10. Conclusion

10.1 Study overview

Tourism development exhibits a dynamic pattern over time, given the vast range of human interactions and acts of nature that can cause tourism demand to derange from its steady state path. This study investigated the effects of several factors that can cause dynamics in tourism demand, using the island of Aruba as a case study. Understanding the determinants of tourism demand in this small island destination could contribute towards the expansion of the literature on tourism demand dynamics, by proposing new ideas and theoretical propositions.

Briefly, the study was segmented into three parts, of which the first section was exploratory in nature. Chapter 2 (‘Tourism development, quality of life and exogenous shocks: A systemic framework’) demonstrated the importance of quality of life (QoL) and shocks or disturbances (SoD) in determining the trends and patterns of tourism development (TD). The role of both constructs was again emphasized in Chapter 3 (‘The force field of tourism’), which by this point has expanded to also include the influence of endogenous forces (such as leadership, creativity, innovation, and entrepreneurship) as an explanatory factor of TD, and three theoretical perspectives. Part II (Chapters 4–6) emphasized the short-sequence relationships of tourism demand by means of analyses of cyclical and seasonal features of TD. Part III (Chapters 7–9) accentuated the relationships between TD, economic development and QoL. The main empirical findings of the investigations in Chapters 4–9 are presented next, together with their effects on the hypotheses presented in Chapter 1.

10.2 Hypothesis validation

This section presents the effects of the empirical research conducted in Chapters 4–9 on the selected hypotheses.

$H_1$: Business cycles have an impact on tourism demand cycles to Aruba.

The results of the investigation in Chapter 4 (‘The connection business cycles and tourism demand cycles’) show interchangeable periods of upward and downward movements, with turning points (peaks and troughs) in between. The results further hinted at business cycles having, to some extent, an impact on tourism demand cycles for Aruba (and Barbados), varying in terms of the destination being analyzed (Aruba or Barbados), the
timing of the response to a business cycle impulse, and the direction of the cycle movements (recovery or contraction).

As such, the findings of this study support the hypothesis that business cycles have a bearing on tourism demand flow cycles for Aruba.

**H$_2$:** The seasonal patterns of tourist demand in numbers and in expenditure in Aruba differ importantly, in terms of pattern, amplitude and timing.

The research in Chapter 5 (‘Measuring pattern, amplitude and timing differences between monetary and non-monetary seasonal factors of tourism: The case of Aruba’) found important differences between the pattern, amplitude, and timing differences separating the financial and volume flows of tourism to the island of Aruba, also when considering the market segments involved in the study. Monetary and non-monetary seasonal factors in tourism are not fixed, but change over time, and are complex because of differences in terms of correlation, amplitude and timing.

The findings of this study support the hypothesis that the physical and financial versions of tourism demand differ from the perspective of their patterns, amplitudes and timing.

**H$_3$:** Seasonal factors of weather in Aruba and, respectively, both the United States, and Venezuela are important in determining the seasonality of tourism demand from the latter two countries.

The investigation in Chapter 6 (‘Impacts of seasonal patterns of climate on recurrent fluctuations in tourism demand: evidence from Aruba’) corroborated the notion that both pull and push seasonal factors of climate were simultaneously influential in determining the seasonal demand patterns from the US as well as Venezuelan markets. In the case of the US market, the pull fundamentals were the seasonal factors of cloud coverage and wind speed in Aruba, while the key push factors included the seasonal patterns of rainfall, temperature, and wind speed in that country. In turn, the seasonality of tourism demand from Venezuela was affected by the recurring movements of rainfall and temperature in Aruba (pull factors) and rainfall in that country (push factor).

These findings sustain the hypothesis that weather seasonal factors in Aruba, the United States, and Venezuela are key in determining the seasonality of tourism demand from the latter two countries.
$H_4$: It is possible to by-pass the problems of quality deterioration in seasonal unit root tests by transforming the data from time series-based to panel-oriented.

The investigation in Chapter 6 (‘Impacts of seasonal patterns of climate on recurrent fluctuations in tourism demand: evidence from Aruba’) shows another important finding. Specifically, the study started with time series data that were in the end transformed into panel data, with the pertinent aim of circumventing the problem of seasonal unit root testing. As the article in Chapter 6 points out, the latter test showed problems with complexity and loss of power which could hamper its applicability. However, by using panel data instead of time-series data, the test for stationarity shifts from seasonal unit root to panel unit root testing. The cited study sustains the hypothesis that seasonal unit root tests can be by-passed in favor of less complicated panel-based stationarity testing.

$H_5$: From an objectively-based study approach, the relationship between tourism development and economic growth in Aruba is bilateral, confirming the validity of the Reciprocal Hypothesis.

In Chapter 7 (‘Tourism and long-run economic growth in Aruba’), a bilateral causation was found between TD and economic growth in Aruba. This implies that tourism was not only an engine of growth, but economic growth in itself can provide long-run growth potential to tourism. This outcome validates the reciprocal hypothesis in the case of TD in Aruba.

$H_6$: From an objectively-based study approach, there is a two-way direct and indirect relation between tourism development and quality of life in Aruba.

In Chapter 8 (‘The tourism development-quality of life nexus in a small island destination’) the empirical evidence suggested the presence of the Tourism-Led Quality of Life Hypothesis, whereby TD had an important effect on the QoL of residents in Aruba. This relationship was not found on the indirect plane, where economic development would have acted as a mediating variable. Alternatively, the study also found evidence of the existence of a Quality of Life-Driven Tourism Hypothesis, where QoL has an impact on TD. In this case, the relationship was both direct and indirect, whereby the latter ran from QoL through economic development to TD. Furthermore, the study also found that the relationships were non-linear in nature, distinguishing between short- and long-term effects. The empirical evidence was sufficient to validate the hypothesis of a bilateral relationship between the two constructs.
H_7: From an objectively-based study approach, economic growth has a mediating role in the tourism development-quality of life relationship. The investigation presented in Chapter 8 (‘The tourism development-quality of life nexus in a small island destination’) found that economic development indeed had a mediating role between TD and QoL, although the evidence suggests only mediation from QoL to TD, given that the intervention of economic development from TD to QoL was not supported by the empirical findings. The results, therefore, provided only partial validation of this hypothesis.

H_8: From a subjectively-based study approach, there is a two-way direct and indirect relation between tourism development and quality of life in Aruba. The research in Chapter 9 (‘A two-way causal chain between tourism development and quality of life in a small island destination: An empirical analysis’) found a relationship running from TD to QoL (direct link), and from TD to economic development to QoL (indirect link). Alternatively, the investigation revealed only an indirect relationship running from QoL through economic development to TD. Overall, there is empirical evidence suggesting a bilateral relationship between TD and QoL, although this two-way relationship is only discernible from the indirect perspective, when it comes to the impact of QoL on TD. However, depending on the dimensions being analyzed, this indirect relation between TD and QoL could be either positive or negative, a situation that complicates our understanding of the nature of the connection. Overall, the findings of this study partially validated this hypothesis.

H_9: From a subjectively-based study approach, economic growth has a mediating role in the tourism development-quality of life relationship. According to the investigation in Chapter 9 (‘A two-way causal chain between tourism development and quality of life in a small island destination: An empirical analysis’), economic development intervenes as a mediating variable between TD and QoL, in a two-way perspective. This means that economic development plays mediating roles in both the relationships running from (i) TD to QoL (TD → QoL); and (ii) QoL to TD (QoL → TD). As such, the empirical evidence sustains the mediating role of economic development, and, therefore, provides validation for this hypothesis.
The objectively-based study approach on the relationship between tourism development and quality of life in Aruba is confirmed by the subjectively-based study.

Table 10.1 shows a comparison of the eight hypotheses involved in the investigations in Chapter 8 and 9, which served to assess hypothesis $H_{10}$. The findings from this table indicate that both approaches show concurring results for most of the investigated hypotheses, except for:

- The direct impact of QoL on TD (hypothesis nr. 2);
- The direct impact of economic development on QoL (hypothesis nr. 5);
- The indirect impact of TD on QoL, with economic development as a mediating variable (hypothesis nr. 7).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Objective approach</th>
<th>Subjective approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Tourism development has a direct impact on the quality of life of residents</td>
<td>Validated</td>
<td>Validated</td>
</tr>
<tr>
<td>2  Quality of life of residents has a direct impact on the tourism development of a destination</td>
<td>Validated</td>
<td>Rejected</td>
</tr>
<tr>
<td>3  Tourism development has a direct impact on long-term economic development</td>
<td>Validated</td>
<td>Validated</td>
</tr>
<tr>
<td>4  Economic development at a destination has a direct impact on tourism development</td>
<td>Validated</td>
<td>Validated</td>
</tr>
<tr>
<td>5  Economic development at a destination has a direct impact on residents' quality of life</td>
<td>Rejected</td>
<td>Validated</td>
</tr>
<tr>
<td>6  Quality of life of residents has a direct impact on the economic development of a destination</td>
<td>Validated</td>
<td>Validated</td>
</tr>
<tr>
<td>7  Tourism development indirectly impacts the quality of life of residents through the mediating role of economic development</td>
<td>Rejected</td>
<td>Validated</td>
</tr>
<tr>
<td>8  Quality of life of residents indirectly impacts tourism development through the mediating role of economic development</td>
<td>Validated</td>
<td>Validated</td>
</tr>
</tbody>
</table>

The similarity of the results suggests that the limitations of both the objective and subjective approaches, as described by Ridderstaat et al. (2013a), were likely curbed in such a way as to bring the outcomes closer to each other. In other words, the problems of social comparison in the
subjective approach, and over- or under-reporting in the objective approach were probably not significant enough to cause large differences between the results of the two approaches.

The implication of these findings is a partial confirmation of the hypothesis of a bilateral relationship between TD and QoL, both through the objective and subjective approaches. However, the relationship is asymmetric: The impact of TD on QoL is a direct one, whereas that of QoL on TD is indirect. This finding also points to the importance of involving mediating variables in the analysis with a view to uncover relationships that would, otherwise, have remained hidden.

Table 10.2: Summary of the hypotheses and their validation

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Validation or rejection</th>
<th>Based on empirical study in</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$: Business cycles have an impact on tourism demand cycles to Aruba.</td>
<td>Validated</td>
<td>Chapter 4</td>
</tr>
<tr>
<td>$H_2$: The seasonal patterns of tourist demand in numbers and in expenditure in Aruba differ importantly, in terms of pattern, amplitude and timing.</td>
<td>Validated</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>$H_3$: Seasonal factors of weather in Aruba and, respectively, both the United States, and Venezuela are important in determining the seasonality of tourism demand from the latter two countries.</td>
<td>Validated</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>$H_4$: It is possible to bypass the problems of quality deterioration in seasonal unit root tests by transforming the data from time series-based to panel-oriented.</td>
<td>Validated</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>$H_5$: From an objectively-based study approach, the relationship between tourism development and economic growth in Aruba is bilateral, confirming the validity of the reciprocal hypothesis.</td>
<td>Validated</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>$H_6$: From an objectively-based study approach, there is a two-way direct and indirect relation between tourism development and quality of life in Aruba.</td>
<td>Partially validated</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>$H_7$: From an objectively-based study approach, economic growth has a mediating role in the tourism development-quality of life relationship.</td>
<td>Partially validated</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>$H_8$: From a subjectively-based study approach, there is a two-way direct and indirect relation between tourism development and quality of life in Aruba.</td>
<td>Validated</td>
<td>Chapter 9</td>
</tr>
<tr>
<td>$H_9$: From a subjectively-based study approach, economic growth has a mediating role in the tourism development-quality of life relationship.</td>
<td>Partially validated</td>
<td>Chapters 8 &amp; 9</td>
</tr>
<tr>
<td>$H_{10}$: The results of the objectively-based study on the relationship between tourism development and quality of life in Aruba are confirmed by those of the subjectively-based study.</td>
<td>Partially validated</td>
<td>Chapters 8 &amp; 9</td>
</tr>
</tbody>
</table>

Table 10.2 summarizes the validation results of the selected hypotheses ($H_1$ to $H_{10}$). Most of the hypotheses of this study were validated. Only hypotheses $H_7$, $H_8$, and $H_{10}$ were partially validated. These hypotheses serve
to highlight the contribution of the empirical studies related to this thesis to
the literature on tourism demand dynamics, which is the topic of the next
section.

10.3 Study questions

This thesis answered two main questions:

What is the contribution of this study to the determinants of tourism demand
dynamics in the literature, from the perspective of a small island
destination?

To answer this main question, the study first set out to resolve the two sub-
questions, the finding of which provides the building blocks necessary to
explain the contribution of this study to the tourism demand dynamics
literature.

(1) What are the new ideas that this study brings to the tourism demand
dynamics discourse in the literature, from the perspective of a small
island destination?

Conceptually, the studies in Chapters 2–9 provide a variety of (alternative)
drivers of tourism demand. This is actually the most significant contribution
of the current study, since the contemporary view of the determinants of
tourism is expanded to include these (alternate) factors. Chapter 2 sets the
stage for a conceptual framework involving bilateral relationships between
TD, QoL and SoD. The idea here was that TD (and, thus, tourism demand)
is not shielded from SoD or the QoL of residents, since both have a bearing
on its outcome. These linkages were further sustained in Chapter 3, by
including endogenous forces as an additional factor that determines the
outcome of TD. As such, there is a range of elements that may have a
bearing on the outcome of TD. In the short-term, tourism demand is affected
by the business cycle developments in the source market (Chapter 4), and by
the seasonality of both push and pull climate elements. The dynamics
cognition is further complicated by the pluriformal content of TD, which
can be represented by both monetary and non-monetary indicators. Chapter
6, for example, highlighted differences in the seasonality of the financial and
volume flows of TD, suggesting the presence of dissimilar types of dynamic
designs for different indicators of tourism. Furthermore, while these cyclical
and seasonal changes typically last for a short period of time, they recur in a
slightly modified format. This is the case because no cyclical or seasonal
factor is exactly the same as before, and this tendency to deviation further
shapes the design of the dynamic path of TD. Over the long-term (Chapter
7), tourism demand is influenced by economic development at a destination,
but also by the QoL of its residents (Chapters 8 and 9). The finding that tourism demand has a bilateral effect on these explanatory factors (feedback effect), and that economic development has a mediating role in the bilateral causality relationship, additionally complicates our understanding of tourism demand, further spawning the unpredictability of its outcome.

This revised view of the determinants of tourism demand lifts our understanding of the drivers of tourism demand to a higher level. Increased insight will help destinations to be better able to deal with dynamics in tourism demand.

Methodologically, the study also provides new ideas that can be incorporated in future studies. Firstly, in Chapter 5, the study offered a calculation method for timing the differences between two seasonal factors, based on identification of peaks and troughs in the seasonal patterns, and the subsequent determination of the lag or lead position of one versus the other. This timing methodology provides an additional dimension for studying seasonal relationships. Secondly, the investigation in Chapter 6 provides a methodology for by-passing the problem of seasonal unit root testing to determine whether seasonality is stochastic or deterministic in nature. Seasonal unit root tests are more complex than simple unit root tests (Ridderstaat et al., 2014a). The sidestepping method consisted of restructuring time series data into panel data, and then applying much simpler panel unit root tests for determining stationarity in the data. Thirdly, the study in Chapter 9 explored the challenge of examining bilateral relations between TD and QoL in structural equation modeling. Hair et al. (2010) have noted that it was difficult to produce a set of conditions that supports a bilateral relationship with cross-sectional data. However, the current study solved this conundrum by using two separate structural equation models. The first structural model estimated the direct and indirect effects of TD on QoL (TD → QoL, and TD → economic development → QoL). The second structural model aimed to estimate the direct and indirect effects of QoL on TD (QoL → TD, and QoL → economic development → TD). This idea could be useful in future cross-sectional studies involving bilateral relationships.

(2) What is the contribution of this study to new theoretical propositions, from the perspective of a small island destination?
Among the various investigations conducted as part of this study, three specifically provided building blocks that can be used towards new theory formulation. The investigation in Chapter 6 posed two theoretical propositions with respect to the short-term relationship between climate and tourism demand:
(1) Climate acts as a significant determinant of tourism demand, both through the pull and push modalities; and
(2) Tourism demand and climate are bound by intertemporal climate constraints.

This study assessed the impact of seasonal climate conditions on the seasonality in tourism demand, thereby acting as an explanatory factor of the short-term dynamics in tourism demand.

The research in Chapter 8 provided four theoretical propositions on the relationship between TD, QoL, and economic development:
(1) TD and QoL are interrelated;
(2) TD impacts QoL, but QoL could also affect future TD;
(3) The bilateral effects between TD and QoL are not linear in time; and
(4) Economic growth is a mediating variable in the two-way relationship between TD and QoL.

The theoretical propositions emanating from the investigation in Chapter 9 also concerned the triadic relationship between TD, QoL, and economic development:
(1) Development is a continuum of interacting forces, whereby one type of development affects the other. This interaction means that human development is not necessarily an end in itself, but can be a means for other forms of development, such as TD and economic development.
(2) TD and QoL have an intrinsically reciprocal relationship, in which the intensity and significance of the two-way connection depend on their dimensional representations.
(3) Economic development has a mediating role between TD and QoL, depending on its dimensional composition.
Figure 10.1: Contribution of the study to the literature on tourism dynamics

New ideas (conceptually)

Chapter 2:
Tourism development, quality of life and exogenous shocks: A systematic framework

Chapter 3:
The force field of tourism

Chapter 4:
The connection business cycles and tourism demand growth cycles

Chapter 5:
Measuring pattern, amplitude and timing differences between monetary and non-monetary seasonal factors of tourism: The Case of Aruba

Chapter 6:
Impacts of seasonal patterns of climate on recurrent fluctuations in tourism demand: evidence from Aruba

Chapter 7:
Tourism and long-run economic growth in Aruba

Chapter 8:
The tourism development-quality of life nexus in a small island destination

Chapter 9:
A two-way causal chain between tourism development and quality of life in a small island destination: An empirical analysis

New ideas (methodologically)

A conceptual framework involving TD, QoL, and SoD (bilateral relations)

A conceptual framework involving TD, QoL, and SoD (bilateral relations) + possible explanatory theories

Varying dimensions of effects of business cycles on tourism demand, depending on destination

Seasonality between financial and physical tourism demand could differ in terms of pattern, amplitude and timing

Simultaneous effect of both seasonal pull and push weather factors on the seasonality of tourism demand

Calculating timing differences between seasonal factors, providing an additional dimension to study seasonal relationships

By-passing seasonal unit root procedure by transforming time series into panel data

1. Climate acts as a significant determinant of tourism demand, both through pull and push modalities
2. Tourism demand and climate are bounded by intertemporal climate constraints
3. TD and QoL are interrelated
4. Tourist demand impacts QoL, but QoL also affects future TD
5. The bilateral effects between TD and QoL are not linear in time
6. Economic growth is a mediating variable

Theoretical propositions

1. Development is a continuum of interacting forces, whereby one type of development affects the other
2. TD and QoL have an intrinsically reciprocal relationship
3. Economic development has a mediating role between TD and QoL
Two particular propositions can be made here, specifically to the context of island studies. Firstly, the investigations in this study revealed that island studies can contribute towards the mainstream tourism literature, through the expounding of new ideas and theoretical propositions. Secondly, tourism can act as a sustaining engine of economic growth for island destinations, if this notion is conditioned by the possibility that both economic development and residents’ QoL are able to continuously provide new stimulus to tourism demand.

**What is the contribution of this study to the determinants of tourism demand dynamics in the literature, from the perspective of a small island destination?**

Figure 10.1 provides a synthesis of contributions made by the study in the form of new ideas and theoretical propositions. Two key all-embracing trains of thought can be gleaned from these contributions. Firstly, from the perspective of new ideas, the study brought forward new concepts and methodologies that are likely to benefit future research in the area of tourism demand dynamics. For example, dynamics in tourism is not solely comprised of crises and disasters, but may include other aspects such as cyclicality, seasonality, endogenous growth, and the bilateral TD-QoL relationship. Second, from the prospect of theoretical propositions, the study presented a number of proposals aimed at providing direction in the quest for theories that could further explain dynamics in tourism demand.

**10.4 Managerial implications**

This study brought forward several implications for management and policy-makers, which can be segmented into implications for short- and long-term dynamics.

*Implications for short-term dynamics*

From the perspective of cyclicality and seasonality, there is a need for managers and policy-makers to understand the relevance of these two types of factors in determining short-term TD. Neglecting the effect of business cycles on the cycles of tourism demand, for example, could be detrimental for tourism destinations (Chapter 4). Managers and policy-makers should identify those markets that are affected by business cycle developments in the source countries, including their type of relationship (short- versus long-term), intensity (deterioration versus recovery periods), and intertemporal effects (simultaneous or lagged). This could allow decision makers to pursue strategies that allow tourism destinations a measure of time to adjust to, for
example, cyclical downturns. These findings could also induce managers and policy-makers to aim for strategies that either increase diversification of the tourism portfolio, or introduce more flexible marketing maneuvering (focusing, for example, during deterioration periods of business cycles on those markets that are less prone to be influenced by business cycles). Implementing these strategies requires strong institutional capabilities and proactive governments at the destinations.

Similarly, seasonal variations of climate, both at the destination and at the source countries, could influence the seasonality of tourism demand (Chapter 6; Ridderstaat et al., 2014a). This notion implies that managers and policy-makers have the extra task of monitoring the expected weather seasons, both at the destination and at the source countries, as a short-term determinant of tourism demand. In the end, such an effort would assist policy-makers to better cope with short-term demand fluctuations in their planning, forecasting, and marketing efforts (Ridderstaat et al., 2014a).

Even within tourism demand itself, there could be important seasonal differences, for example between monetary and non-monetary tourism demand, which may complicate the understanding of tourism demand even further (Chapter 6; Ridderstaat & Nijkamp, 2014b). Managers need to be aware of these seasonal differences, which could help them when determining their pricing strategy; this information could equally help policy-makers to delineate their tourism diversification strategy.

**Connotations for long-term dynamics**

From the viewpoint of long-term dynamics, managers and policy-makers need to first recognize the importance of citizens’ QoL for TD and economic development (Chapters 8 & 9; Ridderstaat et al., 2014c). This recognition is likely to allow policy-makers to make better use of the potentials of QoL, and guide these towards improving future TD. If this is not the case, TD runs the risk of not achieving its full potential. Managers and policy-makers need to also understand that TD and QoL are multidimensional concepts (Chapter 2; Ridderstaat et al., 2013a), meaning that they have multiple and variable angles of cause and effects relationships. Adding the finding that economic development (which is also a multidimensional concept) could also mediate between TD and QoL, our understanding of the relationship between TD and QoL is further complicated. Engaging this mediating effect, for instance, requires allocating more (financial) resources to tourism, specifically to the tourism-related industries (such as transport, communication, and agriculture), with a view to obtain higher levels of economic growth in the future, which may in turn be engineered to further benefit tourism (Chapter 7; Ridderstaat,
Thus, managers and policy-makers need to understand the dimensionality of all three constructs and their interaction (including how they interact from within), in order to improve the effectiveness of TD on people’s QoL, but also in order to achieve more benefits from tourism.

According to Ridderstaat et al. (2013a), the symbiotic relationship between TD and QoL requires an adequate policy and institutional framework to nurture and monitor the connection between both constructs. In this regard, managers and policy-makers have an important role to play by promoting policies that encourage and facilitate an environment of productivity, innovation and product upgrading, thereby providing sustainable location advantages to the tourism destination (Chapter 3; Ridderstaat et al., 2013c). Moreover, there is a need for coordination and collaboration to counter market failures (these include land use, pollution, and restriction on locals to use beaches) that occur in the sphere of tourism, as well as externalities that have an impact on QoL (such as labor immigration, loss of nature, and access to beaches) (Chapter 2; Ridderstaat et al., 2013a). Additionally, policy-makers should take care of establishing and maintaining an adequate background, where elements such as leadership, creativity, innovation, and entrepreneurship could thrive, in order to assure a long-term growth potential of both tourism and the economy (Chapter 7; Ridderstaat et al., 2013b).

The discussion above suggests an almost equally divided role for both the government and the private sector in managing the short- and long-term dynamics of tourism. This does not, however, always have to be the case. As indicated in Chapter 1 of this study, the involvement of the government in tourism depends on the importance of tourism for a destination’s economy (Wanhill, 2005). Also, the government’s role becomes particularly prominent in cases where there is market failure and/or market distortions (Smeral, 2012) that requires intervention from policy-makers. Moreover, the role of the government in tourism can be dynamic over time, and can be influenced by political tendencies that emerge with respect to privatization and commercialization of government functions (Hall, 1999). These influences could cause the government’s role in tourism to be non-stationary over time.

10.5 Study limitations

A number of limitations apply to some or all the investigations conducted in Chapters 2-9. Firstly, the factors causing tourism demand dynamics could be extensive, extending beyond the research conducted in this thesis. The studies presented here intended to cover several aspects deemed relevant, following the framework provided in Chapter 2 and 3 of this thesis, but did
not intend to offer a fully comprehensive picture of tourism demand dynamics.

Secondly, the findings of this study are quite likely not representative in a general sense for all islands, given that differences in, for example, level of tourism, economic, and human development, as well as degree of tourism specialization at the destinations could produce different outcomes for each islands. However, this does not imply that findings of island studies should be confined specifically to islands; the results could have broader significance for the tourism literature.

Thirdly, data constraints remain an important characteristic of tourism studies. Data restrictions when conducting the presented studies were experienced in terms of: (1) the length of the time series; (2) the availability of the necessary series to conduct the research; and (3) the apathy of survey respondents to participate in extensive surveys that would adequately cover linkages between TD, economic development, and QoL.

Nevertheless, the studies presented here produced interesting investigations that function like eye-openers regarding the determinants of tourism demand dynamics.

10.6 Directions for future research

Future research should be geared towards extending the depth and breadth of the determinants of tourism demand dynamics, and the resulting theoretical implications. The analytical frameworks provided in Chapters 2 and 3, where a triad of relations between TD, QoL and shock events is proposed, could provide initial guidance for future studies. A first direction of investigation may focus on expanding the drivers of short-term tourism demand, by exploring other variables in terms of how their cyclical and seasonal behavior affects those of tourism demand. Examples include airline prices, hotel prices, fuel prices, and exchange rates. The scope of these studies should be expanded by including Aruba’s competitors in the analysis. Additionally, future studies should consider other supply factors such as destination image, attractions and events, quality of the product, inter and intra transportation facilities, travel requirements, promotional aspects (e.g., deals), technology application, safety and security, focusing on Aruba and its competitors. Moreover, future studies could emphasize the role of more extreme shocks on tourism demand. Since the start of the new millennium, the island of Aruba had experienced several shocks that likely affected the short-term development of its tourism. Examples hereof are the September 11 terrorism attacks in the USA, the Natalee Holloway...
disappearance, and, most recently, the global economic and financial crisis (2007-2010).

A second direction for research concerns the relationship between TD and QoL. Future studies should expand the dimensions of each of these constructs, and the possible effects they have on each other. Such an undertaking could provide a better understanding of the nature of the (bilateral) relationship between these two constructs. Furthermore, future studies should investigate other variables that could mediate between these two constructs, such as social, environmental and cultural variables. This could provide a better understanding of the indirect workings of the relationship between TD and QoL. To expand on the generalizations of the findings, future studies should consider including other destinations in the analysis. One key aspect of the analysis of the relationship between TD and QoL is that future studies should contain both objective and subjective research approaches in order to weigh in on the findings.

A third wave of investigations should focus on theory-building, aided by the theoretical propositions that could follow from the investigations on the drivers of tourism demand. In this way, these studies could contribute to the pool of available theories that explain TD.

10.7 Taking stock

This thesis set out to investigate the effects of several forms of developments that could affect the path of tourism demand in a small island. It was demonstrated that tourism demand dynamics could be triggered by a broader range of factors, associated with time-dimensions and reciprocal effects, than what has been explicitly alluded to by the literature. This has important implications for our understanding of the drivers of tourism demand. At the same time, the study presented new avenues for future research and the theorizing of the dynamics of tourism demand.

In conclusion, the study found that a case study of a small island destination could provide useful material for advancing the scholarly literature in the sphere of tourism, as was one of the express intentions of this study.
References