

Hotel Location Determines Tourist Activities

Hotel location has a significant effect on how tourists move around a destination, according to a research paper published by the SHTM's Professor Bob McKercher, graduate student Erica Ng and two coauthors. Using data collected in Hong Kong from global positioning system (GPS) loggers, the researchers show that "hotel location has a profound impact on tourist movements". The tourists tracked spent most of their time "in the immediate vicinity of the hotel", which has significant implications for tourism industry stakeholders.

Centrality of the Hotel

The importance of hotel location has long been recognised, particularly in relation to urban tourism, but little is known about the actual effects of location on subsequent tourist behaviour. This is particularly surprising, given that Professor McKercher and a coauthor have previously reported that close to a quarter of daytrips taken by independent, overnight pleasure tourists in Hong Kong involve "journeys of less than 500 m from the hotel".

Urban tourism is recognised as what the researchers call a "spatially selective activity", with nodes of tourist activity clustered unevenly throughout cities. These nodes can be focused around iconic attractions or shopping and business precincts, but are generally anchored by hotels, "from which most tourism activity emanates". Tourists begin the day at their hotel, possibly return to it intermittently throughout the day and return to it at night. In a "polycentric destination" such as Hong Kong, tourists are likely to visit such major attractions as the Star Ferry and the Peak regardless of where they stay, but what they do with the remainder of their time budget is not clear.

It is particularly important to know what tourists are actually doing in Hong Kong, because they generally visit for a short time. The Hong Kong Tourism Board puts the figure at four days, and each year a very large number of overnight visitors arrive – 16.9 million in 2010, for instance. These people have very limited time budgets and the tourism industry would benefit greatly from information about how they move around the city.

Technology and Tourist Movements

Useful information on tourist movements, however, has traditionally been quite difficult to obtain. Yet the researchers note that "emerging technologies have resolved both data collection and analysis problems". These technologies include GPS loggers, which can "track a tourist's location" for "every second at every point on earth" to within 10 metres. Geographic information system software allows the quick and efficient analysis of that data. The researchers were the first to apply both technologies to a "large, complex and multifunctional urban setting".

Having gained consent from the general managers of four hotels, the researchers approached guests in the morning and asked them to carry a GPS logger for the rest of the day, returning it to the front desk in the evening. Two of the hotels, both four-star rated, were located in Kowloon, one in the heart of the Nathan Road shopping area and one on the edge of the Tsim Sha Tsui tourism district. The remaining two were located on Hong Kong Island: a five-star hotel in the Central business district and a four-star hotel in the Causeway Bay shopping district.

Most participants were from the West, with Australia and the UK the two most common source markets, aged 36-55, university-educated, earning around US\$75,000 per year and visiting Hong Kong for four to five nights. The researchers explain that the predominance of Westerners was "a function of both the markets attracted to each hotel and the reluctance of mainland Chinese tourists to participate in consumer surveys".

Spatial Patterns

The researchers obtained data from 557 tourists, who tended "to concentrate their movements and time budget expenditures". There were three distinct spatial patterns for all four hotels. First, the tourists tended to move mainly within the hotels' immediate hinterlands. Second, Victoria Harbour was a barrier to movement across to Kowloon for the tourists from the hotels on Hong Kong Island, and vice versa to a lesser extent. Third, iconic attractions such as the Peak and Stanley Market attracted a large share of visitors regardless of hotel proximity.

Hotel location also exerted a significant influence on how the tourists engaged with a destination. For example, the Kowloon-based participants who took shuttle buses to the Star Ferry Pier from Tsim Sha Tsui spent little time in the area, whereas those who were staying near Nathan Road had “a much higher tendency to travel by foot up and down the length of Nathan Road and its adjacent street markets”. This discrepancy should be of interest to the area’s businesses, but of equal concern should be the fact that the tourists staying on Hong Kong Island generally showed “a strong aversion to Kowloon”, according to the researchers.

Time Patterns

The time of day that tourists were most likely to visit specific attractions varied according to location. Those staying on Hong Kong Island, for example, were more likely to visit the Peak earlier in the day, and those on Kowloon side were more likely to visit it in the mid to late afternoon. Essentially, the nearer an attraction to the hotel, the earlier in the day that it was likely to be visited.

The researchers were also interested in the relationship between the amount of time that the tourists spent in any one location and that location’s distance from the hotel. The extent to which time spent at a location decreases the further it is from a point of origin is known as “distance decay” and is usually considered on a macro scale, such as in observations of international travel. The researchers show that distance decay also occurs at a micro level.

In Kowloon, there was a typical distance decay effect, with demand peaks in the immediate environs of the hotel in the Nathan Road area, as the researchers expected. On Hong Kong Island, about 40% of the time that guests spent away from the five-star hotel in Central was restricted to a two-kilometre radius. The Causeway Bay guests also spent considerable time in proximity to their hotel. This should not be very surprising, as both areas are surrounded by geographically limited shopping precincts.

Implications for Tourism Decisions

The researchers conclude that no understanding of urban tourist behaviour can be complete without considering the “spatially concentrated activity around the hotel; places tourists are likely or unlikely to visit; volume of visitors at all but icon attractions; and diurnal visitation patterns”. If they were to gather GPS data, tourism stakeholders such as hotels and destination marketing organisations would

be able to “gather a more comprehensive understanding of tourist movements through an entire destination region”.

Also available would be “insights into which, if any, attractions tourists visit that may not be the focus of marketing activities, and which places they do not visit that are promoted”, note the researchers. Ultimately, stakeholders will benefit from knowledge that will allow them “to manoeuvre tourists in a more rational way”.

Points to Note

- Hotel location significantly effects urban tourist behaviour.
- Tourists largely visit locations in the vicinity of their hotels.
- They spend less time in locations further away from their hotels.
- Tourism stakeholders could use GPS data to better understand how tourists do and could behave in a destination.

Shoval, Noam, McKercher, Bob, Ng, Erica and Birenboim, Amit. (2011) “Hotel Location and Tourist Activity in Cities”. *Annals of Tourism Research*, Vol. 38, No. 4, pp. 1594-1612.