

Tourism

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Inbound tourism survey
**Czech experience with collecting and adjusting of data
and final results**

(Experience/Application Paper)

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1 INTRODUCTION

The document provides basic information about Czech experience and approaches to inbound tourism survey. In the first part of the paper the inbound tourism survey is introduced; it has been continuously conducted in the Czech Republic since 2005. There are basic information about the type of survey, the size and the structure of sample, collection technique or place of data collection. At the end of this part an experience with impact of Schengen area on this survey is shortly evaluated.

The second part of the document focuses in detail on expenditure data, the questions relating to the expenditure (response), adjustment of extreme values or differences between average expenditure by various characteristics. Furthermore, methodological estimation procedure of the number of foreign visitors in the Czech Republic (segmented into tourists, same-day visitors and transit) and the calculation of the total amount of their consumption is explained. This construction includes also estimation of that part of expenses paid in the country of the non-resident which goes to the Czech Republic.

In the final chapter main indicators of inbound tourism are interpreted (reference period 2003-2007) - i.e. number of foreign visitors in the Czech Republic, number of overnight stays, structure of expenditures and total inbound tourism consumption. All variables are divided by the category of visitor. The significance and contribution of inbound tourism for internal tourism consumption and the national economy is assessed too.

2 DATA COLLECTION (STATISTICAL SURVEY)

2.1 METHODOLOGY AND ORGANIZATION OF SURVEY

2.1.1 Basic information, objective of research

The Czech Republic conducts the border survey among foreign visitors, who visited the Czech Republic for the purpose of tourism. It is financed by the government (Ministry for the Regional Development), but the Czech Statistical Office has proposed the conceptual and methodological framework. The interviewing is realized by the private research company STEM/MARK.

The basic objective of the survey is to identify the structure of visitors by type (same-day, tourist, transit), find the structure and amount of their expenses and other related characteristics. Results are the principal source for the construction of the TSA table 1, among other application.

2.1.2 Time course of survey

The border survey has been continuously carried out since April 2005 by standardized method of face-to-face interviews. The minimum number of respondents is 26 000 visitors per year who are leaving the Czech Republic. Only one respondent is asked from one group of foreigners travelling together. The minimum age of respondent is 15. The basic evaluation period is a quarter. About 60 interviewers with the relevant language skills participate in the project.

2.1.3 Sample, target group

It is a random sample survey but with a limited quota of number of interviews (respondents) for each type of border crossing:

- Road crossing 75%
- Railway crossing 5%
- Airports 20%

The target group is constituted by all participants in inbound tourism in the Czech Republic:¹

- Same-day visitors
- Tourists
- Transit visitors

¹ In accordance with international methodology, the trips for the purpose of the work remunerated from the Czech Republic, trips for the purpose of purchases for commercial purposes, stays in hospital, convicts, armed forces, refugees and immigrants etc., are not included.

2.1.4 Collection method (sample step)

Respondents are selected using a random step. The time interval 3 minutes is set, after which interviewer begins count down the person. Random step to choose the respondent is 5, it means that inquirer contact each fifth person. If the purpose of visit is tourism, respondent is asked for an interview. Inquirer also records the type of each visitor, regardless of whether he/she starts an interview with the contacted person subsequently. At the end of the interview the same procedure is used. The interviewer starts searching the respondent again after 3 minutes. The average duration of questioning is about 10 to 12 minutes and survey taker carries out 4-5 interviews per 1 hour, on average.

2.2 SPATIAL ASPECTS OF SURVEY/COLLECTION

2.2.1 Placement of survey

The research is realised in 18 road border crossings, 2 railway stations and Prague airport - Ruzyně.

Table 2.1 List of border crossings involved in border survey

<i>Road crossings Germany</i>	<i>Road crossings Austria</i>	<i>Road crossings Poland</i>	<i>Road crossings Slovakia</i>	<i>Railway stations</i>	<i>Airports</i>
Aš Cínovec Folmava Pomezí Rozvadov Strážný Varnsdorf Vojtanov Železná Ruda	Dolní Dvořiště Hatě Mikulov	Chotěbuz Harrachov Náchod	Břeclav Bílá-Bumbálka Starý Hrozenkov	Praha – Main stat. Praha - Holešovice	Praha Ruzyně Brno Tuřany* Karlovy Vary* Pardubice* Ostrava*

* The pilot/trial survey of other airports in addition to the Prague Airport is carried out since February 2008. The answers are not yet included in the results.

2.2.2 Experience with an impact of Schengen area

Czech Republic joined the Schengen area 21. 12. 2007. In this context, the interviewers moved from the border control points to the nearest service stations, parking areas, free-shops or supermarkets. In some of these places, the inquirers met with friendly approach of keepers but sometimes it was necessary to find alternative places elsewhere.

Generally, joining into the Schengen area was trouble-free. Nevertheless, quite short period has elapsed and extra analysis of consequences has to be done.

Company STEM/MARK made quick „mini-inquiry“ among own interviewers and they describe the changes concerning entering the Schengen area as follow:

- The interviewing is realized close to the arterial roads passing to the border crossings; the most frequently at car parks and service stations.
- The increasing share of same-day visitors can be expected.
- The increasing share of shopping trips (and therefore the share of goods in the consumer basket) can be expected.
- 80% of interviewers indicated that the interviewing is a bit difficult now. It is more complicated to meet the quota – to accomplish the prescribed number of interviews.

3 CHARACTER, ADJUSTMENT AND APPLICATION OF DATA

3.1 EXPENDITURE DATA: OVERVIEW

3.1.1 Expenditure questions, response

There are 6 questions (of the total 15) concerning the expenses in the inbound tourism questionnaire (specifically the questions 7 to 12, see Annex 1.8). Two of the questions are further specified (8a, 10a).

Question 7 - Specifications of the number of surveyed people (of which children under 15 years)

Question 8 – Amount of expenditures paid before the trip

Question 9 – Structure of expenditures paid before the trip (6 basic categories)

Question 10 – Amount of expenditures paid during the trip

Question 11 – Structure of expenditures paid during the trip (6 basic categories)

Question 12 – Percentage of payments by credit card (by withdrawal from ATM)

(Question 8a - Specification of goods or services with highest spending – before the trip)

(Question 10a - Specification of goods or services with highest spending – during the trip)

Note: Only those respondents who listed an amount higher than 1,000 USD/EUR/GBP/CHF or 30,000 CZK/SKK, respectively 3,000 USD/EUR/GBP/CHF or 100,000 CZK/SKK answer 8a/10a.

In general, the response to questions about expenditures is lower than response to other issues. This can be explained by higher sensitivity of questions and logically by higher level of specification, which is required in this part of the questionnaire. For example, it is obvious that most people are able to clearly specify the reason of their visit, but difficultly enumerate all expenses (types of expenditure) paid before the trip.

Response (the proportion of people who responded) is dissimilar for each different question. Most respondents filled out the expenses during the journey (98.2% of respondents in 2007), at least the structure of expenses paid during the trip (90,4%). The share of payments by credit card (by withdrawal from ATM) was quoted by 96.4% of respondents. (see Table 3.1)

Table 3.1 Response to questions of inbound tourism questionnaire in 2007

No.	Question	Number of respondents (N)	Non-response (N)	Response (N)	Response (%)
Q1	Nationality (permanent residence)	25 365	62	25 303	99,8
Q2	Main reason of visit	25 365	24	25 341	99,9
Q3	Frequency of visit	25 365	81	25 284	99,7
Q4	Number of overnight stays	25 365	219	25 146	99,1
Q5a	Visited place(s)	25 365	2 536	22 829	90,0
Q6	Way of travelling	21 295	48	21 247	99,8
Q7	Number of persons	25 365	40	25 325	99,8
Q8.1	Expenditures before trip (yes/no)	21 295	42	21 253	99,8
Q8.2	Amount of expenditures before trip	6 712	418	6 294	93,8
Q8a	Specification of extreme expenditures before trip	6 712	6 553	159	2,4
Q9	Structure of expenditures before trip	6 712	454	6 258	93,2
Q10	Amount of expenditures during trip	25 365	454	24 911	98,2
Q10a	Specification of extreme expenditures during trip	25 365	25 303	62	0,2
Q11	Structure of expenditures during trip	25 365	2 423	22 942	90,4
Q12	Payments by credit card	25 365	903	24 462	96,4
Q13	Experience while visiting the Czech R.	25 365	139	25 226	99,5
Q14	Problems while visiting the Czech R.	25 365	488	24 877	98,1
Q15	Age	25 365	180	25 185	99,3

Note: N=25 365 (All foreign visitors), N=21 295 (Without transit visitors), N=6 712 (Same-day visitors and tourists with expenses before trip)

Note: Unfortunately, the coding/entry process of responses is not able to distinguish whether the respondent did not know the answer to the question (i.e. forgot the expenses) or refused to answer (e.g. due to the sensitivity of the questions). Thus it is impossible to fully distinguish between the recall effect and refusal.

3.1.2 Statistical analysis of expenditure data

The thorough statistical analysis is made before the adjustment and other application of the expenditure data. The basic statistical variables (number of valid values, mean, max, min, standard deviation etc.) are established for the full set of answers. The results of the original and adjusted (modified) database are in the following table.

Table 3.2 Statistical analysis of expenditures data in 2007 (EUR/person/day)

<i>Indicator / Type of expenditures</i>	<i>Valid N</i>	<i>Mean</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Std Error of Mean</i>	<i>Std Deviation</i>	<i>Mode</i>	<i>Median</i>
Same-day visitors								
Expenditures before trip	N=10 123	8,3	2 113	0	0,72	72,2	0	0
Adjusted	N=10 091	6,8	1 117	0	0,54	53,9	0	0
Expenditures during trip	N=10 070	75,9	8 285	0	1,95	195,9	0	45,0
Adjusted	N=10 048	70,2	2 012	0	1,10	110,0	0	45,0
Tourists								
Expenditures before trip	N=10 675	32,7	2 748	0	0,82	84,9	0	2,3
Adjusted	N=10 659	31,1	901	0	0,64	65,9	0	2,2
Expenditures during trip	N=10 797	59,7	7 621	0	1,24	128,5	36,0	37,7
Adjusted	N=10 789	57,9	2 161	0	0,87	90,2	36,0	37,7
Transit visitors								
Expenditures during trip	N=3 937	36,6	2 161	0	1,28	80,3	0	18,0
Adjusted	N=3 919	35,1	1 465	0	0,92	57,3	0	18,0

3.1.3 Adjustment of extreme expenditures

The basic prerequisite for the adjustment of extreme expenditures is the fact that the sample works with a certain mistake in selection, respectively the fact that sample can not entirely/accurately present the structure of visitors visiting the Czech Republic. It is determined of course by a number of factors – the selection of crossing points on which is the investigation realized, the sample size, etc. The data processing does not use weighted coefficients; and each person entering the processing with the same weight of 1.00. In this case, the visitors with ultra high expenses (often exceptional/one-off expenditure on some goods – cars, jewels etc.) considerably influence the average expenditure per 1 person. (see the example in Table 3.3)

Table 3.3 Effect of respondent with extreme expenditures (e.g. 50 thous. EUR / day)

<i>Number of respondents</i>	<i>Total expenditures</i>	<i>Average expenditures/person</i>
25 000 /year	1 mil. EUR /day	40 EUR /day
24 999 +1 /year	1 mil. + 50 thous. EUR /day	42 EUR /day (= +5%)

Therefore, on the basis of series of negotiations in the working group it was recommended using of so-called „modified average“ with eliminating 0.2% of extreme expenditures (outliers). This means that 0.1% of responses with the highest and 0.1% with the lowest expenditures are separated/dissociate. Thus adjusted database enter to further processing.

3.1.4 Average expenditures by different characteristics

The adjusting process of the data with displacing maximum/minimum values of expenditures provides the possibility to calculate the average amount of expenditure by different characteristics. These data are always divided:

- By the category of visitor – same-day / tourist / transit
- By the place of payment - before / during the trip

Obviously the most interesting is evaluating of average expenditure per day by nationality (state of permanent residence) of visitors. Considering the five countries of which the most visitors come to the Czech Republic, British had the largest expenditure before the trip. It is due to the fact that the airplane ticket price (air transport) is usually included in this amount. Airfares have higher influence on average expenditure of same-day visitors (224 EUR), because the amount refers to several days in case of tourists (60 EUR). The same-day visitors from Austria had the highest expenditure during the trip (113 EUR). They are followed again by British (110 EUR). The low expenses before the same-day visit (only 1.5 EUR in average) were collected for Germans. It is because of the prevailing shopping trips (often from the border area) when the excursionist does not have expenditures before the trip and purchases all required in the Czech Republic (goods, petrol, food). The frequency of visits is quite high. Specifically important clientele consists of visitors from Russia. The average length of their trip is one of the longest (approximately 12 days) and Russians with high average expenditure during trip per day (95 EUR tourists, 154 EUR same-day visitors) are one of the most economically significant group of visitors for the Czech Republic.

Table 3.4 Average expenditures – Five main countries in 2007 (EUR/person/day)

<i>Category of visitor</i>	<i>Same-day visitor</i>			<i>Tourist</i>			<i>Transit visitor</i>
	<i>Before trip</i>	<i>During trip</i>	<i>Total</i>	<i>Before trip</i>	<i>During trip</i>	<i>Total</i>	<i>During trip</i>
Germany	1,5	61,0	62,5	9,0	46,7	55,7	34,4
Poland	5,8	62,9	68,7	6,5	38,4	44,9	30,6
Slovakia	2,5	80,4	82,9	3,3	30,4	33,7	31,8
Austria	1,9	113,1	115,0	3,5	45,1	48,6	60,2
Great Britain	223,6	110,1	333,7	60,1	79,8	139,9	29,0
Others	138,4	106,7	245,1	52,3	69,5	121,8	38,0
Total visitors	6,8	70,2	77,0	31,1	57,9	89,0	35,1

Expenditure data can be also divided by other characteristics (see Annex 1.1-1.7):

- Main reason of visit (same day visitors, tourists)
- Frequency of visit (all categories of visitors)
- Way of travelling (same day visitors, tourists)
- Sex (all categories of visitors)
- Age (all categories of visitors)
- Type of transport (all categories of visitors)
- Type of accommodation (tourists)

3.1.5 Verification of expenditure by survey

As mentioned above, the results of the inbound survey are limited (in some measure) with "recall" effect when a visitor, because of forgetting, is unable to accurately estimate the amount and structure of expenses paid before and during the trip. Therefore, there were implemented two waves of additional investigation which measure/monitor a level of forgetting in connection with expenditures²:

- 1.11. 2006 – 15. 1. 2007 (500 respondents)
- 1.7.2007 – 30.9.2007 (450 respondents)

The respondent, who completed the questionnaire of the inbound survey, was subsequently asked to fill out a detailed supplemental questionnaire, which included 43 items of consumer basket. Expenditures before and during the trip were asked particularly. This verification survey confirmed the fact that person/visitor is able to remember better all kind of expenses associated with the trip with more detailed breakdown of expenditure basket.

² The detailed structure of expenses of visitors was also inquired by this survey.

Table 3.5 Differences between declared and verified data (EUR/person/day)

<i>Category of visitor</i>	<i>Same-day visitor</i>		<i>Tourist</i>	
	<i>Before trip</i>	<i>During trip</i>	<i>Before trip</i>	<i>During trip</i>
Declared expenditures (EUR)	49,9	97,4	27,0	57,3
Verified expenditures (EUR)	53,3	99,5	30,1	59,2
Difference (EUR)	+ 3,4	+ 2,2	+ 3,1	+ 1,9
Difference (%)	6,7	2,2	11,4	3,3

The survey detected that expenses paid before the trip are mostly forgotten than expenses paid during the trip. There was a difference + 7 p.p. in case of same-day visitors and + 11 p.p. in case of tourists between declared and verified amount of expenses. Same-day visitors forgot usually the expenditures on fuel and tourists mostly did not include fuel and/or goods. Furthermore, visitors did not forget the items (structure) of expenditure paid before the trip, but rather the costs as such (i.e. fact that the respondent had certain expenditure). Average expenses paid during the trip in the Czech Republic were in the verification survey higher +2 p.p. for same-day visitors, respectively +3 p.p. for foreign tourists.

3.2 ESTIMATION OF THE NUMBER OF FOREIGN VISITORS

3.2.1 Data sources

Because of the fact that the inbound survey does not give information about total number of visitors going to the Czech Republic, the estimation procedure must be done using information of share of tourists from border survey (by category of visitors). So-called "recording method" is being used in this process. Each fifth person (random sampling) by border crossing is counted by type of visit (same-day, tourist, transit), regardless of whether he/she subsequently completes the questionnaire.

Table 3.6 Number and category of visitors by "recording method" in 2007

<i>Category of visitor</i>	<i>1Q</i>	<i>2Q</i>	<i>3Q</i>	<i>4Q</i>	<i>Total</i>
Same-day visitors	7 444	7 908	7 700	7 202	30 254
Tourists	6 954	7 151	7 560	6 756	28 421
Transit visitors	2 474	2 524	2 690	2 320	10 008
Total visitors	16 872	17 583	17 950	16 278	68 683
Same-day visitors (%)	44,1	45,0	42,9	44,2	44,0
Tourists (%)	41,2	40,7	42,1	41,5	41,4
Transit visitors (%)	14,7	14,4	15,0	14,3	14,6
Total visitors (%)	100,0	100,0	100,0	100,0	100,0

The number of guests at collective accommodation establishments (by Accommodation statistics of the Czech Statistical Office)³ and share of tourists by type of accommodation are also used in estimation procedure. Computation is carried out quarterly.

Note: The number of guests at collective accommodation establishments (see Table 3.7) is modified (increased) by influence of the „black economy“ (because some hoteliers do not state fairly all guest or accommodate without bill).

³ This regular survey provides data of number of arrivals and overnight stays of residents and non-residents (by country) by category of accommodation establishment. Since 2003 the survey covers all collective establishments on the basis of area sampling. Results are in quarterly periodicity.

Table 3.7 Number of guests and overnight stays at CAE in 2007

<i>Indicator</i>	<i>1Q</i>	<i>2Q</i>	<i>3Q</i>	<i>4Q</i>	<i>Total</i>
Number of tourists (thous.)	1 315	1 961	2 317	1 652	7 245
Number of tourists (%)	73,0	71,2	71,7	69,6	71,4
Number of overnight stays (thous.)	4 409	5 908	7 196	4 944	22 457

Note: CAE = an establishment with at least five rooms or ten beds used for the purpose of tourism

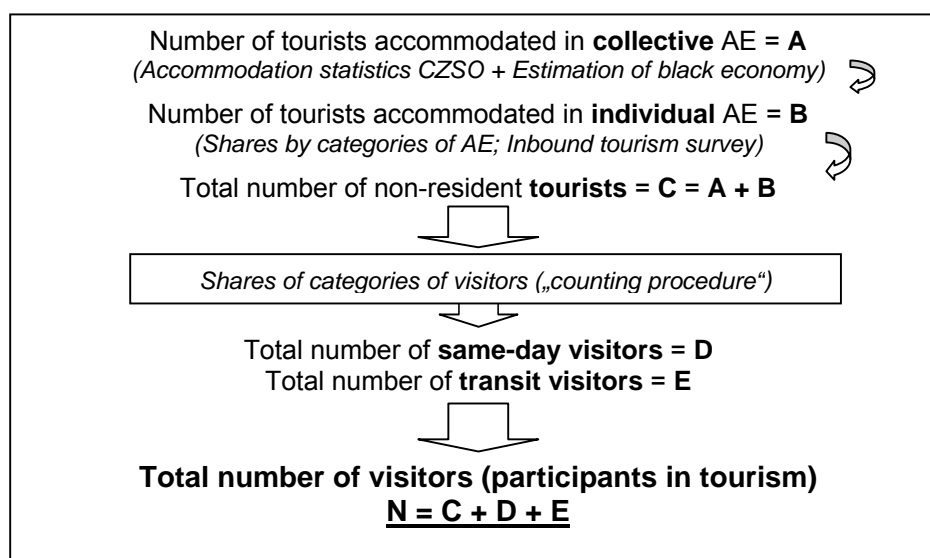
3.2.2 Method and description of the extrapolation

The number of guests at collective accommodation establishments and share of tourists accommodated in this category of accommodation facilities (it is surveyed with question by inbound tourism survey: "If you've stayed overnight, please specify the type of accommodation") is used to calculate the number of tourists staying at individual (non-collective) accommodation facilities. The total number of tourists who visited the Czech Republic is the sum of these two groups of tourists.

In addition, the results of random sampling by border crossing (Table 3.6) are imputed. We know the number of tourist and their percentage in number of total visitors and the number of same-day visitors and transit visitors could be calculated consequently.

The method is illustrated by following scheme.

Scheme 3.1 Procedure of estimation of total number of visitors



Example of the calculation in 1st Quarter 2007:

- 1) Number of tourists accommodated in CAE = **1 315 thous. = A**
- 2) Share of tourists in CAE = 73,0%
- 3) Number of tourists accommodated in IAE = 1 315 thous. / 73% * (1 - 73%) = **487 thous. = B**
- 4) Total number of foreign tourists = 1315 thous. + 487 thous. = **1 802 thous. = C**
- 5) Percentage of tourists in number of total visitors = 41,2%
- 6) Total number of same-day visitors = 1802 thous. / 41,2% * 44,1% = **1 929 thous. = D**
- 7) Total number of transit visitors = 1802 thous. / 41,2% * 14,7% = **641 thous. = E**
- 8) **Total number of visitors = 1802 thous. + 1 929 thous. + 641 thous. = 4 372 thous. = N**

3.3 CALCULATION OF INBOUN TOURISM CONSUMPTION

3.3.1 Average expenditures by category of visitor and calculation of total consumption

The number of visitors by category and their average expenditures per person and day are used in the process of calculation of total inbound tourism consumption. Length of stay (number of days spent in the Czech Republic) is also important in case of tourist. Reckoning/calculation is carried out quarterly.

Table 3.8 Average expenditures adjusted by verification survey in 2007 (EUR/person/day)

Type of expenditure	Category of visitor	1Q	2Q	3Q	4Q	Total*
Before trip	Same-day visitors	6,2	5,9	10,3	6,5	7,3
	Tourists	32,9	38,5	35,6	31,3	34,6
During trip	Same-day visitors	74,0	70,2	70,1	72,8	71,7
	Tourists	56,2	61,5	60,6	60,8	59,8
	Transit visitors	33,6	37,7	38,7	33,6	35,9
Total expenditures	Same-day visitors	80,2	76,1	80,4	79,3	79,0
	Tourists	89,1	100,0	96,2	92,1	94,4

* Total annual average values are weighted according to representation of the estimated numbers of visitors in different quarters.

Due to the relatively short duration of the border survey, some simplifications in the process of calculation of total inbound tourism consumption had to be introduced. For example, qualified estimations have been used in periods, which have not been covered by the survey (2003, 2004 and 1st quarter 2005).

3.3.2 Transfer of expenses paid before trip

The total inbound tourism consumption comprises all expenditures spent by non-resident visitors for purpose of tourism which resulting to the economic territory of the visited country. It means, that the calculation of inbound tourism consumption includes also construction (estimation) of that part of expenses paid in the country of the non-resident which goes to the Czech Republic (e.g. accommodation, part of "package tour" expenses). Expressing of such transfers is one of the permanent problems in the tourism statistics (especially TSA).

Table 3.9 Transfer of expenses paid by tourists before trip to the Czech Republic in 2007

Indicator	Structure of expenditures before trip (EUR) ¹	Transfer of expenditures to the Czech R. (%)	Breakdown of price of package tour (%)	Transfer of expenditures to the Czech R. (%) (Package tour)	Total transfer of expenditures to the Czech R. (EUR) ¹
	a	b	c	d	e
Package tour	4,1 ²	x	20,0 ³	10,0	0,1
Accommodation	6,3	100,0	27,0	100,0	7,5
Boarding	-	15,0	25,0	100,0	1,0
Transport	18,4	10,0	20,0	10,0	1,9
Fuel	3,4	0,0	5,0	60,0	0,1
Goods	1,9	0,0	0,0	0,0	0,0
Others	0,5	50,0	3,0	50,0	0,3
Total	34,6	x	100,0	x	10,9

Note: 1) Average expenditure/person/day, 2) Including accommodation, boarding, transport etc., 3) Margin of travel agencies

Transfer of expenses paid before trip is not considered as significant in case of same-day visitors in the Czech Republic. As for tourists following procedure is accepted. Firstly the analysis of structure of expenses is prepared (a). Secondly a proportion of finance which is moving to the Czech Republic for each item is estimated (b). For example, expenses paid for accommodation services are practically always allocated fully to the Czech providers of these services. Similarly, part of travel expenditures

goes to the Czech carriers (e.g. Czech Airlines), if visitors used their services. Average expenditure paid for package tour before trip (4,1 EUR / person / day in 2007) is split up into individual items which total the price of product/package tour (c). Estimation is used in this process. Then, for each of these items is again made an estimate of the amount transferred to the Czech Republic (d). Finally, the total sum of transferred expenses is aggregated (e). In 2007 tourists had before trip average expenditures 34,6 EUR per day. Of this amount, 10,9 EUR (32%) went to the Czech Republic. Expenses spent on accommodation before trip had the largest contribution to this transfer (7,5 EUR).

User Value/Application Context

4 FINAL RESULTS (STATISTICAL INTERPRETATION), 2003-2007

4.1 MAIN INDICATORS OF INBOUND TOURISM

The Czech Republic is since the nineties of last century an attractive tourism destination for foreign visitors. More than 24,5 million foreign visitors selected the Czech Republic as a destination in 2007. The number of same-day visitors was 10,8 million (44% of the total number). The main source area of the visitors is the neighbouring states (Germany, Poland, Slovakia, Austria); only rarely there is a visitor coming from a longer distance. At the same time, border survey finds that the most frequent reason for the visit is shopping (69%) and business trips (13%).

Tourists represent around 41% of all visitors and more than 10,1 millions of them arrived in the Czech Republic in 2007, mostly from Germany (24%), the UK (15%), Slovakia (9%), Austria (8%) and Poland (7%). In the case of tourists, the prevailing reason of the visit is recreation and amusement (52%) and the most attractive destination is Prague, which was visited by nearly two thirds of all tourists as a part of their stay. The number of overnight visitors in the reference period grew at a somewhat slower pace than the number of tourists. Therefore, the average number of overnight stays decreased from 3,9 nights in 2003 to 3,7 nights in 2007.

The last category of visitors comprises transiting persons. Their destination is situated outside the state territory and they only pass through the Czech Republic. In 2007, most of them were non-residents with permanent residence in Poland (39%), in Germany (20%) and in Slovakia (15%). Most of those people travelled to a neighbouring state – to Germany, Poland or Austria, and several times a year (over two-thirds). (see Table 4.1)

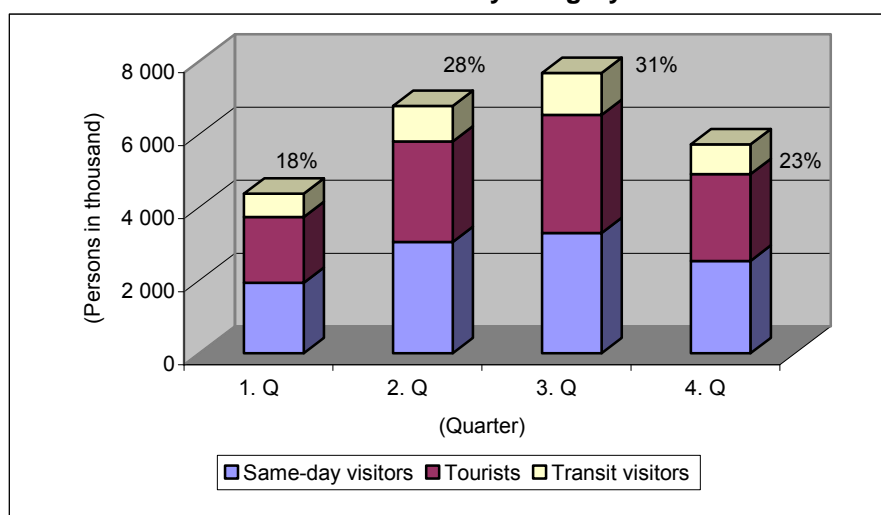
Table 4.1 Number of trips and overnight stays of inbound visitors in 2003-2007

(Thousands)	2003	2004	2005	2006	2007	2007/2006 ¹	2007/2003 ¹
Same-day visitors	8 313	9 829	10 232	10 370	10 797	104,1	129,9
Tourists	7 641	9 047	9 404	9 539	10 162	106,5	133,0
Transit visitors	2 626	3 103	3 221	3 266	3 578	109,6	136,3
Total visitors	18 580	21 979	22 856	23 175	24 538	105,9	132,1
Total overnight stays	29 638	34 284	35 317	36 095	37 167	103,0	125,4

1) Change index in percent (%)

The inbound tourism is concentrated particularly in the second and the third quarter. In each of the last five years, more than 58% of people who visited the Czech Republic arrived in the period from April to September. There are slight differences in shares according to the category of visitor to the total number of persons by quarter. However, same-day visitors prevail always. The highest share of transit visitors was recorded in the 3rd quarter (see Chart 4.1).

Chart 4.1 Structure of inbound tourism by category of visitor in 2007



Note: The figure above column reflects the percentage of the quarter on the total number of visitors in 2007

4.2 INBOUND TOURISM CONSUMPTION

The revenues from incoming tourism exceeded in each of the reference year 3,0 billion EUR. In 2007, these revenues amounted 4,4 billion EUR. The most finance resources spend foreign tourists and their part of the total consumption was 76%, however this share decreased by 1,9% in comparison with 2003. Due to this fact, foreign tourists may be considered as economically most significant group of visitors in the Czech Republic. Same-day visitors contributed by about 17% and the transiting persons by mere 7% of the total inbound tourism consumption in 2007. (see Table 4.2)

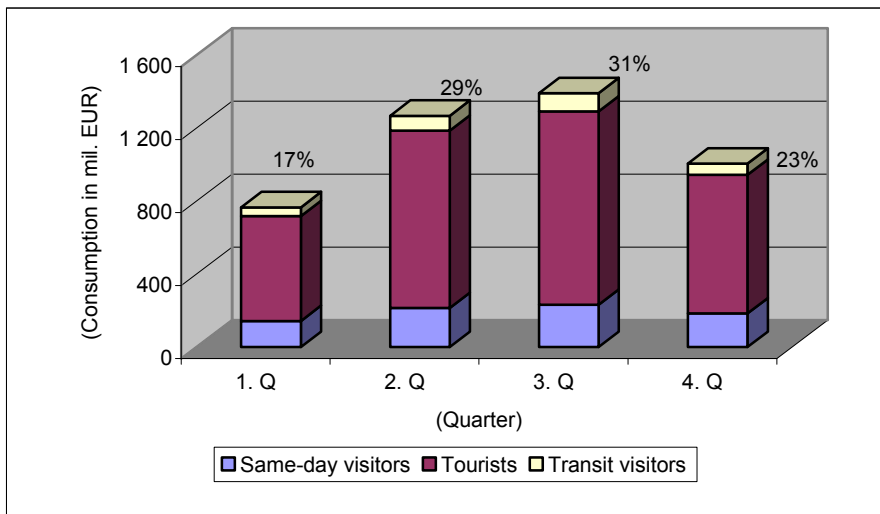
Table 4.2 Inbound tourism consumption in 2003-2007

(Million EUR)	2003	2004	2005	2006	2007	2007/2006 ¹	2007/2003 ¹
Same-day visitors	506	596	664	708	771	108,9	152,5
Tourists	2 346	2 720	3 006	3 225	3 367	104,4	143,5
Transit visitors	160	204	231	272	291	107,3	181,8
Total visitors	3 012	3 520	3 901	4 025	4 429	105,3	147,1

1) Change index in percent (%)

In accordance with the number of arrivals, most of the financial funds are spent in summer months. The share of consumption realised in the third quarter of 2003-2007 fluctuated permanently around one third of the total annual income. Consumption in this season of the year amounted in 2007 about 1,4 billion EUR. On the contrary, the smallest amount of funds flows to the Czech Republic in the first quarter of the year (ca 17% of the total consumption of incoming tourism in the given year).

Chart 4.2 Structure of inbound tourism consumption by category of visitor in 2007

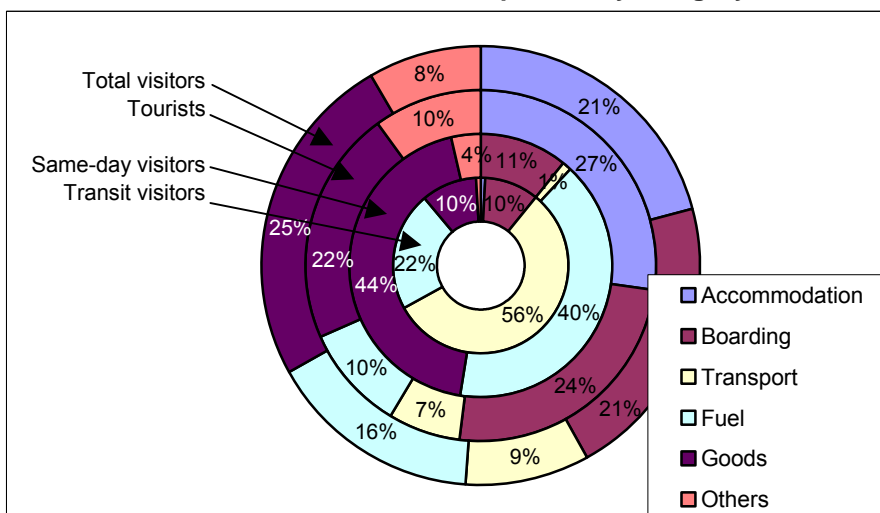


Note: The figure above column reflects the percentage of the quarter on the total inbound tourism consumption in 2007

4.3 STRUCTURE OF INBOUND TOURISM CONSUMPTION

Each visitor category has a difference expense structure. In 2007, the prevailing expenses of tourists were represented by accommodation (27%) and boarding services (24%) and; their transport expenses were logically lower due to the longer period of their stay. Same-day visitors arrive in the Czech Republic mostly to do their shopping, which is confirmed by the prevailing amount (around 44% of the total amount in 2007) spent on goods. A relatively significant share of expenses of this visitor category (40%) is also represented by fuel, because the majority of same-day trips is realized by car. The transiting visitors have a specific expense structure, comprised mostly of transport expenses (more than a half of their total expenses every year) and petrol (22% in 2007). An important part of the expenses also comprises airport fees and taxes, which are collected by the Czech Republic during air transit. The share of this product in the consumption of transiting visitors has an increasing tendency. (see Chart 4.3).

Chart 4.3 Structure of inbound tourism expenses by category of visitor in 2007



Note: Margins of the TA are not present in figure due to the low size of the amount.

4.4 SIGNIFICANCE OF THE INBOUND TOURISM

The internal tourism consumption is an aggregate of inbound and domestic tourism and its value totalled about 7,6 billion EUR in 2006. The growth rate of total consumption was 29% since 2003. The share of inbound tourism consumption was 55% in 2006 and it increased by 4,2 percentage points in comparison with 2003. This fact confirmed the growing importance of inbound tourism for the tourism consumption. On the other hand, the domestic tourism consumption was characterised by a decline. (see Table 4.3).

Table 4.3 Internal tourism consumption and balance of tourism in the Czech Rep. in 2003-2006*

<i>(Million EUR)</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2006/2005¹</i>	<i>2006/2003¹</i>
Inbound tourism consumption	3 012	3 520	3 901	4 205	107,8	139,6
Domestic tourism consumption	2 939	3 012	3 201	3 464	108,2	117,9
Internal tourism consumption	5 951	6 532	7 102	7 669	108,0	128,9
Outbound tourism consumption	2 010	2 043	2 296	2 475	107,8	123,2
Balance of tourism	1 002	1 477	1 605	1 730	107,7	172,5

* Reference period is 2003-2006 due to unavailability of all input data in 2007, 1) Change index in percent (%)

Table 4.3 also includes the outbound tourism consumption, because its comparison with the income from non-resident tourism makes it easy to calculate the tourism balance. In all reference years, the Czech Republic achieved a relatively high surplus balance (with the value close to 1,7 billion EUR in 2006).

Tourism ratio on GVA was 2,9% in 2006 and tourism ratio on GDP was 3,0% in 2006 (direct effect and economic impact only). The direct share of inbound tourism consumption is estimated about 1,6% on GDP, 5% on export.

The acquired underlying data indicate that the contribution of one foreign tourist to the tourism consumption is approximately five times higher than the contribution of a same-day visitor (including transit visitors). Similarly, the contribution of residents and non-residents to the internal tourism consumption can be also compared. The contribution of a same-day non-resident is about five times higher than a resident's contribution and the same multiple applies to resident and non-resident tourists, where the contribution is affected not only by higher daily expenses of non-residents by also by the fact that their trips are in average a little longer than the residents' journeys.

Note/Chapter4: All results are semi-definitive (2003-2006) or preliminary (2007) and could be changed after the reconciliation with TSA supply side data.

Key issues: inbound tourism; tourism demand survey, data collection; expenditure; estimation method, inbound tourism consumption

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Annex 1.4 Average expenditures by nationality in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists				Transit	
	Before trip		During trip		Before trip		During trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	0,0	32	59,9	31	15,2	29	31,5	29	0,0	1
Belgium	203,6	3	69,8	4	31,6	168	76,6	173	26,4	19
Bosnia	0,0	1	32,8	1	76,4	1	12,7	1	0,0	0
Monte Negro	0,0	1	30,3	1	125,7	2	16,5	2	0,0	0
Denmark	134,1	3	23,6	3	41,3	65	75,6	65	56,8	15
Finland	0,0	1	0,0	1	57,2	52	58,5	58	9,7	1
France	70,5	13	36,7	13	49,9	302	78,2	313	34,1	33
Croatia	483,2	1	292,1	2	1,3	5	77,2	6	113,6	5
Ireland	253,5	12	137,2	14	55,8	198	90,6	199	19,2	8
Italy	67,0	7	162,5	8	32,9	365	67,7	366	42,8	37
Israel	.	0	101,8	1	48,1	23	81,6	24	39,5	3
Cyprus	0,0	1	303,0	1	84,0	12	105,9	13	116,7	2
Liechtenstein	0,0	1	305,4	1	0,0	2	132,1	2	0,0	0
Lithuania	169,7	3	101,7	4	11,7	8	61,4	9	39,2	20
Latvia	301,7	1	.	0	0,0	1	3,6	1	125,7	5
Hungary	209,5	26	62,8	28	19,7	66	47,9	67	24,2	173
Malta	0,0	1	80,5	1	38,6	4	122,0	4	36,0	1
Germany	1,5	6 174	61,0	6 168	9,0	2 593	46,7	2 594	34,4	770
Netherlands	17,6	22	61,1	22	10,0	292	44,4	296	37,9	82
Norway	381,0	1	17,1	2	63,0	116	86,8	119	60,5	13
Poland	5,8	1 479	62,9	1 471	6,6	721	38,4	724	30,6	1 559
Austria	1,9	1 059	113,1	1 052	3,5	876	45,1	873	60,2	312
Romania	159,5	7	236,2	9	38,4	25	98,4	28	28,1	52
Slovakia	2,5	1 095	80,4	1 051	3,3	1 029	30,4	1 002	31,8	560
Slovenia	0,0	1	.	0	15,3	6	47,4	6	16,3	7
Serbia	0,0	1	162,1	1	74,0	4	90,6	4	57,7	2
Spain	0,0	1	305,4	1	55,0	231	60,2	238	27,5	9
Sweden	346,0	2	486,3	2	53,8	84	59,4	85	34,6	16
Switzerland	208,9	30	46,0	34	22,6	299	62,2	301	44,5	12
Turkey	301,7	1	108,1	1	48,5	23	94,4	22	45,3	5
Ukraine	122,1	3	108,1	1	29,8	30	38,2	32	94,6	38
Great Britain	223,6	78	110,1	85	60,1	1 585	79,8	1 632	29,0	34
Bulgaria	76,4	2	60,6	2	63,6	12	56,5	13	26,2	50
USA	224,1	7	138,7	8	83,3	428	69,0	443	34,6	10
Canada	0,0	1	0,0	1	74,1	103	58,9	111	46,2	8
Russia	282,8	12	153,8	13	63,5	71	94,9	77	105,5	10
Japan	265,8	2	67,6	2	71,3	88	51,0	89	0,0	0
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789	35,1	3 919

Annex 1.5 Average expenditures by main reason of the visit in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists			
	Before trip		During trip		Before trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	167,4	7	33,5	6	28,2	17	49,4	16
Business trip	43,3	1 228	47,5	1 228	27,3	1 934	69,5	1 999
Participation in a congress, workshop, fair	65,3	60	69,6	61	27,2	284	62,4	297
Recreation, leisure activities, discovery	6,3	422	45,5	416	49,9	4 607	65,3	4 666
Active holidays (rambling, sports)	1,3	150	38,0	149	15,0	630	52,1	637
Visit of relatives, friends	2,5	789	34,5	784	6,8	2 236	30,1	2 225
Visit of a sport or cultural event, festival	9,4	49	45,9	49	17,1	280	40,9	279
Shopping	0,4	7 047	78,4	7 020	7,6	204	117,2	203
Health stay, spa treatment	65,7	17	212,6	18	24,1	113	61,7	112
Study visit	0,0	17	17,0	17	13,3	220	30,7	222
Religious events	0,2	43	30,3	43	12,4	29	47,4	30
Other	5,0	262	127,8	257	32,6	105	107,0	103
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789

Annex 1.6 Average expenditures by frequency of the visit in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists			
	Before trip		During trip		Before trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	0,4	17	119,3	18	23,3	46	46,9	46
Basically every day	3,0	188	56,3	184	2,5	44	23,7	45
3-4times/week	0,1	485	57,1	485	1,8	38	37,6	37
1-2times/week	0,8	2 243	57,8	2 231	8,0	340	46,5	336
1-3times/month	4,0	4 259	71,2	4 232	5,2	1 287	48,1	1 278
Several times per year	10,0	2 455	81,6	2 450	11,0	3 101	48,3	3 100
Once a year	20,9	227	67,2	229	15,4	940	51,8	946
Less than once a year	52,2	119	86,2	118	38,0	1 245	64,5	1 260
I was there for the first time	138,7	98	92,4	101	62,1	3 618	70,3	3 741
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789

Annex 1.7 Average expenditures by way of travelling in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists			
	Before trip		During trip		Before trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	35,9	11	73,2	11	48,1	35	65,4	36
Individually	1,7	8 879	73,2	8 835	25,5	7 880	55,4	7 897
Working stay	45,0	1 162	48,0	1 164	24,3	1 686	63,0	1 755
Otherwise	44,5	22	32,2	20	21,6	157	51,3	159
With a foreign TA	11,2	14	96,6	15	93,7	861	69,7	901
Through a Czech TA	0,0	3	31,2	3	87,4	40	77,1	41
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789

Annex 1.8 Average expenditures by sex in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists			
	Before trip		During trip		Before trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	0,0	6	41,1	6	54,4	25	53,5	23
Male	7,7	7 529	71,2	7 496	27,3	7 213	59,3	7 294
Female	4,1	2 556	67,2	2 546	38,8	3 421	55,0	3 472
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789

Annex 1.9 Average expenditures by age in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists			
	Before trip		During trip		Before trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	7,7	63	74,1	64	33,5	87	50,4	86
15-29	3,0	1 837	69,6	1 833	30,3	3 052	52,3	3 084
30-44	10,0	4 110	71,9	4 086	29,3	3 884	59,4	3 937
45-59	6,3	2 926	72,1	2 916	32,2	2 636	63,4	2 663
60 and more	2,5	1 155	59,8	1 149	36,8	1 000	55,6	1 019
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789

Annex 1.10 Average expenditures by type of transport in 2007 (EUR/person/day)

Category of visitor	Same day visitors				Tourists			
	Before trip		During trip		Before trip		During trip	
	Mean	Valid N	Mean	Valid N	Mean	Valid N	Mean	Valid N
No answer	0,9	21	47,1	20	31,7	37	46,9	38
Road – Passenger car	1,1	9 603	70,1	9 533	2,4	5 224	42,3	5 185
Road – Bus	14,2	11	75,0	11	11,3	69	37,4	68
Road – Truck	5,3	4	97,3	4	3,2	5	103,6	6
Road – Walking/bicycle	0,0	185	11,3	182	16,2	8	9,8	8
Airport	224,1	255	106,5	286	63,6	4 202	78,3	4 348
Railway	47,8	12	203,6	12	44,0	1 114	53,0	1 136
Total	6,8	10 091	70,2	10 048	31,1	10 659	57,9	10 789

Annex 1.11 Questionnaire



Hello, my name is ... I work with the STEM/MARK company which conducts market researches and public opinion polls. I would like to ask you a few questions concerning your visit in the CR.

1. In which state do you actually have your permanent residence?

Specify:.....

--	--

2. What was the main reason for this visit of yours in the Czech Republic?

Instruction: Indicate just one answer.

Work		Others	
Business trip	01	Shopping	07
Participation in a congress, workshop, fair	02	Health stay, spa treatment	08
Holidays and Entertainment		Study visit	09
Recreation, leisure activities, discovery	03	Religious events	10
Active holidays (rambling, sports)	04	Transit (purpose of visit is to reach another country)	11
Visit of relatives, friends	05	Other reason; <i>Specify</i>	12
Visit of a sport or cultural event, festival	06		

3. How often do you come to the Czech Republic?

Instruction: Indicate just one answer.

Basically every day	1
3-4times/week	2
1-2times/week	3
1-3times/month	4
Several times per year	5
Once a year	6
Less than once a year	7
I was there for the first time	8

4. How many nights did you stay during your visit to the CR?

Instruction: Specify number of nights.

On the CR territory:

--	--	--

5. Which places have you visited in the Czech Republic? If you've stayed overnight in those places, please specify the type of accommodation and number of nights.

Instruction: Specify the city/region and the number of nights; in the "Type of accommodation" indicate all respondent's answers.

Visited city or region	Number of nights	Type of accommodation				
		Hotel, motel, guest-house, boatel, etc.	Campsite	Other collective types of accom. (spa, cottage settlement, training centre, etc.)	Paid private accommodation (rented apartment, room, etc.)	Free accom., overnight stay (with friends/ family, in the nature, in the mean of transport)
		1	2	3	4	5
		1	2	3	4	5
		1	2	3	4	5

Filter: Only those respondents who did not list variation 11 (transit) in question 2 respond to question 6

6. Did you come for this visit in the CR individually, by means of a travel bureau/agency or for business purposes?

Instruction: Indicate just one answer, or specify the way of travelling.

Individually	1
With a foreign travel bureau/agency	5
Through a Czech travel agency	6
For business purposes, business trip	3
Others;	4

All respondents to answer now!

7. Now, we will talk about your expenses during this visit in the CR, about how much money you spent here and for what products and services. Tell me first if, in the questions related to finances, you are going to talk only about the expenses for yourself or for more persons, e.g. your family, friends, etc. If you are going to mention data for more persons, tell me please the total number of persons and the number of children up to 15 years of age included in this total number.

Instruction: Indicate just one answer or specify numbers where indicated.

Only for myself	1	
For group of people	2	Number: incl. children under 15 y.

Filter: Only those respondents who did not list variation 11 (transit) in question 2 cs 8, 8a and 9.

8. When you were planning this trip to the CR, did you pay for any services related to it in advance outside the CR territory? If so, how much was it?

Instruction: Indicate just one answer; specify the amount and currency if applicable.

Yes	1	Amount Currency
No	2	⇒ go to question 10

Filter: Only those respondents who listed an amount higher than 1,000 USD/EUR/GBP/CHF or 30,000 CZK/SKK respond to question 8a.

8a. On what services or merchandise did you spend the largest part of this amount?

Directions: fill in the answer.

9. Please specify the amount in percentages which you paid for individual goods and services in advance outside the CR territory.

Instruction: Indicate all respondent's answers. If the respondent paid for a trip, specify all services included in this trip price.

Ready-made trip, incl. room, board, travel	
Accommodations (incl. breakfast, lunch or dinner)	
Transport (taxi, car rental, price of tickets or flight tickets)	
Fuels (Gas, diesel)	
Consumer goods (groceries, clothing, electronic goods, books, alcohol, other)	
Other services (tickets, cultural events, facultative excursions, sport, medical services)	
CELKEM	100%

All respondents to answer now!

10. How much money did you spent in total during this stay of yours in the CR?

Instruction: Specify the amount and currency code according to the model.

Amount: Currency:

Filter: Only those who listed an amount higher than 3,000 USD/EUR/GBP/CHF or 100,000 CZK/SKK answer 10a.

10a. On what services or merchandise did you spend the largest part of this amount?

Directions: fill in the answer.

11. Divide this amount in percentages following what the expenses were spent for.

Instruction: Divide the amount specified under question 10; the total must equal 100 %.

Accommodation	
Transport (taxi, car rental, price of tickets or flight tickets)	
Fuels	
Meals in Restaurants	
Consumer goods (souvenirs, groceries, clothing, electronic goods, books, alcohol, other)	
Other services (tickets, cultural events, facultative excursions, sport, medical services.)	
TOTAL	100 %

12. And what percent from the overall amount spent in the CR did you pay with a debit/credit card or what you withdrew from a bank automated teller machine?

Instruction: Consider the amount specified under question 10.

%

