

ANALYSIS OF TOURISM RECEIPTS : A TURKISH CASE STUDY THAT REFUTES PREVAILING PATTERNS

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This study initially summarizes the development of the Turkish tourism industry in terms of the changes in the number of tourists and the receipts for the years 1984 through 1988. This summary provides a background for analyzing the detailed sample survey of international tourism receipts conducted by the Turkish Ministry of Tourism. The data indicate unique and diverse international spending patterns. The generally assumed relationships between numbers, receipts, length of stay, and receipts per day are not validated by the results of this survey. Given the general caveats of tourism surveys, the implications of the diverse spending patterns of international travelers to Turkey are discussed.

1. INTRODUCTION

The Republic of Turkey has become a popular tourist attraction for visitors from all over the world. Tourism has become a major source of foreign exchange. The Fourth National Five Year Plan (1978-83) for tourism ended far short of its goals. On the other hand, the targets set by the Fifth Five Year Plan (1984-89) were superseded during each of the five years. This has led to a general overcrowding of the country's facilities. The International Tourism Report on Turkey states: "At this unexpected level, accommodation and airline capacity were stretched to the limit throughout the peak summer months." (EIU, 1989: 44, 53-54). A partnership between the government and

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private enterprise is being delineated. The results of a 1988 questionnaire given to 98 university students in Istanbul in 1988, reported by Var, et al. (1989: 282) "suggest that the Turkish students view tourism primarily as an economic activity that has positive impacts on local economic systems. They also see tourism as being a contributor in the promotion and advancement of world peace . . .". Forecasts for the next decade are that Turkey will continue to develop its beach holiday resorts and to attract tourists interested in antiquities and historical sites in both the urban and rural areas (EIU, 1989: 40-41). It will be regarded by most visitors as a relatively inexpensive holiday site. This study analyzes the unique pattern of tourism receipts depicted in the sample surveys conducted by the Ministry of Tourism of the Republic of Turkey (T.C. Turizm Bakanlığı, 1989). Initially, the general pattern of tourism development is presented for background. Then the nuances of the survey data are analyzed. Lastly, the data's import for industry decisions is considered.

2. TOURISM DEVELOPMENT

Table 1 shows the number of tourists¹ and receipts² for 1984 through 1988. The trends in number, receipts, and receipts per tourist are all significantly positive ($P < 0.05$). Over the five year period, the number of tourists have increased by 85 percent, while receipts and receipts per tourist show an increase of 178 percent and 52 percent, respectively.³

Table 2 shows the percentage distribution of citizenship for these tourists.⁴ The largest numbers come from Europe, especially Western Europe. The Middle East also provides large numbers of tourists. Residents of the Americas do not choose Turkey as a destination in large numbers and these percentages show a wide variation over the years. The individual countries with the largest number of tourists to Turkey in 1987 were West Germany, Yugoslavia, England, Greece, France and Iran, listed in decreasing order. These countries are all relatively close and are connected to Turkey by rail and highway as well as air so that transport is less expensive.

3. SURVEY OF TOURISM RECEIPTS

Turkey attracts both high and low spenders, with wide divergences in type of tourist and planned holiday. For example, tourists come for charter tours,

Table 1. Number of tourists, receipts, and receipts per tourist, 1978-1987

Year	Number (thousands)	Receipts (million U.S.\$)	Receipts per tourist
1978	1,644.2	230.4	140.1
1979	1,523.7	280.7	184.2
1980	1,288.1	326.7	253.6
1981	1,405.3	381.3	271.3
1982	1,391.7	370.3	266.1
1983	1,625.1	411.1	253.0
1984	2,117.1	839.5	396.5
1985	2,614.9	1,481.6	566.6
1986	2,391.1	1,215.1	508.2
1987	2,855.5	1,721.1	602.7

Source: Ministry of Culture and Tourism, Republic of Turkey, 1988.

Table 2. Percentage distribution of number of tourists by nationality, 1982-1987

Year	Western Europe	Other Europe	Middle East	Americas	Others
1982	47.0	17.4	13.1	9.2	13.3
1983	46.2	14.7	13.3	13.4	12.4
1984	41.7	17.7	20.8	11.7	8.1
1985	41.7	20.8	22.6	9.2	5.7
1986	51.5	21.4	17.7	4.5	4.9
1987	54.6	16.6	16.0	6.1	6.7

Source: See Table 1.

shopping excursions, use of medical facilities, beach, sun and fun vacations, educational travel and visits to archaeological and historical sites.

The Ministry of Tourism of the Republic of Turkey provides interesting sample data on receipts⁵ and country of tourist's nationality.⁶ Table 3 lists, in decreasing order, the 39 countries that provided the largest average receipts to the country for 1987. The range in average receipts is large, from a high of \$1,052.75 to a low of \$174.24. There is also a considerable variation in length of stay, from 2.65 to 13.35 days, and a large range of receipts per day from \$28.87 to \$194.79. Comparable variations in data are found for 1988.

Table 3. Average Receipts, length of stay and receipts per day for selected countries, 1987 (U.S. \$)

Country	Average receipts	Length of stay	Receipts Per day
Japan	1,052.74	8.29	126.99 ^c
Saudi Arabia	1,028.48	5.28	294.79 ^c
New Zealand	1,023.23	13.27 ^b	77.11
Switzerland	1,001.90	8.15	122.93 ^c
United States ^a	838.26	9.60 ^b	87.32
Australia	821.65	10.84 ^b	75.80
Lebanon	804.96	12.23 ^b	65.82
Libya ^a	798.16	7.17	111.32 ^c
Israel	753.35	7.38	102.08 ^c
Belgium	734.56	11.03 ^b	66.60
Jordan	716.42	6.06	118.22 ^c
U.S.S.R.	692.69	5.07	136.62 ^c
Egypt	682.40	5.23	130.48 ^c
France ^a	636.63	7.00	90.95
Holland	618.58	13.35 ^b	46.34
West Germany ^a	590.73	8.52	69.33
Algeria	560.92	7.74	72.47
England ^a	553.84	8.54	64.85
Iraq	545.65	7.02	77.73
Spain	541.65	7.52	72.03
Iran ^a	520.65	11.84 ^b	43.97
Tunisia	505.52	5.07	99.71
Canada	500.38	12.09 ^b	41.39
Australia	464.25	7.52	61.74
Italy ^a	455.83	7.42	61.43
Syria ^a	399.69	4.53	88.23
Norway	376.53	8.20	45.92
Hungary	367.19	3.12	117.69 ^c
Rumania	344.82	3.16	109.12 ^c
Denmark	332.00	11.50 ^b	28.87
Sweden	249.13	10.25 ^b	24.31
Czechoslovakia	247.25	7.74	31.94
Yugoslavia ^a	235.10	3.09	76.08
Finland	231.60	7.62	30.39
Cyprus ^a	210.96	9.15	23.06
Greece	215.41	5.24	41.11
Bulgaria	214.00	3.25	65.85
Poland	202.71	3.99	50.80
Pakistan	174.24	2.65	65.75

Note: a. Ten countries with number of visitors
b. Ten largest with longest length of stay.
c. Ten countries with largest receipts per day.

Source: General Directorate of Security, "Sample Survey," 1987, Ministry of Culture and Tourism, Republic of Turkey.

Japan has the largest average receipts, but their number of visitors was quite small at 21,067. They also stayed a relatively short period of time at 8.29 days to contribute \$126.99 per day. Saudi Arabia has the second largest average receipts, but a very short stay, so that receipts per day total \$194.79. Other countries that provide large receipts per day are the U.S.S.R. and Egypt, both with very short stays. Visitors from New Zealand, Belgium and Holland have such a long stay that receipts per day are small. Visitors from the United States, Australia and New Zealand show surprisingly moderate receipts per day, considering their standard of living.

There is a significant positive relationship between average receipts and receipts per day by country ($P < 0.001$). There is no significant relationship between number of tourists and receipts per day by country. Nor is there a significant correlation between per capita income of the country and expenditures per tourist. Thus, an interesting issue emerges that is particularly important in light of the fact that Turkey's facilities have been stretched to over capacity during the last few years.

Several prevailing patterns have emerged from the many multidisciplinary studies on the flow of international tourists and their expenditures over the last two decades. First, the higher the per capita income in the country of nationality, the higher the per capita expenditures of their travelers. Second, the longer the distance traveled, the longer the stay and the greater the total expenditure per person. Third, as the length of stay increases, the expenditure per person per day declines. Thus, those with long stays usually have lower expenditure per day. Mass tourism, or charter tours, has generally been associated with lower per capita spending by visitors.⁷ The acceptance of these prevailing patterns by Turkey is evident in the interpreted government position stated in EIU International Tourism Reports (EIU, 1989: 54): "A . . . related issue is which type of tourist to target: the high income tourist from the USA of mass tourism as exemplified by the British tourist to Spain." The Report continues: "The government has often stressed that they are aiming for the high income tourist and there is an emphasis on the building of five star hotels. Furthermore, because of greater distance from Western Europe and for cultural reasons, Turkey is less likely to appeal to the mass market tourist." The government, nonetheless, has focused on immediate foreign exchange returns

owing to its pressing needs.

The application of these prevailing patterns to Turkey is also evident in the Var, et al. (1985) study of the perceptions of residents of Marmaris, a small community on the Southwestern Turkish coast, about their attitudes toward various tourists based on their nationality. Their preference ranking (most to least preferred) is tourists from Western Europe, Far East, America, Eastern European countries, Middle Eastern countries, Turkish domestic tourists, and Turkish workers abroad (Var, et al., 1985: 656).

In other previous studies on Turkey, the prevailing pattern of visitors has been substantiated because the results are similar to the findings reported in other investigations of international tourism. Uysal and Crompton (1984: 296-7) found that income, price, and exchange rate were consistently significant factors in determining international tourist flows to Turkey for all the tourist-generating countries. Their study also found that countries that were ". . . closer to Turkey (e.g. Greece, Yugoslavia) were more responsive to changes in exchange rates than those which are further away, suggesting that proximity and high frequency of trips may be important . . .". The income elasticities in their study varied from a low of 0.795 to a high of 6.072. It is clear, as the researchers indicated, that the impact of income changes on international tourism to Turkey varies widely among countries.

Turkey's international tourism multiplier quantifies the impact of different tourist expenditure patterns of travelers. Liu, et al. (1984: 286) state: "The normal tourism-income multiplier of two reflects the low import content for the nation as a whole." Nonetheless, they point out that ". . . closer examination of the disaggregated multipliers show that those tourists with high direct and induced effects also had correspondingly low indirect effects and ratio coefficients. These differences reflect variations in spending patterns . . .". They conclude that tourists who spend heavily on retail goods as compared to hotels and restaurants have a greater impact on direct and induced income than those travelers who spend a relatively large percent on food and lodging. Those tourists with high average expenditures may not have the most impressive effect on the overall income of Turkey.

In Diamond's studies published in the early and mid-70s (see Diamond,

1976), the impact of import leakages in Turkey is emphasized using two models, A and B. Model B incorporates supply constraints, which is more realistic for Turkey. Diamond states: "Model A thus yielded a 'tourism multiplier' of 3.2 in terms of output It is apparent that this is higher than the average for the economy as a whole, supporting tourism's favorable image." He then presents a caveat: "However, the estimated tourism multiplier in Model B is 2.3, which represents a notable relative decline from the position in Model A. The foreign exchange constraint thus restricts attainable output for tourism industries on average by over a quarter (27%)." Given the passage of time, the acceptance of one tourism- income multiplier for tourists' expenditures on retail goods and a different figure for hotel and restaurant expenditures appears to be realistic.

4. SUMMING-UP

It must be recognized that those travelers who have high expenditures [do not] automatically provide the largest overall increase in income and employment in every country. However, the results of Turkey's tourism receipt study defy the prevailing patterns. The sample data on receipts for 1987 offer insight into the most important factors affecting all tourism decisions of both the government and private enterprise: numbers versus receipts, stay, and receipts per day.

As Table 4 shows, only two of the countries which have the highest average expenditures are among the ten countries with the largest number of visitors. Five of the top ten spending tourists countries are included in the top ten length of stay group -a lesser number would be more favourable. And in half of the cases, the top ten spending countries also represent the top ten receipts per day group. This complex picture gives no clear-cut guidelines for policy decisions.

As long as capacity is limited, the survey data suggest that the following policy warrants consideration. The most desirable markets are those countries with the highest average receipts, followed by those with the largest number of tourists, with the relatively shorter stays, and the higher receipts per day. Thus, the ideal target markets would be those with +, +, --, + in Table 4. Only Libya meets all these criteria, Japan, Saudi Arabia, Switzerland, and Israel present a

Table 4. Pattern of the ten top spending countries relative to the top ten according to total number of visitors, length of stay, and receipts per day, 1987

Country	Average Receipts	Number of Visitors	Length of Stay	Receipts per Day
Japan	+	-	-	+
Saudi Arabia	+	-	-	+
New Zealand	+	-	+	-
Switzerland	+	-	-	+
United States	+	+	+	-
Australia	+	-	+	-
Lebanon	+	-	+	-
Libya	+	+	-	+
Israel	+	-	-	+
Belgium	+	-	+	-

Note: + = included, - = excluded.

Source: Table 3.

strong position because they meet three of the four criteria. However, nationalities visit Turkey for a variety of reasons. Some nationalities come primarily to shop; others come for sports or a beach holiday. As a result, their expenditure patterns vary and this affects the resulting tourist-income multiplier. The survey data now being collected by the Ministry of Tourism will provide insight into the attractions of the country and the sectors receiving revenues.

NOTES

¹ Uysal and Crompton (1984: 289) specify that "(t)ourists constitute 98% of the total international travelers to Turkey, whereas business travelers account for only 2% of the total."

² EIU (1989: 42) points out that expatriate Turks are the largest tourist group in terms of both numbers and expenditures, but they are not included in the official statistics.

³ The real value of Turkish receipts varies markedly from the dollar value. IMF (Vols. 39-42), provide lira/U.S. \$ exchange rates and the Turkish cost of living index for 1978-1988.

⁴ For statistical purposes, the Turkish government groups travelers several ways. The four

groups most frequently used are presented here.

⁵ Based on his dissertation research dealing primarily with 1960, Diamond (1977: 546) comments that tourist receipts are preferable to number of tourists in some types of economic analysis. However, he says that "(e)ven if such statistics were available for Turkey, due to the black market in foreign exchange their reliability would be questionable."

⁶ For a discussion of the limitations of Turkish tourism data, see EIU (1989: 46-47).

⁷ A host of studies contribute to this interpretation. Uysal and Crompton (1984) offers a competent bibliography.

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ÖZET**TURİZM GELİRLERİNİN ANALİZİ: EGEMEN YÖNELİMLERE
TERS DÜŞEN BİR TÜRKİYE İNCELEMESİ**

Bu çalışmada önce 1984-1988 yıllarında Türkiye turizm sektörünün gelişmesi turist sayılarında ve turizm gelirlerindeki değişmeler açısından özetlenmiştir. Böyle bir özetleme T.C. Turizm Bakanlığı tarafından hazırlanmış ayrıntılı bir uluslararası turizm gelirleri anketinin analizi için temel oluşturmaktadır. Söz konusu anket verileri özgün ve farklı uluslararası harcama kalıplarının varlığına işaret etmekte, turist sayıları, turizm gelirleri, kalış süreleri ve gün başına turist harcamaları arasında genellikle kabul gören ilişkiler, doğrulanmamaktadır. Bu gözlemler ışığında, turizm anketlerinin yorumlanması ve değerlendirilmesinde gerekli ihtiyat payı da gözönünde bulundurularak, Türkiye'ye gelen uluslararası turistlerin farklı harcama kalıplarının anlam ve sonuçları tartışılmaktadır.