

Ithaca 2018 Abstract Submission

Title

Terrorism Attacks and Inbound Tourist Flows to France: Is Wine Tourism a Substitute?

I want to submit an abstract for:

Conference Presentation

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Keywords

wine tourism, terrorism, substitution

Research Question

What is the quantification of the substitution effects between different forms of tourism within a single destination in case of terrorism attacks, e.g. between wine (rural) and urban tourism?

Methods

Two stages estimation including a gravity model and a system of seemingly-unrelated equations

Results

International travelers to France tended to substitute away from the terrorism affected urban area to the wine regions

Abstract

Terrorism has been widely found to exert negative effect on international tourism (Enders & Sandlers, 1991). Such impact is typically represented by an immediate precipitous decline in the number of visitors and a slow recovery as a result (Richardson et al., 2005). It can also generate contagion and substitutability between destinations (Drakos & Kutan, 2003), as tourists tend to substitute the risky destinations with safer ones when they face the threat of terrorism (Sönmez, 1998). As such, Orlando, Florida, has become a destination substitute with Europe and the Middle East after a series of hijacking incidents in the 1980's (Gu and Martin, 1992). Bonham et al. (2006) show that for US people, Hawaiï become a good substitute for travel abroad after 9/11. What remains under-researched in the existing literature, however, is the quantification of the substitution effects between different forms of tourism within a single destination in case of terrorism attacks, e.g. the substitution between wine (rural) tourism and urban tourism.

France has been suffering terrorism attack since the beginning of this century. Most of these attacks occurred in/near urban Paris area. Urban tourism, under this circumstance, suffers more from these attacks than rural (wine) tourism. Leisure destination choices made by tourists are generally influenced by aspects relating to safety (Madhavan and Rastogi, 2013). More specifically, safety has been identified as a rural tourism motivation factor, especially as a pull factor, i.e. as an attribute of rural destinations that will attract visitors (Tsephe and Obono, 2013). Indeed, a rural area can be seen by tourists as a safe place to visit (Almeida, 2010). Hence the research questions of this study include: Did these terrorists impact on the inbound tourists flows to France? Has wine tourism, conceived as an example of rural tourism (Carmichael, 2005), become a substitute for urban tourism (tourism in Paris) in France?

In order to answer these questions, a two-stage investigation is carried out based on the monthly time series data covering the period of January 2010 to October 2016. The dependent variable is the monthly international tourist arrivals to each of the grand regions in France (published by French Institute for Economic Studies and Statistics). The explanatory variables are terrorism attacks occurred in each month (tracked and coded as dummy variables), and the socio-economic variables, such as consumer price index (CPI), gross domestic product (GDP) and the population sizes of both France and the origin regions (published by Organization for Economic Co-operation and Development). The first stage of examination aims at assessing the effect of terrorism attacks on the total international tourist arrivals in France. A gravity model (Tinbergen, 1962) was specified and estimated. In the second stage, the substitution effects between four major wine tourism regions (Grand East, Bourgogne-Franche-Comté, Auvergne-Rhône-Alpes, and Nouvelle-Aquitaine) and a terrorism affected urban area (Île-de-France) are examined. Compositional data analysis is employed and the market shares of these regions are computed using a system of seemingly-unrelated equations.

The results demonstrate that the terrorism attacks did have negative impacts on the inbound tourism flows in France, and international travelers to France tended to substitute away from the terrorism affected urban area to the wine regions. These findings imply that by developing a less-vulnerable alternative form of tourism, such as wine tourism, the international destinations that suffer from terrorism attacks may offset the negative consequences of these attacks.

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