledge of the socio-economic implications of enclave

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tourism in emerging destinations is vital to shed light on the contribution of each segment in poverty reduction, particularly for the local communities. Sometimes tourists prefer the entire tour experience to be arranged for them (Heung & Chu, 2000) by the series of what Enoch (1996) refers to as surrogate parents, in the shape of tour agents or operators (packagers), who are paid in advance (Philips & Webster, 1983). Of course, most resorts prefer enclave tourism because tour operators, who are usually based in the tourist origin, make all the negotiations, logistics and financial arrangements with the guests on their behalf (Issa & Jayawardena, 2003; Karramel & Lengefeld, 2005; Mitchell & Page, 2005).

As almost everything is prepaid at the origin (Heung & Chu, 2000; Philips & Webster, 1983), resorts offering such holidays are relieved of keeping track of the movements of tourists and their bills. In addition, most of the requirements are procured in advance with more precision since the resorts know beforehand the exact number of guests, their profiles and the length of their stays. According to Enoch (1996), because this tourist has been supplied with almost everything he or she might need, enclave tourists rarely visit the places they travel to, for they spend their days and nights in the sterilized environment of the enclave resorts. These resorts, which have been described by Reid (1992, p.75) as the 'concentration camps of leisure', offer the holiday experience which, apart from accommodation, also includes several swimming pools, bars and restaurants; a stretch of private beach; landscape gardens and a variety of sporting facilities (Millington et al., 2001).

Nevertheless, the above enlightenment leads to several pertinent and related issues that need further analysis socio-economically, especially with regard to the destinations offering such a kind of the tourism product. First, since almost everything is prepaid for in the tourist-generating country, the tourists are motivated to stay within the enclave resorts, which limit their movements at the destination and reduce their spending even on the products that are not included in the single prepaid tour package. Hence, many people would question whether the tourist money, apart from the return ticket, accompanies them to the destination, as most of the expenditure might remain at the origin (Abdool & Carey, 2004; Freitag, 1994). Enclave resorts also capture the expenditure that the tourists who buy the least-inclusive holidays, such as half board, could otherwise spend elsewhere outside the resorts.

This reminds us of the concern raised in Mbaiwa (2005) that most of the enclave resorts in the tourism emerging destinations are foreign owned; consequently, the tourist expenditure is either retained or repatriated due to the foreignness of the business. In Zanzibar, there has particularly been a concern that many hotels and restaurants import a substantial amount of their food requirements. The report of The Zanzibar Association of Tourism Investors (2009) and Steck et al. (2010) indicate that, about 90% of the food stuffs consumed in local tourist hotels and restaurants in Zanzibar are imported. Also, according to Meyer (2010), about 80% of all vegetables and 20% of all fruits consumed by the tourism industry in Zanzibar are imported. In the case of enclave resorts, one can ask: to what extent does the tax payers' money on tourism infrastructure benefit the local community if most of the resorts' requirements are imported and the tourists are kept indoors and limit their interactions with the local community; which could have made them purchase some products?

Admittedly, enclave tourism has been growing extensively worldwide (Mbaiwa, 2005; Paris & Zona-Paris, 1999; Tourism Intelligence International, 2005). Unfortunately, the nature of this type of tourism and its socio-economic implications has received negligible attention in the tourism studies. This study, therefore, explores the socio-economic implications of enclave tourism in emerging destinations, Zanzibar being the case study.

The objectives of this research are in threefold: (a) to estimate the gross tourist expenditure; (b) to analyze the tourist expenditure in relation to the tourist demographic

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characteristics; and (c) to find out whether there is any statistical difference between the expenditure caused by the type of the chosen tour mode to Zanzibar. Consequently, policy makers and the tourism management would like to know how much of the tourism cake remains at the destination from different tourist niches visiting Zanzibar. Tourism expenditure is the core of the economy and the principal objective for the tourism providers. Thus, knowing how it is distributed among the tourism providers may serve as a guideline towards policy making and implementation. To accomplish the study's objectives, the literature review precedes the methodology, then the findings, and finally the conclusion are given.

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## Literature review

Most of the studies on socio-economic implications of enclave tourism have been done in developed tourism destinations such as Caribbean (Abdool & Carey, 2004; Ashley, 2006; Issa & Jayawardena, 2003; Karammel & Lengefeld, 2005; Meyer, 2006; Mitchell & Page, 2005). Unfortunately, this area has been under-researched in the emerging destinations, particularly in developing countries (Mbaiwa, 2005), hence calls for studies like this. The most recognized challenges facing the tourism industry in developing economies include poor infrastructure, poor product development and management, poor marketing, poor linkages within the local economy, poor institutional and technical capabilities, and shortage of appropriate and specialized core and skilled personnel (Mitchell, 2006).

The difference between developing and developed economies with regards to tourism arrangements is real. From the demand perspective, enclave tourism has increasingly been looked at as one of the main incentives when tourists choose countries with 'strange' cultures, unreliable transportation and doubtful standards of hygiene, safety and security, i.e. the conditions reflected mostly in the emerging destinations, particularly in developing countries (Mbaiwa, 2005). On the supply side, tour operators prefer enclave tourism arrangements, particularly in developed countries, as they can have mass tours, which provide them with economies of scale on the tours organized (Tourism Intelligence International, 2005).

Enclave tourism arrangements have lots of implications, but the main one rests on the allocation of the economic gains or tourism expenditure between the chief stakeholders in the tourism industry, including the tourism service groups, tourist-receiving country and the tourist. Tourism expenditure refers to the total consumption expenditure made by a visitor, or on behalf of a visitor, for and during the trip and stay at the 'destination' (UN/WTO, 1994). The word 'destination' refers to any significant place visited on a trip (WTO, 2005). Sheldon (1990) contends that to be called tourism expenditure, it must comprise consumption at the site or within the study area that would not have occurred without tourism. Enclave tourism expenditure according to Anderson (2008, 2010) is the trip expenses incurred by, or on behalf of, a travel party visiting a destination whereby at least return transport, accommodation, meals, drinks, entertainment and ground transport have been prepaid for in a single price at the origin. In most cases, this tourist spends additional expenses at the destination for shopping, communication, vehicle and equipment rentals and other items.

Tour operators, who are usually based in the visitors' home economies, use a package tour as a pricing-strategy to win more customers through economies of scale on tours sold. Tourist-receiving countries promote tourism not just for the head and bed, but for tourism earnings, and a lucid tourist wants to maximize satisfaction from possible inexpensive tours in terms of time and money. As it was mentioned earlier, it is more likely that the

tourist and the origin economy gain more from the business of enclave tourism arrangements than the destination economies (Alegre & Pou, 2006; Issa & Jayawardena, 2003; Wong & Lau, 2001) since bundles of services are sold together at the origin and therefore most of the expenditure remains at the origin. The enclave tourism resorts on their side, capture, in addition, the expenditure that the tourists who buy the least-inclusive holidays, such as half board, could otherwise spend outside the resort compound, which is now included in the boarding bill. Even the expenditure that goes to the resort may leave the destination as, in developing countries, most of the resorts are foreign-owned.

Mbaiwa (2005) analyses the socio-economic impact of enclave tourism in the Okavango Delta in Botswana. His study revealed that the foreign domination and ownership of tourism facilities (foreigners own more than half (53.7%) of the tourism facilities) in the area, has led to the repatriation of the resultant revenue, domination of management positions by foreign expatriates and lower salaries for citizen workers. Mbaiwa (2005) goes further and equates enclave tourism as a kind of 'internal colonialism' and concludes that it has minimal impact on the economy of Okavango Delta due to high leakages. Likewise, focusing on the supply side of the enclave tourism, Meyer (2006) found negative trends in the local linkages due to the growing presence of enclave tourism at the destination. The same is found in Abdool and Carey's (2004) study, which explores the economic impact of the enclave tourism sector on the economy of Tobago. Their study found that the substantial proportions of the enclave tourism expenditure either do not reach or do not remain in the economy of Tobago as almost everything is pre-paid for at the tourist's country of origin.

The socio-demographic variables such as age, gender, income and nationality have been widely accepted in the tourism literature to explain the level of recreational expenditure. Explicitly, a positive relationship between the age of a person and spending behavior has been revealed (Aguiló & Juaneda, 2000; Jang et al., 2004; Kastenholz, 2005; Mok & Iverson, 2000). The authors argue that as a person ages, he or she tends to earn higher incomes, which lead to spending more during vacations. However, Mudambi and Baum (1997) show the negative relationship between tourist spending and age, arguing that mature tourists spend less during their vacations as their main expenditure goes on goods of necessity, such as food and accommodation, which have already been paid for in the enclave tourism arrangement.

According to Sheldon and Mak (1987), mature travelers prefer enclave package tours in order to avoid the physical requirements of independent travel, such as baggage handling and tedious movements at the destinations. These travelers therefore prefer to stay within the resort compounds the entire holiday, which makes them spend less at the destination. Jang et al. (2004), on the other hand, associate tourist spending behavior with nationality, education and occupation, categorizing the highest spenders at the destination as the well educated, who occupy managerial jobs, with high preferences in using credit cards; and age wise, they are senior travelers. Also suggesting the positive relationship between income and expenditure are the studies of Peerapatdit (1999) and Kastenholz (2005).

The relationship between traveling through a specific tour mode at the destination and spending behavior has been established. Rewtrakunphaiboon and Oppewal (2004) and Alegre and Pou (2006) for example reveal that tour packaging has a negative impact on the level of expenditure at the destination but a positive one at the origin, in which the least-packaged tours lead to high expenditure at the destination and vice versa. Likewise, when examining the determinants of the expenditure for the enclave tourism clients in Majorca, Anderson (2010) found that, compared with the tourists who travel to Majorca under other types of tour packages, the ones who chose enclave tourism spend less money at the destination. Likewise, when identifying the motivations for enclave tourism from the same

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destination, Anderson et al. (2009) concluded that economies of scale when buying more service items as a single tour package influence the choice of enclave tourism among other alternatives.

However, the available information focuses more on developed economies, where most of enclave resorts can accommodate all the needs and wants of the clients. Because of that, the enclave resorts are often found in remote areas; a fact that limits tourists spending additional money at the destination (Abdool & Carey, 2004; Mbaiwa, 2005). The enclave product is not always uniform, but more adapted in terms of the location and the operations of the resorts offering the product, and depends on the destination visited. In the Caribbean, the enclaves are treated as a unified product, with the enclave resorts located in the typical holiday areas, within which guests become permanently isolated from the hosts.

Unlike the Caribbean, in the emerging destinations, and also when referring to Zanzibar, the enclave tour is normally one of the product lines offered in the hotel; and most hotels simultaneously offer other board bases, such as half board. The contents of the tour experience for the tourists choosing enclave tourism are lighter than in the Caribbean and therefore the tourists are expected to move outside the enclave resorts to spend on other needs and wants. Zanzibar is chosen as a case to represent the developing or emerging destinations. The findings obtained in this work raise important facts on the phenomenon of enclave tourism. However, the study conclusions may not be definitive. The results obtained must be verified again in further investigations. but this does not make them irrelevant. Ultimately, the tests performed were intended to contribute to objective knowledge of the tourism market. The next section describes the methodology.

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## Methodology

The research objective was to explore the socio-economic implications of enclave tourism in emerging destinations. A specific visitor-exit survey was conducted at the Airport of Zanzibar during the high season of 2009, which is from June to September. The visitor-exit survey was preferred because it enables capturing the immediate and actual data on expenditure. At least 50% of tourism in Zanzibar takes place between May and October each year; and being an island, about 80% of the arrivals travel by air. Since some tourists travel with companions, we chose the term ‘travel party’ to represent a group of people traveling together and sharing the same traveling characteristics. Every party had equal chances of being included in the sample from which the one individual who was in charge of cash was interviewed. A total of 2000 tourists were interviewed (sampling error of 3%, a confidence level of 95%).

A questionnaire containing the nine main items was handed to respondents and retrieved after had been completed. To distinguish between the different tour modes, the following question was included: ‘What was included in the price of the trip you paid for in your home country?’ which had six options: (1) only transport; (2) transport and accommodation; (3) transport, accommodation and breakfast; (4) half board; (5) full board; and (6) ‘enclave’. The questionnaire also included the party size, length of stay, repetition levels; and some demographic characteristics such as nationality, age, gender and household incomes. The tourist was asked the total amount spent for the entire trip; followed by the question on the amount spent at the origin, at the destination and finally the breakdown of the expenditure spent both in the origin and at the destination.

In this study, a sample is made up of the tourists visiting Zanzibar regardless of their characteristics. A total of 2000 respondents were interviewed. Of the respondents, those who bought only the return ticket at the origin account for 9.2%, the ones who added

accommodation were 8.7%, those who added on top of the two items morning breakfasts were 10.6%, the ones who added half board account for 24.7%, while the full board and enclave tourists accounted for respectively 7.5% and 38% of the total respondents. Other characteristics are summarized in Table 1.

The objectives of this research were to estimate the gross tourist expenditure; to analyze the tourist expenditure in relation to the tourist demographic characteristics; and to find out whether there is any statistical difference between the expenditure caused by the type of the chosen tour mode to Zanzibar. Once data had been collected, the daily expenditure per tourist in the origin, at Zanzibar and the total of both were estimated, which enabled us to trace the uses of the expenditure in the different expenditure categories at the destination. However, as most of the tourists visiting Zanzibar are from Europe, the main currency quoted was euros (€), which was then converted into US$ when estimating the expenditure, using the prevailing market exchange rates from euro (€) to dollar ($).

Furthermore, to test for the equality of the mean expenditure per tourist, and per day, in order to see whether there is any statistical difference between the tourist expenditure caused by the type of the chosen tour mode to Zanzibar, one-way Analysis of Variance (ANOVA) was used. Likewise, regarding the influence of demographic characteristics on the tourist spending, the hypotheses suggest that there are differences in average expenditure within different demographic characteristics. The study, therefore, tests for the equality of the mean daily expenditure per tourist in the null hypothesis, that is $H_0$: $\mu_1 = \mu_2 = \mu_3 = \mu_4$ against the alternative hypothesis that means are not equal.

Let us focus on the differences associated with contracted services (Transport Only; Transport & Bed; Transport, Bed & Breakfast; Transport & Half Board; Transport & Full Board; and Enclave tourism). Suppose, for example, that tourists who visit Zanzibar through the enclave tourism arrangement are young (aged between 26 and 44 years) and have spent less than the rest; in simple calculations, one may assume that the detected expenditure by type of service could be caused by differences in age. It would be possible for tourists to make such kinds of tours because of the fact that many of them are young. Statistically, the way to solve this problem is to estimate a model (ANOVA) to take into account the two variables. This requires the use of a regression model with dummy variables.

For example, suppose there are only two types of services (enclave tour and with accommodation) and two possible age ranges of the tourist (e.g. 26–44 years and 45–65 years). The tourism expenditure is a continuous variable. To estimate the average expenditure on each group and compare the existence of differences one can estimate the following linear model:

$$Y_i = \beta_i + \beta_1 D_{1i} + \beta_2 E_{1i} E_{1i} \tag{1}$$

whereby:

$$D_{1i} = \begin{cases} 0 = \text{enclave tourism} \\ 1 = \text{with accommodation} \end{cases}$$

$$E_{1i} = \begin{cases} 0 = \text{from 26 to 44 years} \\ 1 = \text{from 45 to 65 years} \end{cases}$$

The model incorporated both additive and multiplicative effects in relation to age variable. The value of $\beta_0$ would be the estimated average expenditure for the category of the reference group, in this case, a young enclave tourist aged between 26 and 44 years. The

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Table 1. Respondent characteristics.

| Characteristics | Package | | | | | | Total ($n = 2000$) |
|---|---|---|---|---|---|---|---|
| | only transp ($n_1 = 184$) | with accomm ($n_2 = 173$) | with breakfast ($n_3 = 212$) | with half board ($n_4 = 493$) | with full board ($n_5 = 149$) | Enclave tour ($n_6 = 759$) | |
| Age: | | | | | | | |
| Below 25 | 10.2% | 11.1% | 12.4% | 35.7% | 8.3% | 22.3% | 100.0% |
| 26–44 | 10.2 | 9.9 | 13.7 | 31.0 | 8.2 | 26.9 | 100.0 |
| 45–64 | 12.0 | 6.6 | 11.2 | 22.6 | 11.0 | 36.7 | 100.0 |
| Above 64 | 4.6 | 7.6 | 4.1 | 9.8 | 1.8 | 72.1 | 100.0 |
| Total | 9.4 | 8.7 | 10.7 | 24.9 | 7.5 | 38.8 | 100.0 |
| Gender: | | | | | | | |
| Female | 7.9 | 9.9 | 9.2 | 26.4 | 7.2 | 39.3 | 100.0 |
| Male | 10.9 | 7.6 | 12.4 | 23.4 | 7.7 | 37.9 | 100.0 |
| Total | 9.4 | 8.8 | 10.8 | 25.0 | 7.5 | 38.6 | 100.0 |
| Nationality: | | | | | | | |
| Spanish | 4.6 | 6.6 | 6.4 | 24.0 | 3.6 | 54.9 | 100.0 |
| Italian | 16.8 | 11.6 | 14.4 | 20.7 | 8.2 | 28.4 | 100.0 |
| German | 4.5 | 8.1 | 8.1 | 45.7 | 8.1 | 25.3 | 100.0 |
| French | 4.4 | 2.6 | 4.4 | 24.4 | 2.0 | 62.1 | 100.0 |
| British | 1.5 | 3.3 | 4.5 | 37.3 | 16.4 | 37.0 | 100.0 |
| Others | 3.3 | 12.6 | 17.6 | 13.2 | 11.0 | 42.3 | 100.0 |
| Total | 9.4 | 8.8 | 10.8 | 25.0 | 7.5 | 38.6 | 100.0 |
| Length of stay (in days): | | | | | | | |
| 1–7 | 13.2 | 6.6 | 12.3 | 25.9 | 10.4 | 31.6 | 100.0 |
| 8–14 | 6.9 | 9.2 | 13.8 | 28.2 | 7.9 | 34.1 | 100.0 |
| 15–21 | 9.7 | 9.3 | 8.1 | 23.5 | 6.1 | 43.4 | 100.0 |
| 21–28 | 10.8 | 8.4 | 9.0 | 22.2 | 7.6 | 42.1 | 100.0 |
| Total | 9.4 | 8.7 | 10.8 | 25.1 | 7.6 | 38.5 | 100.0 |
| Income (€): | | | | | | | |
| Below 20,000 | 7.6 | 10.8 | 7.3 | 27.5 | 10.5 | 36.3 | 100.0 |
| 20,000–30,000 | 5.5 | 10.6 | 4.7 | 22.9 | 8.6 | 47.6 | 100.0 |
| 30,001–40,000 | 4.2 | 3.1 | 11.8 | 28.1 | 7.6 | 45.1 | 100.0 |
| 40,001–50,000 | 13.6 | 5.1 | 16.9 | 22.0 | 9.6 | 32.8 | 100.0 |

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Table 1 – *continued*

| Characteristics | Package | | | | | | |
|---|---|---|---|---|---|---|---|
| | only transp ($n_1 = 184$) | with accomm ($n_2 = 173$) | with breakfast ($n_3 = 212$) | with half board ($n_4 = 493$) | with full board ($n_5 = 149$) | Enclave tour ($n_6 = 759$) | Total ($n = 2000$) |
| 50,001–60,000 | 10.1 | 10.8 | 12.7 | 21.5 | 5.1 | 39.9 | 100.0 |
| Above 60,000 | 15.6 | 10.2 | 18.0 | 21.7 | 4.7 | 29.8 | 100.0 |
| Total | 8.6 | 8.8 | 10.5 | 24.2 | 8.0 | 39.9 | 100.0 |
| Previous Trip(s) to Zanzibar: | | | | | | | |
| None | 8.0 | 10.3 | 10.9 | 25.6 | 7.3 | 37.9 | 100.0 |
| One Trip | 6.8 | 10.5 | 13.9 | 22.4 | 6.3 | 40.0 | 100.0 |
| Two Trips | 11.4 | 9.8 | 11.7 | 16.7 | 8.3 | 42.0 | 100.0 |
| Three Trips | 5.8 | 6.4 | 7.7 | 34.0 | 10.9 | 35.3 | 100.0 |
| Four Trips | 7.2 | 5.8 | 2.9 | 24.6 | 7.2 | 52.2 | 100.0 |
| More Than 4 | 16.9 | 3.5 | 8.5 | 28.9 | 7.4 | 34.9 | 100.0 |
| Total | 9.3 | 8.8 | 10.7 | 24.9 | 7.6 | 38.7 | 100.0 |

values of $\beta_j$ (for $j \neq 0$) are interpreted as the increase (or decrease) in expenditure, as consequences of the $i$th tourists that have characteristics different from the reference group.

After estimating the coefficient $\beta j$ of the model, the group's average expenditure can be estimated. For example, we calculate the average expenditure for the enclave tourist or with accommodation.

For the group aged from 26 to 44 years that visited Zanzibar through enclave tourism arrangement, (in this case, $D_{1i} = 0$, $E_{1i} = 0$), the mean can be calculated as:

$$\bar{Y}_{00} = \beta_0 \tag{2}$$

For those aged between 44 and 66 years who come through enclave tourism arrangement (in this case, $D_{1i} = 0$, $E_{1i} = 1$), the average is calculated as:

$$\bar{Y}_{01} = \beta_0 + \beta_2 \tag{3}$$

To calculate the average expenditure for the two age groups of tourists that come through the enclave tourism arrangement, we have to estimate a simple average as follows:

$$\bar{Y}_0 = (\bar{Y}_{00} + \bar{Y}_{01})\beta_0 + \frac{1}{2}\beta_2 \tag{4}$$

The same models can be adopted when estimating the average expenditure for the tourist who bought any other kind of tour, and also with different explanatory variables such as age, gender, etc. The results are presented in the next section.

## Results

The daily expenditure per tourist was broken down on the basis of the type of the tour that was prepaid for in the country of origin, including: Transport Only; Transport & Bed; Transport, Bed & Breakfast; Transport & Half Board; Transport & Full Board or Enclave. The average expenditure per tourist per day, estimated for each of the modes of services, is presented in Tables 2 to 4 and in Figure 1. These are marginal means calculated with reference to the average length of stay and party size (9.32 days and four persons respectively). The statistical model estimates generally confirm the descriptive evidence. Stressing the comparison of enclave tourism with respect to other types of tour modes we get the following results.

(a) The average length of stay in Zanzibar was 9.32 days; and the average party size was four people in a group.

Table 2. Average spending per tourist per day origin.

| The prepaid service at the origin include | Average expenditure | Average expenditure with respect to enclave tour | Percentage change with respect to enclave tour |
|---|---|---|---|
| Only Transport | 38.68 | 38.75 | − 61.25 |
| with room only | 70.68 | 70.80 | − 29.20 |
| with Breakfast | 65.66 | 65.77 | − 34.23 |
| with Half Board | 76.00 | 76.13 | − 23.87 |
| with Full Board | 86.72 | 86.87 | − 13.13 |
| Enclave tour | 99.83 | 100.00 | – |
| Total | 79.76 | 79.90 | − 20.10 |

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Table 3. Average spending per tourist per day in Zanzibar.

| The prepaid service at the origin include | Average expenditure | Average expenditure with respect to enclave tour | Percentage change with respect to enclave tour |
|---|---|---|---|
| Only Transport | 48.70 | 234.25 | 134.25 |
| with room only | 38.16 | 183.55 | 83.55 |
| with Breakfast | 36.10 | 173.64 | 73.64 |
| with Half Board | 30.34 | 145.94 | 45.94 |
| with Full Board | 28.96 | 139.30 | 39.30 |
| Enclave tour | 20.79 | 100.00 | – |
| Total | 28.92 | 139.11 | 39.11 |

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(b) The average daily expenditure per tourist was US$119.09; at the origin, the average was US$79.76; while in Zanzibar the average was US$28.92.
(c) As expected, the tourists who bought the enclave tourism arrangement spent more in the origin than any other tour mode.
(d) Despite the fact that the enclave tourist spent more in the origin, the differences of the tour costs are relatively small when compared with the pension full or half board. With respect to enclave tourists, those who bought full board package spent 13% less at the origin; while those who bought half board spent 24% less at the origin.
(e) Spending on the Zanzibar Islands by those who bought enclave tourism is the lowest of all types. With respect to the enclave tourists, those who bought full board or half board spent respectively 39.30% or 45.94% more in Zanzibar, which in absolute terms is US$8.17 or US$9.55 per tourist per day respectively.
(f) Considering the impact on total spending of the enclave tourist relative to the other forms of travel modes, it was only the tourist who bought 'only transport' at home that spent the lowest (i.e. US$ 87.38, which lowers the final expenditure at 21.08%). The full board is 8.94% more, the half-board a 14.11%, with breakfast included, 0.94%, and transportation and lodging a 7.33% more.

### *Analysis of tourist expenditure on the basis of a tour mode to Zanzibar*

The findings show that the average daily expenditure per tourist visiting Zanzibar was almost US$119 (see Table 5); but the enclave tourist spent 7.56% less. In the country of origin, however, that tourist spent 20.10% more; at the destination, the same tourist spent 39.11% less. Based on the expenditure estimates, it may easily be concluded that the average daily expenditure spent by the enclave tourist in Zanzibar was well below that made by the other types of tour modes. The possible explanation to these findings is that

Table 4. Average spending per tourist per day total.

| The prepaid service at the origin include | Average Expenditure | Average expenditure with respect to enclave tour | Percentage change with respect to enclave tour |
|---|---|---|---|
| Only Transport | 87.38 | 78.92 | −21.08 |
| with room only | 118.84 | 107.33 | 7.33 |
| with Breakfast | 111.76 | 100.94 | 0.94 |
| with Half Board | 126.34 | 114.11 | 14.11 |
| with Full Board | 120.62 | 108.94 | 8.94 |
| Enclave tour | 110.72 | 100.00 | 0.00 |
| Total | 119.09 | 107.56 | 7.56 |

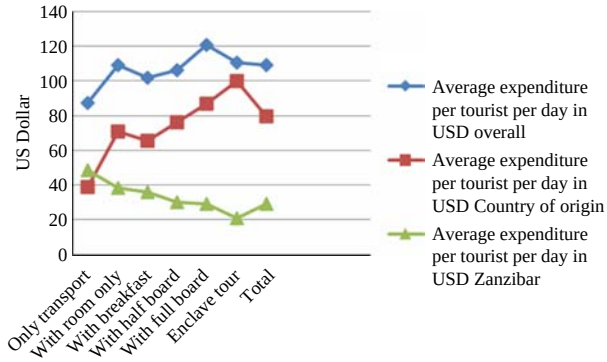



Figure 1. Average expenditure per tourist per day.

the tourist who buys the least inclusive tour has to spend more at the destination on the types of services that were not included in the price pre-paid at the origin (for example, on accommodation for the first category tourist who pays at the origin for a return ticket only). Analysis of the categories where the tourists spent their money at the destination is covered in the section of 'tracing the tourist expenditure in Zanzibar'.

The hypothesis suggests that there is equal mean daily expenditure per tourist in a trip regardless of the type of tour arrangement. Hence, testing for the equality of the mean is necessary to find out whether the observed differences in the levels of expenditure are by chance or were due to the tourist's stance towards the chosen tour mode. As has been pointed out earlier, the study tests for the equality of the mean daily expenditure per tourist in the null hypothesis that $H_0$: $\mu_1 = \mu_2 = \mu_3 = \mu_4$ against the alternative hypothesis that means are not equal, as shown in the rows of the ANOVA test.

The ANOVA results (Table 6) show significant differences in all the three categories of expenditure (spending overall, in the country of origin and at Zanzibar). The $p$ values are 0.000, significant at 5% levels in the three categories. Thus, the null hypothesis of equal means is rejected and it is concluded at the 5% level of confidence that there is a (statistically) significant difference among the mean daily expenditure per tourist between the six groups of tourists (i.e. the tourist who buys at the origin only the return ticket or return ticket plus any other service such as accommodation, breakfast, half board, full board or enclave tour). Thus, it can be concluded that the type of tour chosen has a notable effect on the average daily expenditure per tourist in its totality, at the origin and in Zanzibar.

Table 5. Average expenditure per tourist per day on the basis of tours bought.

| | Average Expenditure per tourist per day in USD | | |
|---|---|---|---|
| The prepaid service at the origin include | Overall | Country of Origin | Zanzibar |
| Only Transport | 87.38 | 38.68 | 48.70 |
| with room only | 118.84 | 70.68 | 38.16 |
| with Breakfast | 111.76 | 65.66 | 36.10 |
| with Half Board | 126.34 | 76.00 | 30.34 |
| with Full Board | 120.62 | 86.72 | 28.96 |
| Enclave tour | 110.72 | 99.83 | 20.79 |
| Total | 119.09 | 79.76 | 28.92 |

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Table 6. ANOVA (Average daily expenditure per tourist versus tour arrangements).

| | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Overall | | | | | |
| Between Groups | 4224.638 | 837 | 5.047 | 4.373 | .000 |
| Within Groups | 1251.289 | 1084 | 1.154 | | |
| Total | 5475.927 | 1921 | | | |
| Origin | | | | | |
| Between Groups | 3753.711 | 631 | 5.949 | 4.456 | .000 |
| Within Groups | 1722.216 | 1290 | 1.335 | | |
| Total | 5475.927 | 1921 | | | |
| Zanzibar | | | | | |
| Between Groups | 2350.607 | 353 | 6.659 | 3.324 | .000 |
| Within Groups | 3221.652 | 1608 | 2.004 | | |
| Total | 5572.259 | 1961 | | | |

### *Analysis of the tourist expenditure on the basis of demographic characteristics*

As also summarized in Table 7, the overall average expenditure per person per day on the basis of the tourist nationality was around €110; that is, around €80 at the origin; while in Zanzibar it was around €30. However, the Spanish tourist spent below average in all categories, spending almost 11% less overall, 7.9% less at the origin and almost 20% less

Table 7. Average expenditure per tourist per day on the basis of visitor characteristics.

| | Average expenditure per tourist per day in Euro | | |
|---|---|---|---|
| Selected Visitor Characteristics | Overall | Country of Origin | Zanzibar |
| Nationality | | | |
| Spanish | 98.38 | 73.41 | 24.42 |
| Italian | 99.80 | 66.99 | 32.53 |
| German | 109.31 | 76.98 | 32.17 |
| French | 130.27 | 103.90 | 26.37 |
| British | 131.40 | 99.24 | 31.66 |
| Other | 177.24 | 140.35 | 37.03 |
| Total | 110.45 | 79.73 | 30.39 |
| Age | | | |
| ≤25 | 100.54 | 65.84 | 34.49 |
| 26–44 | 109.84 | 77.64 | 31.46 |
| 45–64 | 122.08 | 90.52 | 30.46 |
| >64 | 104.98 | 80.78 | 23.42 |
| Total | 110.39 | 79.72 | 29.88 |
| Gender | | | |
| Female | 105.58 | 77.24 | 27.21 |
| Male | 111.98 | 81.64 | 29.57 |
| Total | 108.69 | 79.38 | 28.36 |
| Annual gross household income | | | |
| <20,000 Euros | 100.63 | 74.96 | 25.00 |
| 20,000–30,000 | 108.29 | 82.31 | 24.97 |
| 30,001–40,000 | 106.39 | 76.80 | 29.25 |
| 40,001–50,000 | 118.00 | 91.21 | 26.37 |
| 50,001–60,000 | 130.34 | 91.99 | 37.88 |
| >60,000 | 110.19 | 80.93 | 28.45 |
| Total | 108.22 | 77.23 | 29.54 |

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at the destination. Tourists from the 'other' nationalities spent 60%, 76% and 22% more overall, at the origin and in Zanzibar respectively.

Surprisingly, the propensity to spend at the destination decreases as age increases. A tourist aged below 45 years spent relatively more at the destination when compared with the older groups of tourists. The possible reason could be that young travelers, despite having bought the enclave tourism product, still were likely to be involved in the destination, for example partying, participating in sports and night life activities, compared with the older travelers. Regarding gender, male tourists spent more than average in the three categories, spending 4% more at the destination than the average expenditure per tourist per day. The spending behavior, though, was not reflected accurately using the annual gross household income as a determinant.

The first ANOVA test was run on the sample to understand whether there existed significant differences across nationality, age, household income and gender groups on spending behavior at the destination. The ANOVA results (Table 8) show significant differences in all four tourist demographic characteristics. More specifically, the spending behavior for age groups is significant at 5% levels ($F(1, 1624) = 3.85, p = 0.000$). Likewise the $p$ values of gender, nationality and income variables are significant, suggesting that the four variables play an important role in determining the tourist's spending at the destination.

### *Tracing the tourist expenditure in Zanzibar*

The tourism expenditure survey collected information on expenditures made outside the hotel establishment in seven parts: (1) restaurant, cafe & bar; (2) entertainment & sports; (3) car rental; (4) public transport; (5) communication; (6) retail shopping (souvenirs, supermarkets, gifts, films, etc); (7) other purchases. The categories where the tourist spends the money are illustrated in Figure 2. Although it is difficult to ensure the accuracy of these responses, these variables can be used to assess the consequences that enclave tourism can have on each of these items. Obviously, enclave tourists also consume out of the resorts, but it is appropriate to quantify the reduction in non-hotel spending for different spending categories. The expenditure of most tourists went to (1) restaurants, cafés and bars, as well as to (2) entertainment and sport. These two categories took almost 60% of the expenditure. The basic assumption underlying the consumption factor of the 'transport only' tourist against other expenses, is that the money went to accommodation, the missing category of the expenditure. Tourists who paid for transport and accommodation at the origin spent

Table 8. One way ANOVA (at destination Zanzibar).

| | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| Age | Between Groups | 665.037 | 353 | 1.884 | 2.285 | 0.000 |
| | Within Groups | 1339.090 | 1624 | 0.825 | | |
| | Total | 2004.127 | 1977 | | | |
| Gender | Between Groups | 161.242 | 353 | 0.457 | 2.225 | 0.000 |
| | Within Groups | 335.392 | 1634 | 0.205 | | |
| | Total | 496.633 | 1987 | | | |
| National | Between Groups | 1378.404 | 353 | 3.905 | 1.905 | 0.000 |
| | Within Groups | 3287.139 | 1604 | 2.049 | | |
| | Total | 4665.543 | 1957 | | | |
| Income | Between Groups | 1862.290 | 328 | 5.678 | 2.372 | 0.000 |
| | Within Groups | 3482.347 | 1455 | 2.393 | | |
| | Total | 5344.637 | 1783 | | | |

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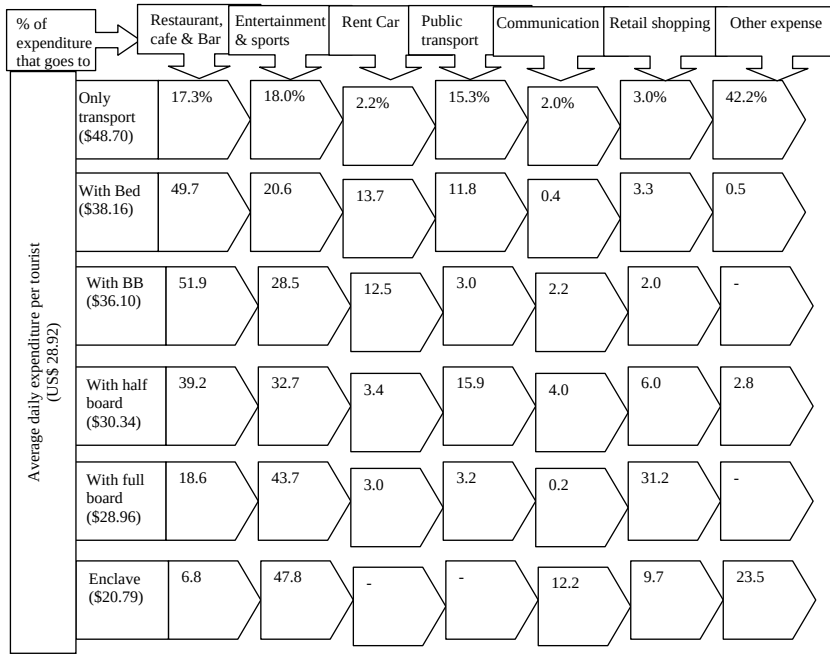



Figure 2. Allocation of the dollars spent at the destination.

most of their money in restaurants, cafés and bars, entertainment and sporting activities as well as local transport.

## Conclusion and implications

This study intended to explore the socio-economic implications of enclave tourism in emerging destinations while focusing on Zanzibar. The specific objectives were to estimate the gross tourist expenditure; to analyze the tourist expenditure in relation to the tourist demographic characteristics; and to find out whether there is any statistical difference between the expenditure caused by the type of the chosen tour mode in developing economies. The research was conducted at Zanzibar Airport.

The most recognized challenges facing the tourism industry in developing economies include poor infrastructure, poor product development and management, poor marketing, poor linkages within the local economy, poor institutional and technical capabilities, and a shortage of appropriate and specialized core and skilled personnel. Enclave tourism has increasingly been looked at as one of the main incentives when tourists choose countries with 'strange' cultures, unreliable transportation and doubtful standards of hygiene, safety and security, i.e. the conditions reflected mostly in the developing economies. On the supply side, giant tour operators in the leading tourist markets prefer enclave tourism arrangements, particularly in developed countries, as a strategy to persuade mass tourists as it provides the operators with economies of scale.

In both cases, different products are being integrated into a single offering. In the case of a pricing strategy that makes it an attractive acquisition package, it implies some economic advantage is sought through charging a lower price than the sum of the prices of the products comprising the package. When it comes to destination conditions, acquiring a

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package should involve some added value. In the case of enclave tourism in Zanzibar, it is difficult to accept that it is destination conditions that make tourists purchase such a product, as Zanzibar is one of few destinations in the developing world with well-developed tourism infrastructures. Thus, it can be argued that as the closest form to enclave tourism, full board has not been supported in recent years by a significant demand, and it seems reasonable, therefore, to understand enclave tourism is a result of using pricing as a strategy.

If the introduction of enclave tourism responds effectively to a pricing strategy, this should be reflected in lower spending by the tourists contracted to enclave tours with respect to the other types of procurement. The results show that the average length of stay in Zanzibar was 9.32 days; while the average party size was four people. The average daily expenditure per tourist was US$119.09 in general; at the origin, the average was US$79.76; while in Zanzibar the average was US$28.92. As expected, the tourist who was contracted to the enclave tourism arrangement spent more in the origin country than any other tour mode. The ANOVA test confirms that the type of tour has a considerable effect on the average daily expenditure per tourist at the destination, in the origin and overall. The enclave tourist spends less money in Zanzibar, in terms of buying other items from the local tourism-related businesses, when compared with the rest.

Surprisingly, the propensity to spend at the destination decreases as age increases. Young tourists spent relatively more at the destination when compared with the older groups of tourists. The possible reason could be that the young travelers were more likely to be involved in the destination, partying, playing sports and enjoying the night life activities than the older travelers. Regarding gender, male tourists spent more overall than average in the three categories than his female counterpart. The spending behavior, though, was not accurately reflected using the annual gross household income as a determinant. However, the ANOVA test suggests that the four variables (i.e. age, gender, nationality and income) play an important role in determining the tourist's spending at the destination.

The study suggests the destination stakeholders should have a strong determination to develop tourism into a viable economic sector, which is geared to foreign earnings, in order to create employment opportunities, stimulate the local economy and, at the same time, diversify it. To make this possible and let the tourism spending remain at the destination, concerted action ought to be taken by responsible authorities to emphasize strong local linkages amongst tourism actors in order to have a trickle-down effect from tourism throughout the destination community. Further studies should investigate the ownership of the enclave resorts in order to establish both linkages and leakages in the enclave tourism system in Zanzibar.

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