

**THE IMPORTANCE OF FRIENDS AND RELATIONS IN TOURIST BEHAVIOUR  
A CASE STUDY ON HETEROGENEITY IN SURINAM**

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**Abstract**

Tourism is becoming an important sector with a great impact on economic development. Tourists form a heterogeneous group of visitors with significantly different spending patterns. This paper addresses the economic importance of a particular class of tourists, viz. those visiting friends and relatives (VFR). After a review of the literature, this paper offers an empirical case study of VFR tourism with reference to Surinam. The findings show that the economic impacts of tourist visits to friends and relatives are by no means negligible, but represent a heterogeneous spending pattern.

## 1. SCOPE AND AIM

The outreach of tourism as a modern economic sector is on a rising edge. Since the 1960s, tourism has expanded into all corners of the earth (Theobald, 2004; Theuns, 2002). Because of the growing importance of tourism and its potential economic value for a country or region, tourism has become a popular object of study. There is, however, one category of tourists who have as their main purpose “visiting friends and relatives” (VFR), which has been neglected, most likely because they are assumed to have a secondary status when measured in economic terms. Yet more and more researchers are questioning whether the economic contribution of VFR tourists is really insignificant. After a long period of overlooking the VFR market in most international tourism studies, the VFR market is increasingly becoming a subject of research. For example, Jackson (1990) demonstrated that the extent of VFR tourism to Australia is underestimated: many visitors classified as holidaymakers actually spent much of their time with friends and relatives. If Jackson is right, the VFR market would be much bigger than has previously been thought.

Another question is whether the VFR market has many common features. Can we speak of one homogeneous VFR market? Moscardo et al. (2000) were one of the first to question this homogeneity. They demonstrated the heterogeneity within the VFR market and created a typology of VFR tourists. A heterogeneity within the VFR market could have consequences for the assessment of the economic value of VFR tourism. The principal objective of our study is to analyse the heterogeneity within the VFR tourism market in economic terms. The main question to be answered in this study is therefore: *Is a typology of VFR tourists economically relevant? In other words, can we distinguish different types of VFR tourists who differ from each other in terms of their economic impact?*

The first part of the paper (sections 2 to 5) provides an overview of the literature and the outcomes of earlier research on the heterogeneity within the VFR tourism market. The second part of the paper (sections 6 and 7) then goes on to test empirically the heterogeneity within the VFR market in Surinam. The distinction of different types of VFR tourists is based on two typology factors proposed earlier by Moscardo et al. (2000). We will also address two new factors, viz. differences in the expenditures of non-ethnic and ethnic VFR tourists, as well as differences between first- and successive generation VFR tourists. Consequently, this study provides useful and new knowledge on VFR tourism, while it is also one of the first VFR studies conducted in a developing country. The paper closed (in section 8) with a number of conclusions and recommendations for further research.

## 2. A CLASSIFICATION OF TOURISM

There are many forms of tourism, ranging from short city trips to world tours, from vacations in “all-inclusive resorts” in Turkey to expeditions to almost unknown parts of the world. The various types of tourists do differ in their behaviour. These behavioural differences may result in differences in spending patterns, which influence the economic impact. Therefore, it is useful to make a classification of tourism.

A first distinction is made by the IUTO<sup>1</sup> between an *overnight tourist* and a *same-day visitor* (UN and WTO, 2000), as defined below:

- Overnight tourist: temporary visitor staying at least 24 hours in the country visited, and the purpose of whose journey can be classified under one of the following headings:
  - Leisure (recreation, holiday, health, study, religion and sport);
  - Business, family, mission, meeting.
- Same-day visitor: temporary visitor staying less than 24 hours in the country visited (including tourists on cruise ships).

The second group is also known as ‘excursionists’.

A second distinction can be made between domestic tourists and international tourists. Another frequently encountered classification is by purpose of visit. The United Nations and WTO (2000) proposed the below following classification:

- Leisure, recreation and holidays;
- Visiting friends and relatives (VFR);
- Business and professional;
- Health treatment;
- Religion/pilgrimages;
- Other.

This classification is used in many tourism impact studies. Most times, the focus of these studies is on leisure tourists, because according to this classification they are the only ones who undertake strictly tourist activities.

However, it may be possible that tourists combine a number of different purposes in the course of their visit. The description of the activities of the different types of tourists by McIntosh et al. (1995) is therefore more realistic. They took into account the possibility of multiple-purpose visits,

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<sup>1</sup> International Union of Official Travel Organizations (now the World Tourism Organization)

and made a distinction between primary and secondary activities. In Table 1, the primary and secondary activities of the different types of tourists are presented.

Table 1 The primary and secondary activities of the different types of tourists		
Tourism markets	Primary activities	Secondary activities
Business	Consultations; Conventions; Inspections	Dining out; Recreation; Shopping; Sightseeing; VFR
VFR	Socialising, Dining at home; Entertainment	Dining out; Recreation; Shopping; Sightseeing; Urban Entertainment
Other personal business	Shopping; Visiting lawyer; Medical appointment	Dining out; VFR
Pleasure	Recreation; Sightseeing; Dining out	VFR; Convention; Business; Shopping

Source: McIntosh et al. (1995)

This table makes it clear that the different tourism markets, such as business, VFR, personal business and pleasure are not homogeneous markets because of the number of different purposes combined in one visit. Moreover, for the same reason it is difficult to distinguish the different types of tourists from each other. In many instances, the categorisation is therefore not made by the researchers but by the tourists themselves, who had to fill in the primary purpose of their visit on their arrival card.

Before discussing the heterogeneity within the VFR market, it is first necessary to describe the characteristics of the VFR market in order to come to a better understanding of this market.

### 3. VFR TOURISM

In 1995 a special issue of the Journal of Tourism Studies was devoted to the VFR market with the aim of stimulating tourism-researchers to take into account VFR tourism in their analyses (Morrison and O'Leary, 1995). Till then, the VFR market was largely ignored. According to Jackson (1990), this lack of interest was because VFR tourism was assumed to constitute only a small percentage of total overseas visits, and, because VFR tourists do not utilise tourist facilities, the formally constituted tourism industry has little interest in them. Maybe the most important reason for this lack of interest is the assumed low level of spending by VFR tourists (Seaton and Palmer, 1997; Lehto et al., 2001), which make them not very interesting from an economic perspective.

However, more and more people are questioning the validity of these reasons and include VFR tourism in their analyses. One reason for the growing interest in VFR tourism is the size of the market; in some destinations VFR tourism is even the principal source of tourists (Seaton and Palmer, 1997). VFR is an important segment of leisure travel not only in industrialised nations, but also in some developing countries (Müri and Sägesser, 2003). Jackson (1990) studied VFR

tourism in Australia and after studying only the visitor numbers, he was able to conclude that the significance of VFR tourism is greatly underestimated. The average length of stay of a VFR tourist is twice as long as the average length of stay of a leisure tourist, and nearly three times as long as the average length of stay of a business tourist. Furthermore, the significance of the VFR market is greatly underestimated because of the limited definition of a VFR tourist. Also in this case, someone is classified as a VFR tourist when he / she gave “visiting friends and relatives” as the main purpose of his / her visit. So the utilised classification of types of tourist depends largely upon self-assessment by the tourist when filling in arrival cards for immigration purposes. Whilst straightforward holidaymaking tourists are very unlikely to classify themselves as VFR tourists, persons who are VFR tourists could state that they were holidaymakers.

There are not many data available considering the size of the VFR market in terms of number of arrivals. However, we found a table in an OECD study that presents the number of tourists who arrived at their holiday destination arrival by purpose of visit. This table shows that VFR tourism, measured in arrivals per year, is quite big, varying from almost 19% to almost 30% of total arrivals (OECD, 1997). The share of the World Tourism Organization (WTO) rest-category (VFR tourism, pilgrimages, health treatment, and other) has been rising especially in the last ten years (WTO 2001). VFR tourism is not only a well-known phenomenon in former colonised countries. VFR tourism has also grown alongside the development of international migration of labour in more recent years. An example of a country where VFR tourism has grown as a consequence of the migration of residents to Western Europe is Morocco. Migration generates these VFR tourism flows either because migrants may become poles of tourist flows, in the sense that friends and relatives come to visit them, or because migrants themselves become tourists when returning to visit friends and relatives in their areas of origin (Williams and Hall, 2000). Jackson (1990) confirms this positive relation between migration and VFR tourism. He concluded for Australia that the volume of total VFR tourism, both inward and outward, is reasonably closely and significantly associated with the size of different migrant groups in Australia and their period of residence in the country (Jackson, 1990). This positive relation implies that when migration flows keep on growing, VFR tourism flows will be growing as well.

When compared with other pleasure tourists, the VFR tourist has some different characteristics in choices of travel times and destinations, travel information search and trip planning behaviour, accommodation use, spending patterns and trip activities (Hu and Morrison, 2002). We will provide a few examples below.

Long haul international VFR tourists stay longer at their destination (Seaton and Tagg 1995; Yuan et al., 1995). However Seaton et al. (1997) and Müri and Sägeser (2003) found contrary results

for domestic VFR tourism. These VFR trips were shorter in comparison with all the other trips. The difference between domestic and international VFR patterns may account for this discrepancy (Seaton and Palmer, 1997). However, Hu and Morrison (2002) found that domestic VFR tourists in the US and Canada tend to stay longer at their destination. The same result is found by Jackson (1990) for the Australian domestic VFR tourists and by Morrison et al. (1995) for the American domestic VFR tourists. This discrepancy could be caused by the longer travel distances in larger countries like the US, Canada and Australia in comparison with the smaller countries like the UK and Switzerland.

Furthermore, both Hu and Morrison (2002) and Noordewier (2001) found that VFR tourists were more likely to make trips in the off-season than other types of tourists. Because of their relationship with friends and relatives VFR tourists are more likely to be repeat visitors to many destinations (Noordewier, 2001; Meis et al., 1995).

Although it is true that most VFR tourists stay with their friends and relatives, many studies have pointed out that a considerable part of the VFR tourists do use commercial accommodation (Noordewier, 2001; Lehto et al., 2000; Braunlich and Nadkarni, 1995; Morrison et al., 1995). Besides the use of commercial accommodation, other tourism related facilities were appreciated and used by Dutch VFR tourists to Canada (Yuan et al., 1995). It appeared that they were more likely to enjoy those facilities closer to those urban areas and city activities that are accessible to the guest and the host group. This is confirmed by the study of Seaton et al. (1997), which found that VFR tourists tend to stay more in urban regions than in rural and seaside destinations.

And finally, international VFR tourists appear to have significant expenditures on food and beverages and entertainment (Lehto et al., 2001; Morrison et al., 1995).

#### **4. HETEROGENEITY WITHIN THE VFR MARKET**

A common approach in studying the VFR market has been to regard it as one homogeneous market without significantly different component market segments (Morrison et al., 1995). However, more and more people are questioning this approach.

Moscardo et al. (2000) questioned the homogeneity of the VFR market and proposed a typology of VFR travel, which is based on earlier research. This initial typology is represented in Table 2.

Table 2 A typology of VFR tourists

SECTOR	SCOPE	EFFORT	ACCOMMODATION USED	FOCUS OF VISIT
Visiting friends and relatives as 1. main purpose or 2. as an activity	Domestic	Short haul	Non-comm. VFR (staying only with friends and relatives)	VF (visiting friends), VR (visiting relatives), VFVR (visiting friends and relatives)
			Comm. VFR (accommodated at least one night in comm. accom.)	VF, VR, VFVR
		Long Haul	Non-comm. VFR	VF, VR, VFVR
			Comm. VFR	VF, VR, VFVR
	International	Short haul	Non-comm. VFR	VF, VR, VFVR
			Comm. VFR	VF, VR, VFVR
		Long haul	Non-comm. VFR	VF, VR, VFVR
			Comm. VFR	VF, VR, VFVR

Source: Moscardo et al. (2000).

As already said in section one, two factors of the typology of Moscardo et al. (2000) and two new factors will be used to test empirically the heterogeneity within the VFR tourism market. This section provides an overview of the outcomes of earlier research on the heterogeneity within the VFR tourism market using these four typology factors.

#### 4.1 The factor sector, VFR as main purpose vs. VFR as an activity

When VFR is the sole purpose of visit, the whole travel experience might be focused on social obligations. On the other hand, when VFR is just an activity for a tourist he / she might participate in a range of tourist activities (Moscardo et al., 2000). VFR tourists with VFR just as an activity are more likely to stay in commercial accommodation, more likely to participate in tourist activities and spend more money than VFR tourists with VFR as their main purpose (Moscardo et al., 2000; Letho et al., 2001).

#### 4.2 The factor accommodation used, commercial VFR vs. non-commercial VFR

VFR tourists who stay at least one night in commercial accommodation tend to spend more on food and beverages, transportation, gift and souvenir shopping, and entertainment than VFR tourists who stay only at the houses of friends and relatives (Lehto et al., 2001).

#### 4.3 The factor migration, ethnic VFR vs. non-ethnic VFR

A factor that is not included in the typology but that could have consequences for the heterogeneity within the VFR market is migration. Some authors see migrants who return to visit friends and relatives in their areas of origin as a separate form of tourism: namely, ethnic tourism. Ostrowski (1991) defined ethnic tourism as follows: *travel to an ancestral home without the intention of permanent settlement, emigration or re-emigration, or undertaking temporary paid work*. This travel could be motivated by a desire to delve into family histories through travel to the relevant country. It might, or might not, involve actual staying with the family (King, 1994).

Furthermore, ethnic tourism is particularly important in the Third World (Wood, 1998). Earlier studies have demonstrated the importance of remittances for developing countries with high emigration rates (Adams and Page, 2003; Osaki, 2003). When visiting their country of origin, it is likely that ethnic VFR tourists bring gifts with them and contribute to the economy of this developing country. It is therefore interesting to study whether ethnic tourists are more likely to bring gifts for their friends and relatives than non-ethnic VFR tourists.

#### *4.4 The factor generation, first-generation vs. successive-generation*

According to the above-mentioned definition, ethnic tourists are both the first migrants and the successive generations of migrants. While the main purpose of visit for the first generation of migrants is probably VFR, for successive generations the search for “their roots” can be the main purpose of their visit (King, 1994). As a consequence, successive generations could be more interested in exploring the country of origin than in just visiting friends and relatives. This would imply that this group is more likely to undertake excursions. Moreover, it is plausible that successive generations have less contact with the relatives in their country of origin in comparison with the first migrants. A possible consequence could be that successive generations are less likely to stay with their friends and relatives and make more use of commercial accommodation. Unfortunately, no earlier research was found which studied the differences in behaviour between first-generation migrants and second-generation migrants.

### **5. THE ECONOMIC CONTRIBUTION OF VFR TOURISM**

Many economic impact analyses are carried out for different purposes. When measuring the economic contribution, it is necessary to trace the flows of spending associated with tourism activity in a region in order to identify changes in sales, tax revenues, income, and jobs due to tourism activity (Frechtling, 1994). In general, there are three types of effects of tourism (Liu et al., 1984):

1. Direct effects: these effects account for income generated as tourists make purchases from the tourist-related businesses;
2. Indirect effects: these effects occur as the tourist-related businesses where tourists made their purchases make local purchases from all other enterprises in the studied region;
3. Induced effects: the additional earnings for the people employed at the tourist-related businesses or their supplying businesses give rise to the household incomes and the level of spending of these households.



When measuring the economic impact from a demand-side perspective, visitor expenditure is the basic complement. The visitor expenditure can be divided into three components (UN and WTO, 2000):

1. **All** consumption expenditure made **during** the trip by a visitor;
2. Consumption expenditure made **before** the trip by a visitor in goods and services **necessary** for the preparation and undertaking of the trip;
3. Consumption expenditure made **after** the trip by a visitor on those goods and services whose use is clearly **related** to the trip.

In order to know more about the visitor and his / her economic impact, expenditure research is not limited to the question of how much visitors have spent in total but also covers how their expenditures are distributed among different categories. Another reason for the importance of dividing the expenses into different categories is the difference in leakage rates among the different sectors within the tourism industry.

Because different types of tourists may differ in terms of their spending patterns, it is likely that the size of the leakages differs between the different types of tourists. Hotels, for example, need more capital investment than smaller tourism establishments, and are therefore more likely to attract foreign capital and, as a consequence have a greater leakage. It is likely that the leakages are higher for tourists whose expenditure is largely directed to commercial accommodation than for tourists whose expenditure is for a great part directed to smaller tourism establishments or to non-tourist establishments (Jackson, 1990).

A well-known classification of visitor expenditures is that of the United Nations and the WTO (2000). They distinguish the following categories: package travel; accommodation; food and drinks; transport; recreation, culture and sporting activities; shopping and other activities. According to their recommendations for tourism statistics, cash given to relatives or friends and donations to institutions should be left out of the analysis. However, the exclusion of cash given to relatives or friends during a holiday trip could have some serious consequences for the level of expenditures of VFR tourists in general and in particular of VFR tourists with an ethnic connection. This is demonstrated by Asiedu (2003) who did a study of tourism in Ghana. It appeared that tourists spent 20% of their total expenses on “other incidentals, i.e. contributions to development funds, funeral expenses”.

Jackson (1990) studied the VFR market in Australia and concluded that, although the VFR tourist spent less than other types of tourists, he / she spent more in smaller tourism establishments or in non-tourism establishments. This finding is confirmed by the studies of Stynes (2001) and Seaton and Palmer (1997). The leakages are lower for a VFR tourist whose expenditure is more

likely to be directed to smaller tourism establishments or to non-tourism establishments than they are for VFR tourists whose expenditure is largely directed to commercial accommodation (Jackson, 1990). Liu et al. (1984) determined the tourist-income multipliers for various groups of tourists to Turkey, and reached the same conclusion as Jackson about the leakages.

The assumption that VFR tourists do not use commercial accommodation is not true for all VFR tourists. The research of Braunlich and Nadkarni (1995) demonstrated that the VFR market is of considerable importance to the hotel industry in the East North Central census region of the USA. The VFR tourists had a significantly lower expenditure per hotel room night than pleasure and business tourists. However, this lower daily expenditure level is partly compensated by the longer hotel stays of VFR tourists in comparison with pleasure and business tourists. Furthermore, there are VFR tourists who do use commercial accommodation (Braunlich and Nadkarni, 1995), and VFR tourists are often repeat visitors and therefore spend more during their travel life cycles (Meis et al., 1995).

Only a few studies have been carried out where different types of VFR tourists were compared with each other in terms of their expenditures. The most important findings were:

- VFR tourists who reported VFR as their main travel purpose spent less on accommodation than tourists for whom VFR was a secondary purpose (Lehto et al., 2001).
- Tourists who stayed at least one night in commercial accommodation spent significantly more in total, as well as for transportation, food and beverages, lodging, and entertainment than tourists who stayed in non-commercial accommodation (Lehto et al., 2001).
- VF tourists spent more on entertainment and drinks than VFR tourists. VF tourists were: slightly less likely to spend money on transport than VR tourists; much less likely to buy souvenirs or presents than VF tourists; and much less likely to spend money on shopping than both VR tourists and VFR tourists (Seaton and Tagg, 1995).
- Unfortunately, no research material is found where ethnic VFR tourists are compared with non-ethnic VFR tourists in terms of their spending patterns. One of the few economic impact analyses in which ethnic tourists are distinguished as a separate category are the studies of Liu et al. (1984) and Gamage and King (1999). They both found that ethnic tourists spend more on retail goods and less on hotels and restaurants. The lower spending on hotels by the ethnic tourists is not surprising. Because they have ethnic relations, it is very plausible that they are staying with their relatives instead of in commercial accommodation. However the lower spending on restaurants seems to contradict the results of general VFR tourism research that found that VFR tourists had significant expenditures in the catering industry. The difference between ethnic VFR and non-ethnic VFR might be the reason for this contradiction.

We will now use Surinam as our empirical test case.

## **6. SURINAM IN A NUTSHELL**

Surinam is the smallest independent country on the South American continent. Surinam borders French Guiana in the west, (British) Guyana in the east, Brazil in the south and the Atlantic Ocean in the north. Surinam has a area of 163,270 sq km, which is almost 4 times the area of the Netherlands. The main part of the country is covered with tropical rainforest with a great diversity of flora and fauna.

Surinam has a relatively small population of around 435,449 (July 2003 est.). Most of the people (around 75%) live in Paramaribo. Almost nobody lives in the interior, which is quite uninhabitable because of the dense forest. Despite the high birth-rate (18.87 births/1,000 population), the size of the population has hardly changed. This is primarily caused by the high emigration rate (8.81 migrants/1,000 population). One of the consequences of this high emigration rate is the “brain drain”. It is especially high-educated people who leave the country.

The Surinamese population is a mixture of various cultures. The following ethnic groups can be distinguished: in the population 37% are Hindustani (their ancestors emigrated from northern India in the latter part of the 19th century), 31% Creole (mixed white and black), 15% Javanese, 10% Maroons (their African ancestors were brought to the country in the 17th and 18th centuries as slaves and escaped to the interior), 2% Amerindians, 2% Chinese, 1% white, and 2% other ethnic groups. Because of the population mix, many religions are represented in the Surinamese culture: Hindu 27.4%, Muslim 19.6%, Roman Catholic 22.8%, Protestant 25.2% (predominantly Moravian), and indigenous beliefs 5%. This diversity makes the country very interesting from tourism perspective but it also makes the country very complex because the diversity in cultures has great influence on the social and political system, which has consequences for the economy (<http://www.cia.gov/cia/publications/factbook/geos/ns.html>).

## **7. A CASE STUDY ON SURINAM**

The purpose of the study is to determine whether the four typology factors, “sector”, “accommodation used”, “migration” and “generation” influence the spending patterns of VFR tourists. As it appears that different types of VFR tourists each have a different spending pattern, we can say that a typology of VFR tourists is useful for economic purposes. The study focuses on

the VFR tourists resident in the Netherlands, travelling by air and departing from the JAP airport of Surinam.

## 7.1 Methodology

In the period December 2003 – February 2004, a survey was conducted at the JAP airport<sup>2</sup>. All departing visitors (not resident in Surinam) were asked to fill in a questionnaire. In total 926 people were approached, i.e. about 2.3%<sup>3</sup> of the annual VFR tourists in Surinam. 795 respondents co-operated with the survey and filled in the questionnaire (2.0% of the annual VFR tourists in Surinam).

Because the study puts the emphasis on the spending pattern of the VFR tourists, most questions are related to the various expenditures of the tourists. Respondents had to distribute their total expenditures across 18 categories. In contradiction with the recommendations of the WTO and UN gifts to friends and relatives are included (see section 5). Unfortunately, not all the questionnaires could be used for analysis. Some respondents fell outside the target group because they were not Dutch or were tourists in transit. After exclusion of the questionnaires filled in by the latter groups, 745 questionnaires were left. Of those 555 respondents filled in the expenditure related questions, which were selected for the analysis<sup>4</sup>.

In most studies, a VFR tourist is defined as someone who filled in “visiting friends and relatives” as the main purpose of his / her visit. In this study, a broader definition will be used. A VFR tourist is defined as someone:

- who filled in VFR as his / her main purpose of visit and / or
- who stayed at least one night at the house of his relatives and friends.

When this definition is used, 480 respondents can be considered as VFR tourists. Someone who filled in another main purpose of visit than VFR, but did stay at least one night at the house of his / her friends and / or relatives is considered as a VFR tourist with VFR as an activity.

Using the four typology factors, the respondents were clustered into 8 different categories (see Table 3):

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<sup>2</sup> The international airport of Surinam, also known as Zanderij

<sup>3</sup> The size of the VFR tourism market was estimated as  $39,439 \text{ travellers per year} (926 / 39,439) * 100\%$  equals 2,3% (based on the figures of the CTO and STS, 2001)..

<sup>4</sup> The socio-demographics and trip-related characteristics of the 745 and the 555 questionnaires were compared with each other and no significant differences were found. Therefore it can be assumed that the selection had no consequences for the outcomes of this study.

Table 3. The eight different categories of VFR tourists (in brackets the number of respondents)	
VFR as <b>main purpose</b> (365)	VFR as <b>activity</b> (115)
<b>Commercial</b> VFR (VFR tourists who stay at least one night in commercial accommodation) (39)	<b>Non-commercial</b> VFR (VFR tourists who stay at the houses of friends or relatives or in other non-commercial accommodation) (440)
<b>Ethnic</b> VFR (first- and successive-generation VFR) (414)	<b>Non-ethnic</b> VFR (VFR tourists who are not born in Surinam, neither are their (grand)parents) (66)
<b>First generation</b> VFR (VFR tourists who are born in Surinam and migrated to the Netherlands) (341)	<b>Successive generation</b> VFR (VFR tourists who have at least one (grand)parent born in Surinam) (73)

In this study, three types of analysis will be conducted. First the characteristics of the VFR tourists in Surinam will be compared with the characteristics of the VFR tourists found in the literature, in order to determine whether VFR tourism in Surinam has the same characteristics as VFR tourism described in the literature. Second, statistical comparisons will be made using chi-square tests for categorical variables and t-tests for continuous variables, in order to verify whether statistical differences exist between the different types of VFR tourists in terms of socio-demographic and trip-related characteristics. Third, statistical comparisons will be made using t-tests to verify whether statistical differences exist between the different types of VFR tourists in terms of their expenditures. Differences are considered as significant when the significance levels are lower than 0.05, and they are considered as indicative when the significance levels are lower than 0.10.

## 7.2 Analysis and results

### 7.2.1 The characteristics of VFR tourism in Surinam

In Section 3, various characteristics of VFR tourism were derived on the basis of a literature review. It is interesting to examine whether Surinamese VFR tourism is in agreement with these characteristics.

This study confirms the earlier findings that VFR tourists are much more likely to stay in non-commercial accommodation and more likely to be repeat-visitors than non-VFR tourists. Furthermore, the outcome confirms the findings of earlier research that VFR tourism is, despite the lower level of total expenditures, economically interesting because of the significant spending on food & beverages and entertainment. But the overall level of spending is lower for VFR tourists because of their lower spending on accommodation. A comparison with other expenditure categories again confirms the finding that VFR tourism is economically interesting. The level of expenses on shopping is the same for VFR tourists as it is for non-VFR tourists (around €280). The expenses on gifts to friends and relatives are significantly higher for VFR tourists than they

are for non-VFR tourists (€307 against €137). The same is true for the other expenses of VFR tourists, which are also significantly higher than they are for non-VFR tourists. (€33.90 against €11.47).

However, not all characteristics of VFR tourism (found by means of our literature search) are confirmed by our study. The higher package expenses by non-VFR tourists, the longer length of stay for VFR tourists, and the characteristic that VFR tourists are more likely to stay in urban regions are not confirmed by this study.

Besides the above-mentioned differences between VFR and non-VFR tourists, other significant differences were found as well. VFR tourists were younger, lower-educated, more likely to be of Surinamese origin, and more likely to travel alone or with their family or household<sup>5</sup>. Non-VFR tourists were more likely to travel with friends, acquaintances or colleagues. As expected most VFR tourists had VFR as the main purpose of their visit, followed by leisure. Non-VFR tourists had mostly leisure as the main purpose of their visit, followed by business, study/internship, and other.

#### *7.2.2 The heterogeneity within the VFR market in Surinam*

The purpose of this study was to determine whether the VFR tourism market is heterogeneous in economic terms. In order to answer this question, four typology factors have been used in our study: sector; accommodation; migration; and generation. The most important findings on these factors are the following:

- **Sector** (VFR as main purpose vs. VFR as activity)
  - *Socio-demographic and trip-related characteristics:*

VFR tourists with VFR as an activity are less likely to be of Surinamese origin and to have been in Surinam before than VFR tourists with VFR as their main purpose. They are higher-educated, less likely to travel alone, and more likely to travel with friends/acquaintances than tourists with VFR as their main purpose.
  - *Level of total expenses:*

The total expenses of the two groups did not differ significantly from each other.
  - *The percentage distribution of expenditures:*

The percentage distribution of expenditures (see table 4) differed for three out of 18 expenditure categories. For two other categories, indicative differences are found.

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<sup>5</sup> The survey questionnaire did not include the category “spouse / partner” in the question relating to travel companions. It might be assumed spouses and partners are included in the categories “friends and / or acquaintances” and “household / family”.

- **Accommodation used** (commercial VFR, i.e. those staying at least one night in hotels and other commercial accommodation vs. non-commercial VFR)
  - *Socio-demographic and trip-related characteristics:*  
 Commercial VFR tourists are less likely to be of Surinamese origin, and are less likely to have been in Surinam before. They are higher-educated and have a higher level of income than VFR tourists who stay only in non-commercial accommodation. Furthermore, commercial VFR tourists are more likely to travel with friends and relatives and more likely to stay outside Paramaribo than non-commercial VFR tourists. Non-commercial VFR tourists are more likely to travel alone and are more likely to have VFR as the main purpose of their visit. Most commercial VFR tourists also have VFR as the main purpose of their visit, but they are more likely to have leisure or nature as their main purpose of visit than non-commercial VFR tourists.
  - *Level of total expenses:*  
 Commercial VFR tourists had significantly higher total expenses than non-commercial VFR tourists.
  - *The percentage distribution of expenditures:*  
 The percentage distribution of expenditures (see table 4) differed significantly for 10 expenditure categories and indicatively for one category. The finding that commercial VFR tourists are more likely to stay outside Paramaribo than non-commercial VFR tourists is in accordance with their higher proportion of their spending on tours. Commercial VFR tourists spent lower proportions of their spending on “food & beverages and entertainment”, “shopping” and “gifts to friends and relatives” than non-commercial VFR tourists.
- **Migration** (ethnic VFR tourists vs. non-ethnic VFR tourists)
  - *Socio-demographic and trip-related characteristics:*  
 Ethnic migrant VFR tourists are younger, more likely to live in one of the large cities in the Netherlands, more likely to be female and lower-educated than non-ethnic VFR tourists. Furthermore, they are more likely to travel alone or with children; more likely to have VFR as the main purpose of their visit; more likely to have been in Surinam before; and more likely to stay with friends and relatives than are non-ethnic VFR tourists. The last two findings are not very surprising - after all, ethnic VFR tourists are of Surinamese origin, and it is therefore likely that they have relatives and friends in Surinam. Non-ethnic VFR tourists are more likely to stay in other accommodation than the houses of friends and relatives, and are more likely to stay at least one night outside Paramaribo than are ethnic VFR tourists.

- *Level of total expenses:*  
Ethnic VFR tourists had significantly higher total expenses than non-ethnic VFR tourists.
- *The percentage distribution of expenditures:*  
The percentage distribution of expenditures (see table 4) differed significantly for 6 categories and indicatively for two other categories. The higher proportions of their spending on tours and accommodation by non-ethnic VFR tourists agrees with the finding that they are more likely to stay outside Paramaribo, and are more likely than ethnic VFR tourists to stay in other accommodation besides the houses of friends and relatives.
- **Generation** (first-generation VFR tourists vs. successive generation VFR tourists)
  - *Socio-demographic and trip-related characteristics:*  
As expected, first-generation VFR tourists are older than the successive-generations VFR tourists. An indicative difference is found for the level of income. First-generation VFR tourists have a higher level of income than successive-generation VFR tourists. An indicative difference is found for only one trip-related characteristic: successive-generation VFR tourists are more likely than first-generation VFR tourists to stay in an apartment/house or in other types of accommodation in Paramaribo.
  - *Level of total expenses:*  
First-generation VFR tourists had significantly higher total expenses than successive-generation VFR tourists.
  - *The percentage distribution of expenditures:*  
The percentage distribution of expenditures (see table 4) differed significantly for three categories and indicatively for two other categories. First-generation VFR tourists spent a greater proportion of their spending on “gifts to friends and relatives”, this is probably caused by their stronger family relationships.

Table 4 present the most important outcomes with respect to the economic variables of the different groups of VFR tourists.

Table 4. The economic heterogeneity within the VFR market									
	VFR	VFR MP	VFR ACT	NCOM VFR	COM VFR	ETH VFR	NETH VFR	FIRST VFR	SUCC VFR
Total expenses <sup>6</sup>	3,167.14	3,202.88	3,056.51	3,054.14	4,011.11	3,234.09	2,769.76	3,348.54	2,710.38
			.586		.014* <sup>7</sup>		.036*		.010*

<sup>6</sup> Respondents were asked to fill in their total expenditures and their expenditures per category. The sum of the expenditures per category appeared to be lower than the total expenditures for all the groups of VFR tourists. Because the total expenses (filled in by the respondents) are more reliable than the sum of the expenditures per category, total expenses are presented in this table. However the percentage distribution of the expenses is based on the expenditures filled in per category by the respondents.



The distribution of the total expenses									
	VFR	VFR MP	VFR ACT	NCOM VFR	COM VFR	ETH VFR	NETH VFR	FIRST VFR	SUCC VFR
Package	.31	.16	.78 .207	.13	2.31 .352	.14	1.36 .374	.17	.00 .578
Flight	65.47	66.87	61.88 .027*	66.34	55.72 .002*	65.89	62.85 .277	65.05	69.85 .077**
Accomm.	.96	.90	1.15 .579	.00	11.84 .000*	.53	3.67 .000*	.55	.41 .653
<b>Tours<sup>8</sup></b>	1.80	1.67	2.18 .334	1.55	4.69 .000*	1.53	3.48 .003*	1.45	1.86 .507
Day trips	.89	.82	1.10 .365	.84	1.54 .135	.84	1.21 .313	.75	1.26 .157
Overnight trips	.91	.85	1.09 .570	.71	3.15 .000*	.68	2.30 .002*	.70	.60 .837
Terraces/Bar /Cafe	2.94	2.67	3.79 .027*	2.73	5.08 .521	3.07	2.17 .818	3.09	2.93 .864
<b>Food&amp;Bev. &amp;Entertain.</b>	7.77	7.25	9.43 .027*	7.87	6.87 .521	7.73	8.02 .818	7.70	7.90 .864
Snack	.86	.88	.81 .777	.89	.56 .420	.89	.68 .510	.96	.59 .252
Rest.	3.36	3.16	3.99 .144	3.39	3.21 .835	3.33	3.58 .725	3.36	3.19 .813
Terr./bar	1.85	1.67	2.43 .096**	1.84	2.15 .617	1.73	2.61 .080**	1.79	1.44 .461
Disco/ casino	1.58	1.42	2.07 .161	1.63	.87 .030*	1.66	1.05 .286	1.45	2.64 .069**
Theatre /concert	.13	.12	.14 .827	.14	.00 .000*	.14	.03 .007*	.16	.08 .434
<b>Shopping</b>	9.23	9.24	9.19 .971	9.36	6.79 .038*	9.49	7.59 .081**	9.61	8.92 .648
Duty free	.56	.57	.53 .809	.58	.44 .586	.61	.27 .020*	.61	.58 .855
Super- market	3.74	3.52	4.47 .213	3.87	2.56 .096**	3.93	2.58 .040*	4.34	2.01 .016*
Souvenirs	2.15	2.13	2.25 .828	2.12	2.72 .434	2.13	2.29 .798	2.16	2.00 .787
Cloths	2.28	2.49	1.60 .078**	2.38	.92 .000*	2.33	1.91 .628	2.07	3.58 .297
Other shop.	.49	.55	.29 .444	.41	.13 .465	.49	.48 .929	.44	.75 .462
Gifts to f&r	10.48	10.67	9.87 .526	10.89	6.51 .028*	10.50	10.33 .917	11.07	7.82 .030*
Other exp.	1.05	0.80	1.84 .121	1.14	.13 .000*	1.13	0.58 .373	1.30	0.30 .003*
Sum	100.01	100.25	100.08	100.03	99.84	100.02	99.95	100.02	100.03

<sup>7</sup> \*\* stands for an indicative difference, meaning: significance level is lower than 0.10; \* stands for a significant difference, meaning: significance level is lower than 0.05.

## 8. CONCLUSIONS AND RECOMMENDATIONS

This study confirms earlier findings that the VFR tourists are economically interesting because of their considerable spending on food & beverages and retail goods. Moreover, this study has demonstrated the considerable spending on gifts to friends and relatives by VFR tourists.

The study has undoubtedly some limitations in terms of sample size, non-response, gender and age bias, non-exhaustive sample, seasonal bias, reliability of arrival data and actual expenses. Nevertheless, the statistical data provide the best possible and most reliable information on VFR tourism in Surinam. But the tentative findings in this study seem plausible and are highly interesting.

The presumption that there is heterogeneity within the VFR market is confirmed by this study. Different types of VFR tourists differed from each other not only in terms of socio-demographic and trip-related characteristics, but also in terms of their spending patterns. The distinctions into commercial and non-commercial VFR tourists and ethnic and non-ethnic VFR tourists are useful from an economic perspective. Both the total expenditures and their distribution were influenced by the factors “accommodation used” and “migration”. VFR tourists with VFR as the main purpose of their visit and VFR tourists with VFR as an activity differed only in a few aspects from each other. The same is true for the distinction into first-generation and successive-generation VFR tourists. The expenses on gifts to friends and relatives were significantly higher for the first-generation VFR tourists. A distinction can be useful when these gifts are included in the economic analysis. However, more economic research is necessary in order to determine if the typology of Moscardo et al. (2000) is economically relevant, and if an extension with the typology factor migration is only useful in Surinam or if it is useful in other countries as well. The principal question concerning whether a typology of VFR tourism is economically relevant is therefore hard to answer. But what we can say is that the results of this study and the studies of Letho et al. (2001), Moscardo et al. (2000) and Seaton and Tagg (1995) indicate that there is heterogeneity within the VFR market in economic terms. This research is the first to compare the spending patterns of ethnic VFR tourists with those of non-ethnic VFR tourists, and is also one of the first to include gifts to friends and relatives as an economic variable. It appears that these gifts form a great part of the expenditures of the VFR tourists. Particularly the first-generation VFR tourists spent a great part (more than 11%) of their total expenditures on gifts. Although the recommendations for tourism statistics advise not to include these gifts in economic tourism

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<sup>8</sup> The variables tours, F&B&Ent. and Shopping are subtotals. Tours is the sum of day trips and overnight trips (o.n. trips); F&B&Ent. is the sum of snack, restaurants, terraces / bar, disco / casino and theatre / shopping; and shopping is the sum of duty free, supermarket, souvenirs, cloths and other shopping.

analyses, this advice should be reconsidered for the case of VFR tourism. The importance of gifts found by this study is probably explained by the fact that Surinam is a developing country. Therefore it would be interesting to undertake further research to see whether there are differences in VFR tourism between developing and developed countries.

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