

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/379625746>

Lessons From the Impact of Global and Domestic Economic Crises on Tourists' Behaviour: The Case of Algarve

Article in *Tourism* · April 2024

DOI: 10.37741/t.72.2.2

CITATIONS

0

READS

40

2 authors:



Marisa Cesario

University of Algarve

39 PUBLICATIONS 169 CITATIONS

[SEE PROFILE](#)



Ana Paula Barreira

University of Algarve

45 PUBLICATIONS 729 CITATIONS

[SEE PROFILE](#)

Ana Paula Barreira / Marisa Cesário

Lessons From the Impact of Global and Domestic Economic Crises on Tourists' Behaviour: The Case of Algarve

Abstract

Economic crises have been demonstrated to have profound consequences on the tourism industry. Insights from previous global economic and financial crises can provide valuable perspectives on the economic crisis accompanying the war in Eastern Europe. Through a survey conducted during the off-peak seasons of 2008, 2009/2010, and 2010/2011, we compared satisfaction with the attributes of the Algarve—a region globally recognized by the 3S's— before global and domestic crises and after the global crisis. Our findings reveal that the international and domestic crises have not affected the image of the Algarve. However, this observation conceals shifts in how tourists perceive the destination's attributes. The valuation of accommodations and beaches declined between the pre and post-global crises. At the same time, the friendliness of locals and safety were more negatively impacted when comparing tourists' assessments before the domestic crisis and after the global crisis. Results indicate that price reduction strategies adversely affect tourists' assessments of the "value for money." This impact is more pronounced for tourists with higher education levels, who employ fewer "slicing" strategies. Furthermore, non-sovereign debt tourists appear to be more dissatisfied with a price reduction policy, possibly due to changes in the composition and quality of the offered packages.

Keywords: economic crisis, tourist's satisfaction, tourism destination attributes, Algarve-Portugal

1. Introduction

Europe is the world's leading tourist destination, directly contributing 3.9% to the EU GDP in 2018 (European Parliament, 2022). Despite the economic significance of the tourism sector, it remains highly vulnerable to crises, as evidenced by research (Bodosca, 2015; Duan et al., 2022), with factors like financial instability, pandemics such as COVID-19, and conflicts like the ongoing Ukraine-Russia conflict posing substantial threats. This conflict is anticipated to impact European tourism flows, not solely due to security concerns but also as it triggers an economic crisis with repercussions on tourists' behaviour, particularly their spending choices. Drawing insights from past economic and financial crises can prove instrumental for managers in navigating and mitigating the anticipated impacts of the looming crisis following the ongoing European war.

It's crucial to note that the effects of a crisis are not uniformly experienced across all tourist destinations (Alegre & Sard, 2015). The impact is more pronounced on destinations that rely heavily on European tourists and lack diversification in their visitor origins. Portugal, specifically its southern region, the Algarve, enjoys global recognition primarily for its 3S's – sun, sea, and sand, attracting travellers, notably from a limited number of source countries (Daniel & Rodrigues, 2007). In 2019, five nationalities, including the United Kingdom (the most significant contributor with nearly 50%), Germany, Netherlands, Ireland, and France, constituted approximately 84% of air travellers to the region (Tourism of Portugal, 2021).

Ana Paula Barreira, PhD, Corresponding Author, Associate Professor, Center for Advanced Studies in Management and Economics (CEFAGE); Faculdade de Economia, Universidade do Algarve, Faro, Portugal; ORCID ID: <https://orcid.org/0000-0001-5816-3361>; e-mail: aprodrig@ualg.pt

Marisa Cesário, PhD, Assistant Professor, Research Center for Tourism, Sustainability and Well-Being (CinTurs); Faculdade de Economia, Universidade do Algarve, Faro, Portugal; ORCID ID: <https://orcid.org/0000-0001-7832-6949>; e-mail: mcesario@ualg.pt

The economic crisis that impacted Europe from late 2008 to early 2010 influenced tourists' consumption, particularly outside the high season. During a crisis, holidays in the high season are deemed a necessary good, especially for tourists seeking refuge from unfavourable climates. However, in low seasons, these vacations are perceived as a luxury that tourists are more willing to forgo (Bronner & de Hong, 2016). The wealthiest countries felt the initial impact of the economic crisis, with the effects gradually reaching the less affluent nations (Bodosca, 2015; Bronner & de Hoog, 2014). By 2010, Northern European countries (the United Kingdom, Germany, and the Netherlands) exhibited signs of recovery. In contrast, Southern European countries (Portugal, Spain, Italy, and Greece) continued to grapple with economic challenges (World Bank, 2019).

Portugal faced an additional domestic crisis when the government entered a precarious state of potential public debt bailout (sovereign debt crisis). This led to a financial rescue in May 2011 by the European Commission, the International Monetary Fund, and the European Central Bank, collectively known as the Troika (Castro, 2016; Costa et al., 2014). Portugal's situation offers an intriguing case study, allowing an assessment of how both global and domestic crises affected tourist behaviour.

Despite the acknowledged importance of understanding tourism behaviour during crises (e.g., Bodosca, 2015; Sheldon & Dwyer, 2010), the literature lacks a comprehensive understanding of tourist responses to different crises. Existing studies often focus on macroeconomic variables such as the number of tourists, expenditure volume, length of stay, or changes in travel destination (shorter trips) (e.g., Andraz & Rodrigues, 2016; Bronner & de Hoog, 2014, 2016; Campos-Soria et al., 2015). Moreover, these studies typically analyse the timing of the crisis without distinguishing between types of crises - global and domestic (Senbeto & Hon, 2020). The challenge lies in the unpredictability of crisis occurrences, making it impractical for research to assess tourist behaviour in pre- and post-crisis periods (Bronner & de Hoog, 2014). To the best of the authors' knowledge, only Dumicic et al. (2017), Ferrer-Rosell and Coenders (2018), Gkritzali et al. (2018), and Senbeto and Hon (2020) have taken a comparative perspective. Still, they did not delve into how crises affect tourists' perceptions of the attributes of a tourism destination.

This paper utilizes survey data collected during the winters of 2008, 2009-10, and 2010-11, targeting tourists in the Algarve region at the time of departure. It aims to compare tourists' assessments of the region's attributes between the pre-global crisis period (2008) and the post-global crisis period (2010-11). The data also allows an examination of the effects of the domestic crisis on tourists' assessments of the Algarve's attributes by comparing the pre-domestic crisis period (2009-10) with the period during the domestic crisis but after the global crisis (2010-11). This analysis spans a period marked by both a global and a local (domestic) crisis, enabling the identification of whether the type of crisis has a distinct impact on how tourists value the attributes of the tourism destination.

The imminent crisis resulting from the conflict in Eastern Europe underscores the importance of understanding how tourists' behaviour changes between the pre-and post-crisis periods. Drawing lessons from past crises becomes crucial for managers and the industry to navigate the challenges posed by the crisis following the war in East Europe more effectively. By employing primary data, as opposed to the more common use of secondary data in studies on the effects of economic crises on tourism (Senbeto & Hon, 2020), this paper facilitates the assessment of intangible variables such as the image of the tourism destination, which are challenging to capture using typical macroeconomic variables. Furthermore, by focusing on a less studied period (off-peak season), known for its heightened sensitivity to crises, the paper generates new findings that contribute to the definition of strategies aimed at mitigating the adverse effects of the ongoing economic crisis.

Therefore, this study examines the impacts of global and domestic crises between 2008 and 2011 on tourists' perceptions of the attributes of the Algarve. Concurrently, it seeks to identify diverse socio-demographic profiles among tourists' perceptions.

The study addresses three main research questions:

- RQ1: Did the global economic crisis affect tourists' satisfaction with the attributes of the Algarve?
- RQ2: Did the Portuguese (domestic) economic crisis affect tourists' satisfaction with the attributes of the Algarve?
- RQ3: To what extent do tourists' socio-demographic characteristics influence their assessment of satisfaction with the Algarve during global and domestic crises?

2. Literature review

2.1. The effect of the crisis on tourism destination's image

The image of Portugal as a tourism destination appears to have weathered the global and domestic sovereign debt crises well when assessed solely through demand figures, as the number of tourists remained robust between 2009 and 2013 (Brito, 2014). However, a more nuanced perspective emerges when additional variables, such as the occupancy rate and average daily stays, are considered, revealing declines (Veiga, 2014). Similar observations have been made for other countries facing financial crises; for instance, Spain and Greece maintained positive destination images despite challenges (Gkritzali et al., 2018; Perles-Ribes, Ramón-Rodríguez, Rubia-Serrano et al., 2016). These findings align with experiences from previous financial crises, such as the Asian crisis in 1997 (Prideaux, 1999). Nonetheless, the impact of crises on tourism destinations is complex. While certain regions may remain resilient, specific variables can still be adversely affected, emphasizing the need for a deeper understanding of changing tourist behaviour during economic downturns.

Perles-Ribes, Ramón-Rodríguez, Sevilla-Jiménez et al. (2016) underscored that a global crisis induces asymmetric effects on both origin and destination markets, with these asymmetries being more pronounced during domestic crises. This emphasizes the importance of analysing the impact of both types of crises. Gkritzali et al. (2018) highlighted that outbound tourists in Greece perceived a more favourable destination image during crises than domestic tourists, indicating the severe impact of the sovereign debt crisis on the local population.

The concept of a tourism destination's image is multifaceted, encompassing various attributes assessed by tourists, influenced by the impressions they gather (Gallarza et al., 2002; Kotler & Gertner, 2002). The evaluation of a tourism destination's image hinges on tourists' experiences and socioeconomic characteristics (Lopes, 2011). This becomes particularly crucial during the off-peak season, as holidays outside the summer demonstrate a heightened sensitivity to crises (Bronner & de Hoog, 2017).

2.2. Tourists and stakeholders' behaviour under economic crisis

The existing literature on the impact of economic crises on tourists' behaviour is limited, often concentrating on a few variables such as spending amounts, length of stay, or economizing behaviours related to travel and accommodation (Bronner & de Hoog, 2016; Campos-Soria et al., 2015; Schmude et al., 2021). To the best of the authors' knowledge, there is a notable gap in studies specifically exploring how tourists' perceptions of a tourism destination's attributes evolve during pre-, during-, and post-economic crises.

While the absence of dedicated studies on this subject is evident, some literature provides insights into expected outcomes (Campos-Soria et al., 2015; Garau-Vadella et al., 2018). An often-preferred strategy among tourists during economic crises is the "cheese-slicer" approach, where they continue to travel for holidays but cut back on costs. Those adopting a "slicing" strategy tend to reduce expenses on accommodation, choosing lower-category lodgings, as well as curbing visits to restaurants and spending on beverages (Campos-Soria et al., 2015; Smeral, 2009), potentially influencing their perception of services related to gastronomy. Cost-cutting may also extend to activities and shopping (Ferrer-Rosell & Coenders, 2018).

In many crisis-affected countries, the tourism sector has been viewed as a way to overcome economic challenges, leading to citizens' more welcoming attitude towards tourists. Consequently, it is anticipated that the friendliness of residents would be higher during a crisis. This increased acceptance of foreigners by locals is often attributed to the perceived benefits of tourism in generating employment and wealth, causing residents to weigh the benefits more favourably while underestimating the costs (Garau-Vadella et al., 2018; Styliadis & Terzidou, 2014). Qin et al. (2021) demonstrated that residents' perceived benefits directly impact their support for tourism.

During crises, tourism service providers tend to lower prices to retain customers (Alegre & Sard, 2015). Still, this reduction may be accompanied by a smaller service package or diminished quality (Smeral, 2009). In times of crisis, tourists scrutinize their spending more closely, becoming acutely aware of the relationship between price and quality. The economizing behaviour of tourists during crises exerts pressure on suppliers to reduce prices in response to demand (Bronner & de Hoog, 2016), with tourists willing to sacrifice quality to minimize costs (Campos-Soria et al., 2015). The decrease in the average revenue per overnight stay in Portugal during global and domestic crises reflects the consequences of lowered prices. Indeed, how tourists assess the value of money during periods with and without economic crises holds significant importance in shaping the most appropriate actions that service providers should undertake to navigate and address the challenges posed by such crises.

2.3. The effects of crisis according to the sociodemographic profile of tourists

The response of tourists to economic crises is complex and varies across different demographic groups. Andraz and Rodrigues (2016) found that, except for German tourists, tourists from the United Kingdom and the Netherlands were less resilient to crises than domestic and Spanish tourists. In contrast, Bronner and de Hoog (2014, 2016) observed that tourists from the Netherlands exhibited remarkable resistance to crises. When faced with an economic crisis, domestic tourists tend to opt for destinations closer to home (Cafiso et al., 2018). This choice may result in a perceived mismatch between their actual and desired holidays, potentially leading to biased perceptions and a diminished appreciation of the attributes of the tourism destination.

Furthermore, the impact of crises on domestic and outbound tourists is expected to unfold at different times due to variations in travel planning. Outbound tourists, who often purchase travel and accommodation in advance as part of a package, take time to adjust their holiday expenses in response to a crisis (Dumicic et al., 2017).

Economizing behaviours during crises are not uniform across income levels and family compositions (Alegre & Sard, 2015; Bronner & de Hoog, 2011; Senbeto & Hon, 2020). High-income families with children tend to be more resilient to changes in spending at the destination, adjusting less to their accommodation and service requirements during their stay (Bronner & de Hoog, 2011). On the other hand, tourists in the medium-income category often exhibit economizing behaviour, even those from wealthier countries like the United Kingdom and Germany, who may cut back on accommodation expenditures (Alegre & Sard, 2015).

Education and age also play a role in economizing behaviour during crises. Highly educated and older tourists, especially from countries with unfavourable climates like Northern Europe, tend to cut back less on expenditures, particularly on accommodation (Campos-Soria et al., 2015; Eugenio-Martin & Campos-Soria, 2014; Senbeto & Hon, 2020). Hajibaba et al. (2015) also identified profiles of tourists dealing with crises, noting that employed younger tourists are more resistant during internal crises, while couples with children demonstrate more resilience when the crisis originates externally. Senbeto and Hon (2020) also reported that repeat tourists tend to be more sensitive to crises than first-time visitors.

3. Methods

3.1. Data collection

The study conducted a questionnaire survey titled "Assessment of the Algarve as a Tourist Destination" during off-peak seasons: December 2008, October 2009 and February 2010, and November 2010 and March 2011 (see Appendix). The survey collected 400 questionnaires in each period, targeting foreign and Portuguese tourists. Foreign tourists were surveyed at Faro Airport, while Portuguese tourists were observed in Faro and Albufeira. Foreign tourists were classified by country of origin: Spain, Belgium, Germany, United Kingdom, Ireland, Netherlands, Italy, and other origins. Foreign tourists were questioned at the time of departure, and the Portuguese tourists surveyed were in the region for at least two days before filling out the questionnaire.

The questionnaire consisted of two parts. The first part contained questions about the sociodemographic characteristics of the surveyed tourists: age, gender, nationality, marital status, and educational level. The second part of the survey captured respondents' satisfaction levels with the following attributes: 1. Lodgings; 2. Landscape; 3. Urban design; 4. Urban planning; 5. Urban cleanliness; 6. Noise levels; 7. Food & Drink; 8. Friendliness of locals; 9. Natural parks; 10. Culture & entertainment; 11. Beaches; 12. Health services; 13. Safety for tourists; 14. Road safety; 15. Public transport; 16. Taxi services; and 17. Value of money. The tourists' assessments of these attributes were obtained using a 10-point Likert scale ranging from 1 (completely dissatisfied) to 10 (completely satisfied).

The sampling method employed was random stratified sampling, with the country of origin as the stratification variable. The sample was defined using data on international and domestic tourists, with the International Airport of Faro as a reference for international tourists.

Before statistical analysis, the authors examined whether the sociodemographic characteristics of the sample were affected by the year of data collection. An adequate association measure was selected according to the data type (nominal or ordinal variables). While gender and marital statuses are nominal variables, all the others are ordinal. Lambda and gamma are two association measures commonly used in social science statistics and research. Lambda is a measure of association used for nominal variables, while gamma is used for ordinal variables (Crossman, 2019).

The null hypothesis, stating that sociodemographic variables were independent of the collection year, was not rejected except for age. The significance levels were as follows: Gender ($p=0.524$), Age ($p=0.015$), Marital Status ($p=0.292$), Educational Level ($p=0.401$), and Country Group ($p=0.831$). The difference in age distribution, particularly a higher percentage of respondents aged >60 in the 2009-10 sample, was noted and will be considered in subsequent analyses.

Table 1 presents the sociodemographic characteristics of the three independent samples.

3.2. Statistical data analysis procedures

Given the non-parametric nature of the data and the comparison of two independent groups in each analysis, the Mann-Whitney U test was employed to assess the effects of the pre-global economic crisis (2008), pre-Portuguese financial crisis (2009-2010), and post-global economic crisis (2010-2011) on respondents' satisfaction with various attributes. The Mann-Whitney U test, a non-parametric statistical test, compares the distribution of two independent samples by examining whether one group tends to have higher or lower values than the other group based on the ranks of observations (Mann & Whitney, 1947). A significance value less than 0.05 indicates that the differences in the average scores of respondents' satisfaction with the attributes were influenced by the crisis.

Table 1
Socio-demographic characteristics of the sample by year

Variables and codes	2008 Pre-global crisis	2009-2010 Pre-domestic crisis	2010-2011 Post global crisis
Gender			
Male	48.0%	49.8%	57.5%
Female	52.0%	50.2%	42.5%
Age			
[18-30]	29.7%	20.0%	19.0%
[31-40]	23.2%	19.3%	24.0%
[41-50]	17.3%	19.5%	25.0%
[51-60]	16.0%	19.7%	19.0%
>60	13.8%	21.5%	13.0%
Marital status			
Single	27.5%	24.0%	26.0%
Married/ Civil partnership	70.2%	70.5%	66.8%
Divorced/ Separated	2.3%	5.5%	7.2%
Educational level			
Primary education	5.2%	5.7%	8.5%
Upper secondary education	29.3%	31.3%	21.7%
Higher education	65.5%	63.0%	69.8%
Country group			
Non-sovereign debt crisis (NSDC) ^{a)}	47.0%	38.0%	51.0%
Sovereign debt crisis (SDC) ^{b)}	53.0%	62.0%	49.0%

^{a)} Includes Belgium, Netherlands, Germany, and the UK. ^{b)} Includes Portugal, Spain, Ireland, and Italy.

Recognizing the impact of sociodemographic characteristics on tourists' satisfaction assessments with attributes (Barreira et al., 2017; Barreira & Cesário, 2018; Um & Crompton, 1990), contingency tables and chi-square statistics were employed to evaluate the independence between satisfaction levels and the demographic profile of the respondents.

4. Results

4.1. Effects of global crises on the tourists' satisfaction with the attributes

The findings reveal that out of the seventeen attributes considered, the satisfaction levels of twelve were statistically significantly impacted by the global crisis. Notably, beaches and lodging experienced the most significant adverse effects. On the positive side, public transport and safety attributes exhibited the most favourable variations (Table 2).

On average, the twelve attributes significantly affected by the global crisis exhibited an international satisfaction level of 6.83 in 2008, which increased to 7.04 in 2010-2011. This indicates an overall improvement in tourist satisfaction with the attributes of the Algarve during this period. Table 3 provides insights into the profile of satisfied and dissatisfied tourists during both periods.

Before the global crisis, various demographic factors such as age, marital status, and educational level significantly shaped tourists' satisfaction levels. At the same time, gender and country groups did not show statistical significance. Satisfied tourists were predominantly married individuals, above 30 with upper secondary and higher education. Conversely, dissatisfied tourists tended to be younger, single visitors with higher education.

Table 2
Effects of global crisis on tourist's satisfaction with the attributes

Attribute	Mean score 2008 Pre global crisis	Mean score 2010-2011 Post global crisis	Z (M-W)	P
Lodgings	8.61	8.04	-3.948	0.000*
Landscape	8.21	8.13	-0.517	0.605
Urban design	7.16	6.78	-3.549	0.000*
Urban planning	6.76	6.50	-2.153	0.031*
Urban cleanliness	6.97	6.89	-0.004	0.997
Noise levels	6.97	7.36	3.472	0.001*
Food & drink	7.37	7.84	2.436	0.015*
Friendliness of locals	7.91	8.05	1.364	0.173
Natural parks	6.93	6.84	-1.350	0.177
Culture & entertainment	6.38	6.32	-1.275	0.202
Beaches	9.28	8.65	-6.095	0.000*
Health services	6.14	5.98	-2.525	0.012*
Safety for tourists	6.86	7.38	4.888	0.000*
Road safety	5.87	6.52	4.763	0.000*
Public transport	5.05	6.09	6.693	0.000*
Taxi services	5.12	6.86	9.997	0.000*
Value of money	6.81	6.51	-1.974	0.048*

Note. Questionnaire survey data from this study. Scores were obtained from tourist's assessments of satisfaction with the attributes using a 1–10 Likert scale.
* Significant at the 5% level.

Following the global crisis, there was a shift in the factors influencing satisfaction levels. Educational level emerged as the only statistically significant factor. However, the profile of dissatisfied tourists underwent a notable change. This group was no longer concentrated among the youngest and single visitors but was distributed across all ages and marital statuses. Disappointed tourists were predominantly highly educated individuals from SDC countries.

4.2. Effects of the inbound crises on the tourists' satisfaction with the attributes

From the list of seventeen attributes, the satisfaction levels of only four were statistically significantly affected by the Portuguese economic crisis. Notably, the effects observed in this analysis differed somewhat from the previous examination of the global crisis. The results indicate that natural parks, beaches, and taxi services experienced positive changes, suggesting improved satisfaction levels during the Portuguese economic crisis. In contrast, the "value of money" attribute recorded the highest mean score decrease in this period (table 4).

Table 3
Global mean tourist's satisfaction with the attributes, before and after the global economic crisis

	Satisfied tourists before the global crisis (%)	Dissatisfied tourists before the global crisis (%)	qui-square (sig.)	Satisfied tourists after the global crisis (%)	Dissatisfied tourists after the global crisis (%)	qui-square (sig.)
Gender			0.808			0.486
Male	48.2	46.2		57.9	50.0	
Female	51.8	53.8		42.1	50.0	
Total	100	100		100	100	
Age			0.005*			0.442
[18-30]	26.9	56.4		18.4	30.0	
[31-40]	24.4	12.8		24.5	15.0	
[41-50]	17.7	12.8		25.0	25.0	
[51-60]	16.6	10.3		19.5	10.0	
>60	14.4	7.7		12.6	20.0	
Total	100	100		100	100	

Table 3 (continued)

Marital status			0.000*			0.623
Single	23.8	61.5		35.0	25.5	
Married/ Civil partnership	74.0	35.9		60.0	67.1	
Divorce/Separate	2.2	2.6		5.0	7.4	
Total	100	100		100	100	
Educational level			0.009*			0.001*
Primary education	5.8	0.0		7.4	30.0	
Upper secondary education	31.0	12.8		22.4	10.0	
Higher education	63.2	87.2		70.3	60.0	
Total	100	100		100	100	
Country group			0.216			0.219
Non-sovereign debt crisis (NSDC)	46.1	57.1		51.4	36.8	
Sovereign debt crisis (SDC)	53.9	42.9		48.6	63.2	
Total						

Note. Testing H0: Global attribute satisfaction is independent of demographics. Algarve's global mean attribute satisfaction of tourists was calculated by adding the scores for the 12 statistic significant attributes, dividing by 12. Satisfied tourists are the ones who registered mean scores above 5. Dissatisfied tourists are all the others.

* Significant at the 5% level.

Globally, these four attributes exhibited an average satisfaction level of 6.99 in 2009-2010, which increased to 7.21 in 2010-2011. This signifies a global improvement in tourists' satisfaction with these attributes during this period. Notably, only tourists' country of origin was found to be statistically significant in differentiating between satisfaction levels, both before the domestic crisis and after the global crisis. There was a noticeable concentration of dissatisfied tourists after the global crisis, particularly among tourists from SDC countries. Following the global crisis, educational levels also emerged as a significant factor in explaining differences in tourists' assessments of the Algarve's attributes (table 5).

Table 4

Effects of the Portuguese economic crisis on the tourist's satisfaction with the attributes

Attribute	Mean score 2009-2010 Pre-domestic crisis	Mean score 2010-2011 Post global crisis	Z (M-W)	P
Lodgings	7.99	8.04	0.815	0.415
Landscape	7.97	8.13	0.738	0.460
Urban design	6.80	6.78	-0.171	0.865
Urban planning	6.24	6.50	1.486	0.137
Urban cleanliness	7.11	6.89	-1.471	0.141
Noise levels	7.29	7.36	0.790	0.430
Food & drink	7.72	7.84	0.864	0.387
Friendliness of locals	8.11	8.05	-0.171	0.864
Natural parks	6.49	6.84	2.294	0.022*
Culture & entertainment	6.38	6.32	-0.268	0.789
Beaches	8.21	8.65	3.567	0.000*
Health services	5.87	5.98	1.124	0.261
Safety for tourists	7.47	7.38	-0.396	0.692
Road safety	6.67	6.52	-0.953	0.341
Public transport	6.10	6.09	-0.018	0.986
Taxi services	6.46	6.86	2.770	0.006*
Value of money	6.81	6.51	-2.215	0.027*

Note. Questionnaire survey data from this study. Scores were obtained from tourist's assessments of satisfaction with the attributes using a 1-10 Likert scale.

* Significant at the 5% level.

Table 5
Global mean tourist satisfaction with the attributes before domestic and after global economic crises

	Satisfied tourists before the domestic crisis (%)	Dissatisfied tourists before the domestic crisis (%)	chi-square (sig.)	Satisfied tourists after the global crisis (%)	Dissatisfied tourists after the global crisis (%)	chi-square (sig.)
Gender			0.863			0.514
Male	49.9	48.1		42.8	33.3	
Female	50.1	51.9		57.2	66.7	
Total	100	100		100	100	
Age			0.130			0.648
[18-30]	20.9	7.4		18.6	33.3	
[31-40]	19.8	11.1		24.2	16.7	
[41-50]	19.6	18.5		25.0	25.0	
[51-60]	19.3	25.9		19.3	8.3	
>60	20.4	37.0		12.9	16.7	
Total	100	100		100	100	
Marital status			0.294			0.125
Single	24.4	18.5		25.3	50.0	
Married/ Civil partnership	69.7	81.5		67.3	50.0	
Divorced/ Separated	5.9	0.0		7.5	0.0	
Total	100	100		100	100	
Educational level			0.465			0.082*
Primary education	5.9	3.7		8.0	25.0	
Upper secondary education	31.9	22.2		22.2	8.3	
Higher education	62.2	74.1		69.8	66.7	
Total	100	100		100	100	
Country group			0.018*			0.071*
Non-sovereign debt crisis (NSDC)	39.9	16.0		51.5	25.0	
Sovereign debt crisis (SDC)	60.1	84.0		48.5	75.0	
Total	100	100		100	100	

Note. Testing H0: Global Attribute Satisfaction is independent of demographics. Algarve's global mean attribute satisfaction of tourists was calculated by adding the scores for the four statistic significant attributes, dividing by 4. Satisfied tourists were the one who registered mean scores above 5. Dissatisfied tourists are all the others.

* Significant at the 5% level.

5. Discussion

5.1. Theoretical and practical implications

The comparison between the average levels of satisfaction with the attributes of the Algarve before and after the global crisis indicates an overall positive evolution, suggesting that the public image of the region was not significantly negatively impacted by this crisis, aligning with observations in other tourism destinations (e.g., Gkritzali et al., 2018). However, some specific trends are of significant relevance within this general improvement. Despite the overall increase in satisfaction with the tourism destination, notable declines in appreciation for beaches and lodging deserve attention. Given that the region is globally recognized as a destination based on the 3 S's (sun, sea, and sand), this decline may signal that other tourism destinations could have comparative advantages under a crisis framework. The decrease in appreciation for urban design and the value of money also indicates that, during the off-peak season, relying solely on beautiful and pleasant beaches may not satisfy tourists, potentially impacting the average length of stay. In times of crisis, one of the attributes that tourists often seek to economize is accommodation (Bronner & de Hoog, 2014, 2016), either by maintaining the same type of accommodation but reducing purchased services or by selecting accommodations of a lower rank—a strategy known as "slicing." In both cases, downgrading the type of accommodation or service provided can result in an insufficient appreciation of the attribute. These results align with RQ1, as the global crisis impacted tourists' assessment of the Algarve's attributes.

Interestingly, the negative appreciation of the attributes of beaches and lodging disappears when compared to their assessment before the domestic crisis and after the global crisis, with satisfaction levels for beaches showing a positive evolution. This finding suggests that the global crisis had a more significant impact on satisfaction with these attributes of the Algarve compared to the domestic crisis. However, the same does not apply to the attribute "value of money," which experienced a significant reduction in appreciation. This result highlights that different crises can impact the assessment of tourism destination attributes differently. Regardless of the crisis type, tourists tend to become more demanding and cautious about spending during recession periods, scrutinizing the relationship between price and quality. In this context, both crises put the region under pressure, as many accommodation suppliers decreased prices, accompanied by a reduction in services. However, this strategy is not sustainable in the long run, as tourists may feel that their money could be better spent in other destinations. Price reduction strategies have proven ineffective in improving tourism competitiveness in different economic contexts (Stojanović et al., 2021). These findings align with RQ2, as the domestic crisis impacted tourists' perceptions of the Algarve's attributes.

Among the sociodemographic variables, only education level influenced tourists' satisfaction differently before and after the global crisis. There was an increase in the proportion of satisfied, highly educated tourists, while the proportion of dissatisfied, highly educated tourists decreased. This finding aligns with previous research (Campos-Soria et al., 2015; Eugenio-Martin & Campos-Soria, 2014), suggesting that higher-education tourists tend to cut back less on expenses. As a result, their assessment of tourism destination attributes is less impacted by crises.

The country of origin was the only variable that influenced tourists' satisfaction before the domestic crisis and after the global crisis. This influence manifested as a decrease in the proportion of satisfied tourists from countries facing sovereign debt crises (SDC). In contrast, dissatisfied tourists from countries not facing such crises (NSDC) increased. This result reflects the lingering effects of the economic adjustment imposed by the Troika on SDC countries in 2010-2011, while NSDC countries were already recovering from the global crisis. These findings are consistent with the notion that different crises generate asymmetric effects, as Perles-Ribes, Ramón-Rodríguez, Sevilla-Jiménez et al. (2016) observed.

The domestic crisis negatively impacted the satisfaction with the region's attributes for tourists from SDC countries. This negative assessment likely reflects their discontent with the loss of purchasing power, aligning with predictions from Cafiso et al. (2018). A similar result was found by Gkritzali et al. (2018) for Greece, another tourism destination severely affected by the sovereign debt crisis. Considering these results, RQ3 is substantiated, as sociodemographic variables play a role in tourists' appreciation of the Algarve's attributes.

The increase in dissatisfied tourists from NSDC during the domestic crisis (from 2009-2010 to 2010-2011) may be attributed to the decline, though not statistically significant, in the appreciation of attributes such as friendliness of locals, safety for tourists, road safety, and public transport. In contrast, these attributes showed a positive evolution between pre and post-global crises. Despite predictions in the literature (Garau-Vadella et al., 2018; Styliadis & Terzidou, 2014), the friendliness of locals was not perceived to have improved during the domestic crisis. This suggests that residents might not have been fully aware of the positive impact of the tourism sector on regional employment and wealth, particularly during periods of economic stress. This result underscores the importance of education and communication policies to highlight the significant benefits of the tourism sector for those directly involved and the region, as residents' support for tourism increases with their perceived benefits (Qin et al., 2021). It is worth noting the industry's adoption of price reduction policies to keep the demand if it is not accompanied by warmer and more welcoming behaviour from the residents.

Reducing the perception of safety during the domestic crisis is a concern, as it may deter elderly tourists, who are typically more concerned about accessibility and security issues. Given the increasing trend of silver tourism in Europe (Zsarnoczky et al., 2016), particularly during the off-peak season for destinations like the Algarve, maintaining positive perceptions of accessibility and safety is crucial. Although the assessment of

these attributes improved comparing pre and post-global crisis results, the tourism industry should remain vigilant about accessibility and safety aspects to prevent a loss of market share.

The global decrease in the appreciation of the "value of money" indicates a uniform negative trend in the perception of this attribute before and after the global crisis, irrespective of whether the country experienced a sovereign debt adjustment. Comparing pre-domestic crisis and post-global crisis, it is observed that the proportion of dissatisfied tourists from NSDC also increased from 2009-2010 to 2010-2011. However, the proportion of satisfied tourists shifted, as before the domestic crisis, tourists from SDC reported higher satisfaction. In contrast, after the global crisis, the proportion was higher for tourists from NSDC. This result underscores the idea that not all crises have the same impact.

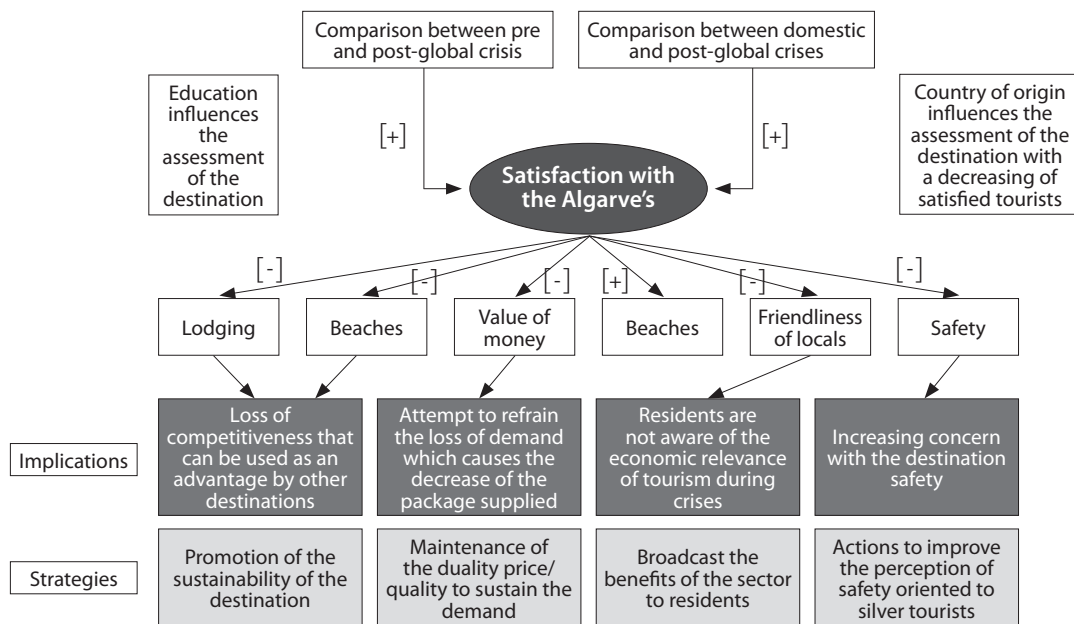
These surprising findings emphasize that the image of a destination is a complex construct that may not be fully restored after a global crisis. While the overall picture might not appear to be damaged, this observation may provide a biased appreciation as it does not consider the specific effects on individual components of the image. The domestic crisis appears to substantially impact tourists' satisfaction from SDC, supporting the idea that different types of crises lead to variations in tourist behaviour, as Senbeto and Hon (2020) suggested.

Figure 1 summarizes the main findings of this paper and their policy implications.

5.2. Limitations and future research

The limitation of the study lies in its focus on one specific region and country, being generalizations to other comparable tourist destinations dependent on the application of similar surveys in those regions or countries. A promising avenue for future research could involve contrasting the results obtained in this study with those from other investigations that compare the evaluation of a region's attributes before and after the COVID-19 pandemic. Such a comparative analysis could reveal similarities and differences in the lessons provided by global and domestic crises. Additionally, exploring potential differences in evaluating destination attributes before and after crises during both off-peak and peak seasons could give further insights.

Figure 1
Main findings and their policy implications



Note. [+] Positive assessment; [-] Negative assessment of the attribute.

6. Conclusion

Europe has experienced significant shocks, including the COVID-19 pandemic and a war in East Europe. These events have led to economic disruptions and uncertainty, affecting various economic activities. Tourism is among the most vulnerable sectors to crises. Despite the unpredictability of the future, Europe can draw valuable lessons from past economic and financial crises. Learning from previous challenges in the tourism sector can inform strategies and responses to the current crisis arising from the war in East Europe.

The use of survey data from 2008, 2009-2010, and 2010-2011 adds a valuable longitudinal perspective, allowing for a nuanced understanding of how tourists' perceptions and satisfaction with destination attributes have evolved (between before global and domestic crises and after global crisis), especially during off-peak seasons. This approach provides insights that may not be captured by studies relying solely on secondary data or macroeconomic variables. The study's focus on off-peak seasons is particularly noteworthy, as this period is often more sensitive to economic crises and can reveal distinct patterns in tourist behaviour. This could contribute significantly to the existing literature concentrating on peak seasons.

The study aims to contribute to the literature on tourism crises. It provides valuable insights and lessons derived from the survey of tourism crises, offering practical guidelines for the tourism industry. Let's break down the key lessons highlighted:

Effectiveness of price reduction policies:

Policies focused on reducing prices while concurrently cutting back on services in response to tourists' cost-saving strategies may not yield positive outcomes. This is particularly evident in the depreciation of the "value of money" attribute, as tourists become more discerning about their spending during crises.

Impact on high-educated tourists:

High-educated tourists, who tend to be more resilient to crises, are shown to be highly sensitive to changes in the services provided. This implies that strategies aimed at maintaining demand by adjusting services may lead to a loss of high-purchase power tourists.

Need for resident-focused strategies:

In the face of a domestic crisis, simply reducing prices may not be sufficient to maintain demand. It is emphasized that a more welcoming attitude from residents is essential. Enhancing the friendliness of locals toward tourists requires educational efforts to raise awareness about the tourism sector's contributions to local wealth and quality of life.

Critical role of safety and accessibility:

The study underscores the importance of safety and accessibility, even during domestic crises. Ensuring these aspects becomes paramount with the anticipated growth of silver tourism, especially in off-peak seasons.

Funding

This work was supported by National Funds by the FCT- Foundation for Science and Technology under Grant number UIDB/04020/2020 and Grant number UIDB/04007/2020.

References

- Alegre, J., & Sard, M. (2015). When demand drops and prices rise. Tourist packages in the Balearic Islands during the economic crisis. *Tourism Management*, 46, 375-385. <https://doi.org/10.1016/j.tourman.2014.07.016>
- Andraz, J.M., & Rodrigues, P.M.M. (2016). Monitoring tourism flows and destination management: Empirical evidence for Portugal. *Tourism Management*, 56, 1-7. <https://doi.org/10.1016/j.tourman.2016.03.019>

- Barreira, A.P., & Cesário, M. (2018). Factors influencing the choice of the Algarve region as a tourist destination: Does season matter? *International Journal of Tourism Research*, 20(5), 578-587. <https://doi.org/10.1002/jtr.2207>
- Barreira, A.P., Cesário, M., & Noronha, M.T. (2017). Pull attributes of the Algarve – The tourists' view. *Tourism Planning and Development*, 14(1), 87-109. <https://doi.org/10.1080/21568316.2016.1192057>
- Bodosca, S.L. (2015). Sustainable decision making under the crisis for tourism businesses: A survey of the literature for EU Member States. *ECOFUM*, 4(1), 127-131.
- Brito, S.P. (2014). Portuguese tourism – Facing the crisis. *Worldwide Hospitality and Tourism Themes*, 6(5), 442-451. <https://doi.org/10.1108/WHATT-09-2014-0028>
- Bronner, F., & de Hoog, R. (2011). Economizing behaviour during travel: Strategies and information sources used. *Journal of Vacation Marketing*, 17(3), 185–195. <https://doi.org/10.1177/1356766711409180>
- Bronner, F., & de Hoog, R. (2014). Vacationers and the economic “double dip” in Europe. *Tourism Management*, 40, 330–337. <https://doi.org/10.1016/j.tourman.2013.07.001>
- Bronner, F., & de Hoog, R. (2016). Crisis resistance of tourist demand: The importance of quality of life. *Journal of Travel Research*, 55(2), 190–204. <https://doi.org/10.1177/0047287514541006>
- Bronner, F., & de Hoog, R. (2017). Tourist demand reactions: Symmetric or asymmetric across the business cycle? *Journal of Travel Research*, 56(7), 839–853. <https://doi.org/10.1177/0047287516672347>
- Cafiso, G., Cellini, R., & Cuccia, T. (2018). Do economic crises lead tourists to closer destinations? Italy at the time of the Great Recession. *Papers in Regional Science*, 97(2), 369-387. <https://doi.org/10.1111/pirs.12242>
- Campos-Soria, J.A., Inchausti-Sintes, F., & Eugenio-Martin, J.L. (2015). Understanding tourists' economizing strategies during the global economic crisis. *Tourism Management*, 48, 164-173. <https://doi.org/10.1016/j.tourman.2014.10.019>
- Castro, C. (2016). The impact of the Great Recession and eurozone debt crises on Portuguese tourism. *European Journal of Applied Business Management*, 2(1), 97-116. <https://doi.org/10.58869/EJABM>
- Costa, J., Gomes, J., & Montenegro, M. (2014). Did the context of economic crisis affect the image of Portugal as a tourist destination? Strategic question overview. *Worldwide Hospitality and Tourism Themes*, 6(5), 392-396. <https://doi.org/10.1108/WHATT-09-2014-0025>
- Crossman, A. (2019, June 20). *Lambda and gamma as defined in sociology*. ThoughtCo. <https://www.thoughtco.com/lambda-and-gamma-3026702>
- Daniel, A.C.M., & Rodrigues, P.M.M. (2007). Modelling and forecasting tourism demand in Portugal: Past, present and future. *Revista Turismo e Desenvolvimento*, (7/8), 187-196. <https://proa.ua.pt/index.php/rtd/article/download/13765/9255>
- Duan, J., Xie, C., & Morrison, A.M. (2022). Tourism crises and impacts on destinations: A systematic review of the tourism and hospitality literature. *Journal of Hospitality & Tourism Research*, 46(4), 667-695. <https://doi.org/10.1177/1096348021994194>
- Dumicic, K., Mikulic, J., & Casni, A.C. (2017). Tourism spending behaviour before and after the 2008 financial crisis: A dynamic panel investigation. *Tourism Economics*, 23(1), 223–228. <https://doi.org/10.5367/te.2015.0528>
- Eugenio-Martin, J.L., & Campos-Soria, J.A. (2014). Economic crisis and tourism expenditure cutback decision. *Annals of Tourism Research*, 44, 53–73. <https://doi.org/10.1016/j.annals.2013.08.013>
- European Parliament. (2022). *Fact sheets on the European Union – Tourism*. <https://www.europarl.europa.eu/factsheets/en/sheet/126/tourism>
- Ferrer-Rosell, B., & Coenders, G. (2018). Destinations and crisis. Profiling tourists' budget share from 2006 to 2012. *Journal of Destination Marketing & Management*, 7, 26–35. <https://doi.org/10.1016/j.jdmm.2016.07.002>
- Gallarza, M., Gil, G., & Calderón, H. (2002). Destination image: Towards a conceptual framework. *Annals of Tourism Research*, 29(1), 56–78. [https://doi.org/10.1016/S0160-7383\(01\)00031-7](https://doi.org/10.1016/S0160-7383(01)00031-7)
- Garau-Vadella, J.B., Gutierrez-Taño, D., & Diaz-Armas, R. (2018). Economic crisis and residents' perception of the impacts of tourism in mass tourism destinations. *Journal of Destination Marketing & Management*, 7, 68–75. <https://doi.org/10.1016/j.jdmm.2016.08.008>

- Gkritzali, A., Gritzalis, D., & Stavrou, V. (2018). Is Xenios Zeus still alive? Destination image of Athens in the years of recession. *Journal of Travel Research*, 57(4), 540–554. <https://doi.org/10.1177/0047287517705225>
- Hajibaba, H., Gretzel, U., Leisch, F., & Dolnicar, S. (2015). Crisis-resistant tourists. *Annals of Tourism Research*, 53, 46–60. <https://doi.org/10.1016/j.annals.2015.04.001>
- Kotler, P., & Gertner, D. (2002). Country as a brand, product, and beyond: A place marketing and brand management perspective. *Journal of Brand Management*, 9(4/5), 249–261. <https://doi.org/10.1057/palgrave.bm.2540076>
- Lopes, S.D.F. (2011). Destination image: Origins, developments and implications. *Pasos - Revista de Turismo y Patrimonio Cultural*, 9(2), 305–315. <https://doi.org/10.25145/j.pasos.2011.09.027>
- Mann, H.B., & Whitney, D.R. (1947). On a test of whether one of two random variables is stochastically larger than the other. *The Annals of Mathematical Statistics*, 18(1), 50–60. <https://doi.org/10.1214/aoms/1177730491>
- Perles-Ribes, J.F., Ramón-Rodríguez, A.B., Rubia-Serrano, A., & Moreno-Izquierdo, L. (2016). Economic crisis and tourism competitiveness in Spain: Permanent effects or transitory shocks? *Current Issues in Tourism*, 19(12), 1210–1234. <https://doi.org/10.1080/13683500.2013.849666>
- Perles-Ribes, J.F., Ramón-Rodríguez, A.B., Sevilla-Jiménez, M., & Rubia, A. (2016). The effects of economic crises on tourism success: An integrated model. *Tourism Economics*, 22(2), 417–447. <https://doi.org/10.5367/te.2014.0428>
- Prideaux, B. (1999). Tourism perspectives of the Asian financial crisis: Lessons for the future. *Current Issues in Tourism*, 2(4), 279–293. <https://doi.org/10.1080/13683509908667856>
- Qin, X., Shen, H., Ye, S., & Zhou, L. (2021). Revisiting residents' support for tourism development: The role of tolerance. *Journal of Hospitality and Tourism Management*, 47, 114–123. <https://doi.org/10.1016/j.jhtm.2021.02.010>
- Schmude, J., Filimon, S., Namberger, P., Lindner, E., Nam, J.-E., & Metzinger, P. (2021). COVID-19 and the pandemic's spatio-temporal impact on tourism demand in Bavaria (Germany). *Tourism: An International Interdisciplinary Journal*, 69(2), 246–261. <https://doi.org/10.37741/t.69.2.6>
- Senbeto, D.L., & Hon, A.H.Y. (2020). The impacts of social and economic crises on tourist behaviour and expenditure: An evolutionary approach. *Current Issues in Tourism*, 23(6), 740–755. <https://doi.org/10.1080/13683500.2018.1546674>
- Sheldon, P., & Dwyer, L. (2010). The global financial crisis and tourism: Perspectives of the Academy. *Journal of Travel Research*, 49(1), 3–4. <https://doi.org/10.1177/0047287509353191>
- Smeral, E. (2009). The impact of the financial and economic crisis on European tourism. *Journal of Travel Research*, 48(1), 3–13. <https://doi.org/10.1177/0047287509336332>
- Stojanović, I., Puška, A., Osmanović, N., Ghurair, A., & Maksimović, A. (2021). Effects of price competitiveness on tourism performance under different economic conditions. *Tourism: An International Interdisciplinary Journal*, 69(4), 543–558. <https://doi.org/10.37741/t.69.4.5>
- Stylidis, D., & Terzidou, M. (2014). Tourism and the economic crisis in Kavala, Greece. *Annals of Tourism Research*, 44, 210–226. <https://doi.org/10.1016/j.annals.2013.10.004>
- Tourism of Portugal. (2021). *Plano de marketing estratégico do turismo do Algarve 2020-2023* [Marketing strategic plan for the tourism of Algarve 2020-2023]. https://cms.visitalgarve.pt/upload_files/client_id_1/website_id_3/Biblioteca/PMETA_2_0_Rev2021_vs_final.pdf
- Um, S., & Crompton, J.L. (1990). Attitude determinants in tourism destination choice. *Annals of Tourism Research*, 17(3), 432–448. [https://doi.org/10.1016/0160-7383\(90\)90008-F](https://doi.org/10.1016/0160-7383(90)90008-F)
- Veiga, L. (2014). Economic crisis and the image of Portugal as a tourist destination: The hospitality perspective. *Worldwide Hospitality and Tourism Themes*, 6(5), 475–479. <https://doi.org/10.1108/WHATT-09-2014-0032>
- World Bank. (2019). *Including institutions: Boosting resilience in Europe* (EU Regular Economic Report 5. World Bank report on the European Union). International Bank for Reconstruction and Development / The World Bank. <https://thedocs.worldbank.org/en/doc/845371573578830218-0080022019/original/EURERNo5fullreport.pdf>
- Zsarnoczky, M., David, L., Mukayev, Z., & Baiburiev, R. (2016). Silver tourism in the European Union. *GeoJournal of Tourism and Geosites*, 18(2), 224–232.

Appendix

Inquiry: Assessment of the Algarve as a touristic destination

INQUIRY: VALUING THE ALGARVE AS A TOURISTIC DESTINATION

PART 1

1- Gender: Female Male **2- Age:** _____ years old.

3- Marital Status

Single Married / Civil Partnership Divorced / Separated Widowed

4- Educational Level

Primary Education Upper Secondary Education Higher Education (University)

5- Main Job:

6- Nationality:

PART 2

7- Using a scale from 1 to 10 (1= not at all satisfied... 10= extremely satisfied) rate the quality of the following attributes of the Algarve region as a touristic destination.

	1	2	3	4	5	6	7	8	9	10
Accommodation										
Countryside Landscape										
Urban Design and Monuments										
Territory and Urban Planning										
Urban Cleaning										
Noise Levels										
Food and Beverage Services										
Hosting and Friendliness of Residents										
Natural Parks										
Cultural Entertainment										
Beaches										
Health Services										
Visitor Safety and Security										
Road Safety										
Urban Transportation Services										
Taxis Services										
Value for Money										
Another. Which?										

8- Did you enjoy Algarve?

Not at all No Was OK Yes A lot

9- To what extent did this touristic experience meet your expectations?

Very Far Far According to Exceeded Exceeded a lot

10- Do you intend to repeat this touristic experience?

Yes No Maybe

11 – Do you intend to recommend this touristic experience to your friends and relatives?

Yes No Maybe

12- What is attracting you in the Algarve?

Sun and Beach	
Golf	
Tradition	
Nature	
Gastronomy	

Safety	
Low price	
In Fashion	
Tranquillity	
Festivals	

13- What was the impact of Algarve environmental care on you?

Negative Positive

PART 3

14- Suggestions for the improvement of Algarve as a destiny.

Submitted: March 15, 2023
Revised: December 07, 2023
Accepted: January 22, 2024