Routledge
Taylor & Francis Group

International tourists' spending on traveling inside a destination: does local happiness matter?

Hassan F. Gholipour [a], Reza Tajaddini[b] and Behzad Foroughi[c]

[a]School of Business, Western Sydney University, Sydney, Australia; [b]Swinburne School of Business, Law, and Entrepreneurship, Swinburne University of Technology, Melbourne, Australia; [c]Department of International Business Administration, I-Shou University, Kaohsiung, Taiwan

ABSTRACT

This paper investigates the travel spending behaviour of international tourists inside happier destinations. The empirical model is tested for 58 developed and developing countries. Applying various estimation methods and two different measures of nations' happiness, the results show that tourists spend more on travelling inside a destination where local people are happier. In addition, we find that foreign tourists' expenditures on travelling are higher in countries with a higher quality of travel infrastructure and larger numbers of World Heritage sites. Our results provide some implications for tourism planners and authorities.

1. Introduction

According to the Gallup (2018) survey, people's feelings of unhappiness reached record levels globally. This is a trend that could be costly for societies given that happiness has been linked to creativity and innovation (Baas et al., 2008), population health (Cohen et al., 2006), and children's social and emotional well-being experience (Durlak et al., 2011) among other factors. The COVID-19 pandemic has negatively impacted people's emotional and psychological well-being and emerging evidence suggests that the pandemic shock has negatively impacted happiness dynamics (Rossouw et al., 2021). The pandemic has also adversely influenced people's willingness to travel (Hao et al., 2021).

Tourism has been identified as one of the life domains that leads to happiness (McCabe & Johnson, 2013) and is furthermore associated with non-material aspects of well-being (Li, 2000). Going on a holiday can raise people's overall life satisfaction, even for those who are not happy with some domains of their lives (McCabe et al., 2010). Tourism has been acknowledged as a self-initiated commercial enterprise that creates happiness (Gilbert & Abdullah, 2004; Pearce et al., 2010).

In this research, we investigate whether the destinations' levels of happiness have any impact on the international tourists' choices to spend more on travelling inside the destination countries. In particular, we refer to spending by inbound tourists on travel within the destination country and public transport, such as rail, bus, ferry, air, taxis, and cruise. We extend the study of Gholipour et al. (2016, p. 252), who showed that 'international tourists prefer to travel to, and spend more in, happier countries'. Our study differs from Gholipour et al. (2016) as unlike them we focus on international tourists' travelling behaviour inside a country rather than the overall attractiveness of a happier destination to inbound tourism.

Similarly, Huang et al. (2021) provided evidence that Chinese tourists prefer to travel to countries that have higher levels of happiness. This is because people have a fundamental preference for experiencing happiness. If a nation's happiness is intrinsic merit that fascinates foreign tourists, it would be reasonable to conjecture that tourists may decide to spend more on travelling within a destination where residents are happier.

Our justification can be supported by evidence that the intangible novelty of destinations, such as their cultural attributes, motivates tourists to travel more inside a destination (Gholipour et al., 2016; Haldrup, 2004; Zoltan & McKercher, 2015). It has been shown that people seeking cultural novelty are more active and travel widely through a destination to experience the local culture and learn more about the history and lifestyle (Jovicic, 2016). In cultural tourism, the role of values and norms, as countries' cultural elements, have also been highlighted as major attractions for visitors (Poria et al., 2003). As such, national happiness as a non-physical asset may encourage international tourists to extend their visit to a destination and inspire visitors to spend more on travelling. Travelling to regional areas provides tourists the opportunity to experience the emotional and psychological experiences of being around happy hosts (Reisinger, 1994). That is, the value of contented hosts makes a traveller's trip more memorable (Bimonte & Faralla, 2016) and are more willing to support the development of the tourism sector (Bimonte & Faralla, 2016; Snaith & Haley, 1999). These factors ultimately lead to maintaining and attracting more tourists.

To the best of our knowledge, very few panel data studies exist that investigate the determinants of tourist movements across countries (e.g. Cooper, 1981; Dibb, 2000; Gitelson & Kerstetter, 1990; Poria et al., 2003). Controlling for the major determinants of tourists' travelling inside a destination and using cross-sectional and panel data for more than 50 countries, we find evidence that international tourists spend more on travelling within happier destinations.

Our study contributes to the literature by introducing an innovative explanatory variable to the modelling of the tourism movement. Understanding tourist movement informs the decision-making process of tourism managers in their infrastructure and transport development, marketing campaigns, and improving tourists' experience (Vu et al., 2015; Zhao et al., 2018). The travel and tourism sector significantly contributes to economic growth throughout the world (e.g. Al-mulali et al., 2014). According to WTTC (2018), in 2017 the contributions of this sector to global gross domestic product (GDP) and employment were 10.4 and 9.9 percent, respectively. This study enhances our understanding of factors that influence tourist travel motivation inside a destination. A better understanding of the determinants of tourism spending can inform policy-makers and stakeholders about the policies that can revive the tourism sector and drive tourists back to the pre-pandemic levels. Tourism authorities usually emphasize their countries' valuable tangible assets, such as historical and natural landmarks, to encourage international tourist arrivals (e.g. Buckley, 2004; Yang et al., 2010). The country's endogenous amenities have been reported to have preeminent impacts on international tourist happiness inside a destination (Bernini et al., 2020).

In this study, we suggest that intangible attractiveness such as widespread happiness in a country (e.g. Gholipour et al., 2016) can provoke international tourists to spend more on travelling within a destination. This may assist authorities with strategies to promote inbound travels, which can bring economic development to regional areas suffering from a lack of alternative industries.

The rest of this paper is structured as follows: Section 2 reviews the relevant literature; Section 3 describes the data and variables; Section 4 presents and discusses the methodology and results; Section 5 concludes the paper.

2. Literature review

In this section, we present some background information about the human fundamental preference for exposure to happiness, relations between happiness, as a cultural attribute, and tourism activities, and the implications of tourists' movement behaviour.

2.1. Happiness: a fundamental desire

The pursuit of happiness has been considered one of the most important goals of modern society and thus the aim of public policies (Kluger, 2013). Recently, New Zealand, as the first Western country, prioritized the well-being of its citizens over economic growth and announced it will base its entire budget on the happiness of its people (Cuming, 2019). Similarly, since 1971, Bhutan rejected GDP as the only measure of national progress. They have emphasized the gross national happiness (GNH), spiritual, physical, and social well-being of its citizens, and health of the natural environment as determinants of prosperity (Kelly, 2012).

Psychological studies have documented that emotional states are transferable from one individual to another (Knight & Gunatilaka, 2009; Van Kleef et al., 2004). Fowler and Christakis (2008) found that the likelihood of an individual's happiness increases by 25% if the person resides close to happy friends, spouse, or siblings (within the proximity of one mile) as happiness is a collective phenomenon.

People are attracted to objects and places that make them happy (Probyn, 2005). Emotions shape what we do, how we do things, and where we go (Ahmed, 2008). Researchers have also found that being in a positive mood affects cognitive processing, which can influence the individuals' decision-making processes (Mogilner et al., 2011). Mehrabian and Russell (1974) show that the environment influences an individual's emotional reactions. For example, a positive perception of the shopping environment positively influences consumer spending. Similarly, in the field of tourism, Bimonte and Faralla (2012) identify a positive relationship between tourists' happiness and their spending behaviour.

2.2. Cultural novelty, tourism, and happiness

The potential link between a nation's happiness and international tourists' expenditures on travelling inside a destination may be explained by the studies that indicate people who are interested in the tangible and intangible novelty of destinations travel more inside a destination (Haldrup, 2004; Zoltan & McKercher, 2015).

Cultural tourism has received growing attention over the past two decades (Cetin & Bilgihan, 2016). Culture can be defined as collective ways of thinking, behaving, and feeling that distinguish a group of people from others (Hofstede et al., 2005). Cultural tourism is a form of travelling that seeks aesthetic, intellectual, emotional, or psychological cultural experiences (Reisinger, 1994). Cultural tourists usually travel to learn and experience the local culture and get involved with the lifestyle and heritage offerings of communities (Chen & Rahman, 2018; Curtin, 2002; Silberberg, 1995).

Researchers have identified common patterns among cultural tourists. They are usually educated with a good income. They also spend more time and money on their vacation (Silberberg, 1995). Masiero and Zoltan (2013) found that people who seek cultural novelty are more likely to travel extensively through a destination to try new food and visit historical places. The length of stay and the expenditure of these tourists extends if they find more cultural activities to attend. Jovicic (2016) also provided evidence that cultural tourists are more active during their visits. Cetin and Bilgihan (2016) indicated that cultural visitors have a desire to experience real life in the regional areas and go beyond the standardized tourism experience. As such, they may travel more to areas beyond main tourist attractions.

Most studies often concentrate on tangible aspects of nations' cultural capital including heritage, art, history, clothing, and architecture to measure the cultural attractiveness of countries (Quan & Wang, 2004). However, recently there is a shift toward studying the importance of intangible forms of culture such as values and norms among tourism researchers (Jovicic, 2016). For example, Nawijn and Peeters (2010) showed that freedom in choosing a destination is one of the most important determinants of tourists' happiness. Nawijn and Biran (2019) examined the

significance of emotions in psychology, consumer behaviour, and tourism. Gholipour et al. (2014) showed that cultural values are important for tourist spending.

Gholipour et al. (2016) introduced a nation's happiness as an intangible value that attracts international tourists. They showed that international tourists not only prefer to travel to happier countries, but they also tend to spend more in these countries. It is because some individuals travel for emotional experience to 'feel' rather than to 'gaze' (Poria et al., 2003). Chen and Li (2018) implied that the transmission of happiness from local residents to tourists through tourists' experience of the local lifestyle can be seen as an extension of spillover theory from a geographical point of view. More recently, Huang et al. (2021) showed that the happiness level of a destination country is positively and significantly associated with Chinese tourist arrivals in that country. The authors suggested that the happiness level of the destination country is the pull factor for Chinese tourists. Paniagua et al. (2022) revealed that happiness at a destination is a significant tourist attraction, and cultural distance moderates this relationship. That is, tourists with similar cultural origins or backgrounds can better interpret the happiness of residents at their destinations. Lee et al. (2021) also found that the host country's happiness is significantly associated with higher revenues from international tourism. Chen and Li (2018) provided evidence that it is possible to predict the level of tourists' happiness using destination attributes. They found destination image is positively associated with life satisfaction, eudaimonia, and affect.

In recent years, some countries have launched tourism campaigns aiming to promote a happy image of their countries and attract more international tourists. Fiji's global campaign of 'Fiji-where happiness finds you' and 'Thailand Happiness Deal' are some examples.

Several studies have examined other aspects of the tourism-happiness nexus and concentrated on the effect of tourism on the happiness of local people. For example, Rivera et al. (2016) found that tourism development is positively related to individuals' happiness in Aruba. However, in a recent study on the effects of tourism development on residents' happiness, Godovykh et al. (2021) showed that tourism arrivals have positive effects on residents' happiness only in the long term and this relationhip is negative in the short term. A community's support is crucial for successful implementations of tourism attraction strategies as friendly and hospitable hosts can shape memorable experiences for tourists, which increases the likelihood of their returning to a destination (Andereck & Nyaupane, 2011; Kim et al., 2013; Nawijn & Mitas, 2012).

In the present study, building on the discussions above, we extend the research of Gholipour et al. (2016). We argue that if national happiness is an initial motivational factor for travelling, it can ignite further travelling inside a destination as tourists may seek higher levels of cultural contact and interaction with citizens of countries with high happiness scores. This is because when tourists recognize their travel motivation, they search for signs in situations, events, and destinations to satisfy their desire (Lam & Hsu, 2006; Tigre Moura, Gnoth, & Deans, 2015). As such, we propose the following hypothesis:

> *Hypothesis 1:* There is a positive association between a nation's happiness and international tourists' spending on traveling inside a destination.

2.3. Tourists' movements

Tourist movements explain the 'behavior of a tourist leaving their origin to reach certain destinations and moving around within each destination' (Zhao et al., 2018, p. 368). Different travel patterns can reflect how people make sense of places and sites (Mckercher & Lau, 2008). Understanding tourist movement informs the decision-making process of destination planners (Vu et al., 2015). Some of the practical implications may include 'infrastructure and transport development, product development, destination planning, and the planning of new attractions, as well as management of the social, environmental, and cultural impacts of tourism' (Lew & McKercher, 2006, p. 404). Targeted

marketing is another benefit of a deeper insight into tourist preferences and movement patterns (Chancellor & Cole, 2008; Xia et al., 2009).

Dibb (2000) segmented the movement patterns of tourists based on their socio-demographics, psychological and behavioural characteristics. In terms of socio-demographic factors, Gitelson and Kerstetter (1990) explored the impacts of age, gender, and income, reporting that younger tourists preferred leisure travel while women and middle-income tourists preferred exploratory travel. Cooper (1981) found that tourists with a lower income level visit fewer attractions and stay longer. He also showed that tourists of different age groups sought different attractions.

3. Data and variables

To test our proposition, we employ yearly data for 58 countries worldwide. The sample includes all those countries for which information on tourists' expenditures on travelling inside a destination is obtainable. Table A1 in Appendix shows the list of countries. The sample countries account for around 80% of the world's international inbound tourists in 2017 (World Bank, 2019b) and more than 92 percent of the world's outputs (2010 US$) in 2017 (World Bank, 2019a).

The dependent variable is EXPND (i.e. expenditure on travelling inside a country) and is constructed by dividing inbound receipts on travel inside the destination (USD million, constant 2018 prices) by the number of leisure arrivals (000 trips). Inbound receipts on travel inside the destination are the spending by inbound tourists on travel inside the destination country. This includes tourists' spending on all local and public transport, such as rail, bus, ferry, air, taxis, and cruise. The detailed descriptions and data sources of this variable and other variables used in this study are shown in Table A2 in the Appendix.

The main independent variable is happiness. To ensure the robustness of the results we use two proxies for measuring national happiness in our analyses:

(1) Average Happiness in Nations over 2005–2014 (HAPPINESS) of the World Database of Happiness which records 'How much people enjoy their life-as-a-whole on a scale of 0–10'. The score for each country ranges from 10 (totally satisfied) to 0 (totally dissatisfied). The top three happiest countries in our sample over the period 2005–2014 were Denmark (8.4) and Mexico (8.3) and Canada (8). On the other hand, the least happy nations were in Africa and East Europe: Egypt (5.5), Morocco (5.3), Ukraine (5.1), Kenya (4.7), and Bulgaria (4.6). It should be noted that the period of study is dictated by the availability of data.
(2) The Happy Planet Index (HAPPYPLANET) of the New Economics Foundation ranges countries from >44.6 (Best) to <16.8 (Worst). Data for the index are available for 2006, 2009, 2012, and 2016. The period of study for this analysis is dictated by the accessibility of data at the time of conducting this research. The top three happiest countries in our sample in 2016 were Costa Rica (44.7), Mexico (40.7), and Colombia (40.7). Countries with the lowest scores on Happy Planet Index in 2016 were Togo (13.2), Luxembourg (13.2), and Chad (12.8).

We acknowledge that the two measures of national happiness that we use in this study (like all existing measures of happiness) are not perfect and there is some criticism of the methodology and sampling. For example, the World Database of Happiness has been criticized for its particular attention to hedonic happiness (feeling good) than mature or noetic happiness. As such, characteristics such as a sense of acceptance, inner serenity, and being at peace with self are ignored (Wong & Bowers, 2018). Similarly, the Happy Planet Index has been criticized for being a measure of environmental efficiency of supporting well-being rather than the happiness of individuals in a country and also for weighting the countries' ecological footprints too heavily (Marks et al., 2006).

Besides our independent variable of interest (happiness), we also control for other important determinants of tourist movements inside a country. Existing studies, which often focus on a particular location in a country to identify the factors influencing tourists' movements, show that tourists'

length of stay, quality of tourism and travel infrastructure (e.g. roads, hotels) of destination, prior visitation history, and familiarity with the destination, distance from home country to the destination, being leisure tourists (compared to business tourists), travel party size, the number of tourism attractions (e.g. World Heritage sites), traveller's age and travellers' personality types are important factors in explaining tourist spending on travelling inside a destination (e.g. Cooper, 1981; Dibb, 2000; Hwang & Fesenmaier, 2003; Lau & McKercher, 2004; Lau & McKercher, 2006; Masiero & Zoltan, 2013).

However, in our cross-country analysis, we do not have access to individual tourists' demographics and travel history data; therefore, we cannot include these variables in our model specifications. Based on data availability for the sample countries throughout the study, we include the following variables in our analysis: number of World Heritage sites, tourists' average length of stay, travel party size, travel, and tourism infrastructure, and tourists' age groups. In our panel data regressions, we also include one lag of the dependent variable (EXPND) as an explanatory variable which possibly captures any (individual-level) omitted variables that we did not consider in the model. Table A2 offers more detailed explanations and descriptive statistics of variables. Below we briefly explain the literature on the relationship between each control variable and EXPND.

World Heritage sites: Prior studies have identified that visiting historical places is one of the critical determinants of tourist movement inside a destination (Su & Lin, 2014). For example, Masiero and Zoltan (2013) conducted a field survey among tourists visiting the Ticino and Canton, Switzerland. They found that tourists' main motivations in visiting more than one region are related to cultural novelty seeking, such as visiting historical places, suggesting that tourists interested in cultural attractions travel more extensively throughout the destination. This finding is supported by Khairi, Ismail and Jaafar (2019), who evaluated international tourists' behaviour in Malaysia and stated that international tourists devote more time to historical attractions than shopping and food. Therefore, we expect to find a positive relationship between the World Heritage sites and EXPND. Data for the number of countries' World Heritage sites are obtained from the United Nations Educational, Scientific, and Cultural Organization (UNESCO).

Length of stay: On a longer trip, people tend to disperse more widely into regions; meaning that an increase in the length of stay often makes it easier to travel to tertiary and secondary tourism destinations (Koo et al., 2012). Hardy et al. (2020) used a high tempo-spatial resolution data set that was collected in the island state of Tasmania, Australia, and affirmed that length of stay is one of the important elements affecting both small-scale and state-level dispersal. They explained that short holidays do not have a great impact on tourists' decisions to visit destinations far from their gateway. Rather, longer stays in a destination were required before tourists moved their activity base to another region. Debbage (1991), using the case of Bahamian Resort, showed that length of stay (as well as rental vehicle, origin of tourist, and place of stay) affects tourists' spatial behaviour regarding whether to stay on the island or discover places off the island. Thus, we expect that tourists' length of stay would have a positive relationship with expenditure on travelling inside a country (EXPND). Data for the length of stay (LENGTH) is collected from various sources including UNWTO (2010), OECD (2020), and Gössling et al. (2018).

Travel party size: Several studies show that travel party size matters for the tourists' duration of stay and travelling inside a destination (e.g. Alegre & Pou, 2006; Alén et al., 2014; Boto-García et al., 2019; De Cantis et al., 2016; Salmasi et al., 2012; Zhao et al., 2018). For example, Zhao et al. (2018) found that tourists in group travel tend to visit nearby attractions more often than non-group tourists when deciding on attractions to visit. This is because group tours tend to minimize travel risks and uncertainty by travelling shorter distances (that is, the longer distance traveller is exposed to more risks). In addition, the authors argue that the movement behaviour of group travel is constrained by the limitations of existing travel packages. They also note that compared with those in small-size close-circle travel, tourists in group travel prefer less diversified sequences. In this study, we use the percentage of leisure arrival travelling as part of an organized tour group divided by total inbound leisure arrivals (GROUPTOUR). Data for GROUPTOUR are collected from the Euromonitor International database (collected from UNWTO).

Travel and tourism infrastructure: We include the World Economic Forum's tourist service infrastructure indicator (INFRASTRUCTURE) as well as the World Bank's Logistics Performance Index (TRANSPORT) to capture the quality of travel and tourism infrastructure in destinations. As highlighted by Lau and McKercher (2006), Lew and McKercher (2006), and Mckercher and Lau (2008), transport networks and transport accessibility affect tourist movement patterns (tourist mobility). We also expect that EXPND would be higher in countries with a higher quality of travel and tourism infrastructure (e.g. ports, railroads, roads, hotel rooms).

Age groups: Finally, following Lau and McKercher (2006) and Masiero and Zoltan (2013), we include various age groups as explanatory variables for tourist movement inside a destination. It is expected to find that spending on travel inside a destination is greater among older international tourists as they often stay longer in destinations due to the higher income level and time availability (Martinez-Garcia & Raya, 2008). Data for the share of tourists by each age group by the total number of arrivals are obtained from the Euromonitor International database.

4. Estimation methods and results

Given the nature of two sets of our happiness data, we run cross-sectional estimations for HAPPINESS and panel data estimations for HAPPYPLANET. In our study, a cross-sectional data set consists of a sample of countries taken at a given point in time and a panel data (or longitudinal data) set consists of a time series for each country in the data set (Wooldridge, 2013).

Since HAPPINESS is the average of happiness scores for the period of 2005–2014, we take mean values for other control variables as well as the dependent variable from a similar period. We specify our first empirical model (1) as follows:

$$\text{EXPND}_i = \beta_0 + \beta_1 \text{HAPPINESS}_i + \beta_2 X_i + u_i \tag{1}$$

where EXPND is inbound receipts on travel in destination (USD million, constant 2018 prices) by the number of leisure arrivals (000 trips), HAPPINESS is average happiness scores over 2005–2014, X is a vector that includes the control variables, βs are coefficients and u is an error term.

We estimate the equation (1) with an ordinary least squares (OLS) estimator and a two-stage least squares (2SLS) estimator (which is the most common instrumental-variables estimator). The reason to use the 2SLS approach is to diminish the potential problem of endogenous explanatory variables in equation (1). The endogeneity problem arises when the explanatory variables are correlated with the error term. There are at least three generally recognized sources of endogeneity: omitted variables, simultaneity, and measurement error (Wooldridge, 2013). In our study, for example, we argue that residents' happiness may affect EXPND; however, it has been shown that international tourism flows may also impact the level of destination residents' happiness (e.g. Bernini et al., 2020; Bimonte & Faralla, 2016; McCabe & Johnson, 2013; Rivera et al., 2016;).

Because we are treating HAPPINESS as an endogenous regressor, we must have at least one additional variable available (instrumental variable) that is correlated with HAPPINESS but uncorrelated with the error term. In our dataset, we consider two instrumental variables *deaths from mental and behavioral disorders (per 100,000 population)* and *GDP measured at purchasing power parity per capita (international dollar)*. The diagnostics show both the relevance and validity of the employed instruments. To test the null hypothesis that excluded instruments are irrelevant (under-identification test), we relied on the Lagrange Multiplier (LM) statistic with a value of 20.23 and a *p*-value of 0.00. Therefore, we can strongly reject the null hypothesis of under-identification. To examine the weak instrument's issue, we used the Wald F statistic, which tests the null hypothesis that excluded instruments are weak (weak identification test). The Wald F statistic (12.59) was above the 15% maximal IV size (11.59). Overall, we reject the weakness of the instruments.

Columns 1–2 of Table 1 show the findings of regression analyses using cross-country data. In column 1, we apply the OLS estimator with robust standard error. In column 2, we employ a 2SLS

Table 1. Evidence from cross-sectional regressions.

	Dependent variable: EXPND	
Independent variables	(1) OLS	(2) 2SLS
HAPPINESS	0.047**	0.110***
	(0.022)	(0.035)
log (WHERITAGE)	0.075**	0.095**
	(0.033)	(0.044)
LENGTH	0.004	0.004***
	(0.004)	(0.002)
GROUPTOUR	0.142	0.269**
	(0.110)	(0.124)
INFRASTRUCTURE	0.043	0.013
	(0.087)	(0.016)
AGE15_24	0.324	0.122
	(0.543)	(0.507)
AGE25_34	−0.052	0.402
	(0.491)	(0.488)
AGE35_49	0.178	0.118
	(0.290)	(0.305)
AGE50_64	0.853*	0.706*
	(0.469)	(0.390)
Constant	−0.572	−1.063***
	(0.406)	(0.357)
R-squared	0.365	
F-statistic	3.26***	
Observations	58	58
LM statistic		20.23***
Wald F statistic		12.59

Notes: The asterisks *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively. Robust standard errors are presented in parentheses. EXPND is inbound receipts on travel in destination divided by the number of leisure arrivals. HAPPINESS is the average of happiness scores from the World Database of Happiness for the period 2005–2014. WHERITAGE is the number of World Heritage properties. LENGTH is the average length of stay of international tourists in a country. GROUPTOUR represents the percentage of leisure arrival travelling as part of an organized tour. INFRASTRUCTURE is the average tourist service infrastructure score from the World Economic Forum (2007–2013). AGE15_24, AGE25_34, AGE35_49, and AGE50_64 denote the share of each age group in total travellers for holiday purposes. The AGE65 + is the base category. In column 2, deaths from mental and behavioural disorders (per 100,000 population) and GDP measured at purchasing power parity per capita (international dollar) are used as instruments for HAPPINESS.

estimator with the two different instruments for HAPPINESS. The results indicate that HAPPINESS has a positive and significant association with EXPND. This shows that international tourists spend more on travel within happier societies.

Our results are aligned with the evidence suggests that those tourists who are interested in destinations' values and norms tend to travel more extensively inside a destination (Haldrup, 2004; Jovicic, 2016; Masiero & Zoltan, 2013; Zoltan & McKercher, 2015). Tourists that appreciate intangible attractions of the destination, such as cultural norms, seek aesthetic, intellectual, emotional, or psychological cultural experiences (Reisinger, 1994). They are naturally more curious about new cultures (Chen & Rahman, 2018). Our findings indicate that international tourists tend to extend their travel within happier countries. They may spend more on travelling within countries with happier residents to expand their experience of the local lifestyle and interact more with residents. These results extend those of Gholipour et al. (2016) that not only do international tourists travel to seek happiness, but they also extend their travelling inside happy nations. While it has been shown that the pursuit of happiness is the ultimate consideration of many human decisions including the consumption of products or services (Ng, 2003), we highlight the importance of this emotion for people's travelling decision making.

Our findings are also consistent with those of Snaith and Haley (1999) and Bimonte and Faralla (2016); specifically, happy hosts enhance the memorable experience of tourists and therefore

encourage them to consume more goods and services and stay longer in a destination. Hosts with positive attitudes toward tourists are also more prone to support tourist development.

In terms of control variables, the coefficient for WHERITAGE is positive and significant across two different estimations (columns 1–2 of Table 1). This means that the foreign tourists' expenditures on travelling are higher in countries with more World Heritage sites. This finding is in line with the results of Masiero and Zoltan (2013) and Khairi et al. (2019), who put stress on the positive impact of the world heritage on tourists' engagement in exploring a destination more widely. Our findings also indicate that GROUPTOUR is positively associated with more EXPND (column 2 of Table 1), meaning that foreign tourists spend more on travelling inside a destination if they travel with tours. We also find that the age group of 50_64 years spends slightly more on EXPND than other age groups.

Regarding the estimation using HAPPYPLANET, we utilize panel data to explore the relationship between HAPPYPLANET and EXPND. According to Baltagi (2008), panel data have several advantages over time-series and cross-sectional data and provide more information, more variability, less collinearity among the variables, more degrees of freedom, and more efficiency.

Since HAPPYPLANET is available for the years 2006, 2009, 2012, and 2016, we use the values of the same period for other variables to match the dependent variable and control variables to HAPPYPLANET data. We apply panel random-effects generalized least squares (GLS) and 2SLS estimators.

We estimate the following model (2):

$$EXPND_{it} = \beta_0 + \beta_1 EXPND_{it-1} + \beta_2 HAPPYPLANET_{it} + \beta_3 X_{it} + u_{it}$$

where $EXPND_{it}$ is inbound receipts on travel in destination (USD million, constant 2018 prices) by the number of leisure arrivals (000 trips) for country i and period t, $EXPND_{it-1}$ is a one-period lag of $EXPND_{it}$, HAPPYPLANET represents Happy Planet Index, X is a vector that includes the control variables, βs are coefficients and u is an error term. We include a one-period lag of EXPND because it has been shown that there exists persistence in the dynamics of tourism flows (arrivals and departures), such that the previous level of arrivals and departures influences the current level (Gholipour & Foroughi, 2020). In our estimations with panel data, we use the World Bank's Logistics Performance Index: Quality of Trade and Transport Infrastructure (range from 1 to 5, highest score) instead of the WEF's tourism infrastructure score (that we used in our cross-sectional estimations). It is because WEF's data are not matched with our sample years of 2006, 2009, 2012, and 2016.

Table 2 reports the results of regressions using panel data.[1] Similar to the findings of cross-sectional regressions, a significant and positive relationship is found between HAPPYPLANET and EXPND across various estimations (columns 1–2 of Table 2). These results lend support to our proposal that happiness in a destination matters for international tourists' expenditures on travelling inside destinations. Our analysis also shows that WHERITAGE and TRANSPORT have the predicted signs and are statistically significant (columns 1–2 of Table 2). These findings are in line with the results of Lew and McKercher (2006) and Masiero and Zoltan (2013), who emphasized the positive impact of the transportation network and availability of museums and/or historical buildings on tourists' engagement in exploring a destination more widely.

5. Conclusion and implications

In this research, we examine the relationship between a nation's happiness and inbound tourism receipts on travel inside destinations using data from 58 countries. Our results show that in addition to the standard determinants of inbound tourism (e.g. numbers of World Heritage sites and quality of transport infrastructures) a higher level of happiness in a country is positively associated with more international tourists' spending on travelling inside the country.

Our findings provide three implications for tourism operators and tourism policymakers. First, given that the search for happiness has become one of the most vital goals of modern society

Table 2. Evidence from panel data regressions

	Dependent variable: EXPND	
Independent variables	(1) Random-effects GLS	(2) 2SLS
EXPND(−1)	0.295***	0.105
	(0.070)	(0.070)
log (HAPPYPLANET)	0.055**	0.086**
	(0.021)	(.036)
log (WHERITAGE)	0.025**	0.032***
	(0.010)	(0.011)
LENGTH	0.002	0.002
	(0.003)	(0.004)
GROUPTOUR	−0.005	−0.010
	(0.052)	(0.054)
TRANSPORT	0.032**	0.032**
	(0.016)	(0.013)
AGE15_24	0.348	0.233
	(0.405)	(0.431)
AGE25_34	−0.273	−0.353**
	(0.192)	(0.148)
AGE35_49	0.270	0.303
	(0.193)	(0.208)
AGE50_64	0.453	0.387
	(0.340)	(0.348)
Constant	−0.409*	−0.473*
	(0.211)	(0.263)
Overall R-squared	0.524	0.397

Notes: The asterisks *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively. Robust standard errors are presented in parentheses. EXPND is inbound receipts on travel in destination divided by the number of leisure arrivals. EXPND(−1) is a one-period lag of EXPND. HAPPYPLANET is the Happy Planet Index for the period 2006–2016. WHERITAGE measures the number of World Heritage properties. LENGTH is the average length of stay of international tourists in a country. GROUPTOUR is the percentage of leisure arrival travelling as part of an organized tour. TRANSPORT represents the World Bank's Logistics Performance Index: Quality of Trade and Transport Infrastructure. AGE15_24, AGE25_34, AGE35_49, and AGE50_64 denote the share of each age group in total travellers for holiday purposes. The AGE65 + is the base category. In column 2, deaths from mental and behavioural disorders (per 100,000 population) and GDP measured at purchasing power parity per capita (international dollar) are used as instruments for HAPPYPLANET.

and the objective of public policies (Kluger, 2013), tourism policymakers and travel agencies of countries with happier citizens should emphasize this national attribute in their tourism marketing campaigns. The happiness feature of a country, along with other factors, can be an attractive element to encourage tourists to travel extensively within happier countries. This distinguishing element is even more important in the post-COVID-19 era when people will most likely be looking for exposure to happiness. To curb the adverse impacts of the pandemic, governments around the world have introduced specific health measures such as limitations on social gatherings and strict lockdowns. There is emerging evidence about the substantial impacts of these measures on individuals' psychological well-being. Greyling et al. (2021) found a negative association between lockdown regulations and happiness in South Africa, New Zealand, and Australia. They found the more stringent lockdown regulations are linked to more unhappiness. Moreover, Rossouw et al. (2021) showed mobility and having the opportunity to travel internationally are positively and significantly related to the probability of being happy for New Zealand citizens after the 2020 lockdown period. As such, policymakers may consider commodifying countries' happiness in their tourism campaigns to encourage more travel within their countries in the post-pandemic era.

Many studies have suggested that some of the established classic tourism destinations are suffering from stagnation or decline in visitors because of the standardization, homogenization, and commodification of the tourism experience (Cetin & Bilgihan, 2016). The attribute of happiness associated with a destination is not easy to duplicate and, therefore, the destination can gain an inimitable competitive advantage. Therefore, it is possible to suggest that the element of national

happiness in the destination along with other distinctive attractions can be used for tourism promotional purposes.

Second, as we showed that happiness is a fundamental factor that provides positive externalities for societies, it is wise that the government to increase funding for projects that have positive associations with public happiness. It has been shown that public projects including environmental protection, education, and research have positive impacts on levels of social happiness (Ng, 2003). The accurate costs of public expenditures have often been overrated by some economists (Kaplow, 1996; Ng, 2000). They usually stress the additional burden of taxation, ignoring the offsetting welfare of the spending on public projects for societies. In this study, we identify an intangible national capital that can stimulate tourism activity. Investing in this capital has the potential to contribute to the productivity and economic growth of a country. In the commodification of national happiness in tourism campaigns is important to consider the indigenous and local people well-being. International tourism campaigns that seek to capture the unique perceived essence of a country should avoid developing messages that consider happiness as a compensation for economic inequity as these messages may create opportunities for exploitation of local residents (Phillips et al., 2021).

Third, our findings can also contribute to explaining tourist movement behaviour, which has implications for local tourism authorities and destination planners. The knowledge about tourists' travelling patterns and behaviour can be utilized in infrastructure and transport development, product development, destination planning, and the planning of new attractions (Hallo et al., 2005). In addition, tourist movement across regions has the potential to reduce inequality through the distribution of revenue generated by tourism. This can be especially helpful in poverty and inequality reduction in some South American countries with high scores in happiness.

A limitation of our study is that, due to the lack of long time-series data, the relationship between happiness and tourists' travelling inside a destination cannot be strongly interpreted as a causal link. Future studies may look at the bi-directional relationship between a nation's happiness and foreign tourists' expenditures on travelling if data for happiness are available for a longer period. In addition, it would be interesting to test the relationship between the happiness of local people and tourists' movements using data at the regional or city level across countries if this data were available. We acknowledge this data limitation. Moreover, our sample only includes 58 countries (mostly developed economies) for which data on tourists' expenditures on travelling inside a destination is available. Future studies may include more countries from least-developed economies in their analyses (if the data become available) to provide more comprehensive insights on the link between happiness and tourists' expenditures on travelling inside a destination.

Acknowledgments

Note

1. We did not run the panel unit root test because the period of our study is short. As noted by Karlsson and Löthgren (2000), "For small T, panel unit root tests have low power and there is the potential risk of concluding that the whole panel is nonstationary even when there is a large proportion of stationary series in the panel" (Baltagi, 2005, p. 247).

Disclosure statement

ORCID

Hassan F. Gholipour http://orcid.org/0000-0003-4714-8144

References

Ahmed, S. (2008). Sociable happiness. *Emotion, Space and Society*, *1*(1), 10–13. https://doi.org/10.1016/j.emospa.2008.07.003

Alegre, J., & Pou, L. (2006). The length of stay in the demand for tourism. *Tourism Management*, *27*(6), 1343–1355. https://doi.org/10.1016/j.tourman.2005.06.012

Alén, E., Nicolau, J. L., Losada, N., & Domínguez, T. (2014). Determinant factors of senior tourists' length of stay. *Annals of Tourism Research*, *49*, 19–32. https://doi.org/10.1016/j.annals.2014.08.002

Al-mulali, U., Gholipour, H. F., Lee, J. Y. M., & Mohammed, A. H. (2014). Estimating the tourism-led growth hypothesis: A case study of the Middle East countries. *Anatolia*, *25*(2), 290–298. https://doi.org/10.1080/13032917.2013.843467

Andereck, K. L., & Nyaupane, G. P. (2011). Exploring the nature of tourism and quality of life perceptions among residents. *Journal of Travel Research*, *50*(3), 248–260. https://doi.org/10.1177/0047287510362918

Baas, M., De Dreu, C. K. W., & Nijstad, B. A. (2008). A meta-analysis of 25 years of mood-creativity research: Hedonic tone, activation, or regulatory focus? *Psychological Bulletin*, *134*(6), 779–806. https://doi.org/10.1037/a0012815

Baltagi, B. H. (2005). *Econometric Analysis of Panel Data. Third edition*. Wiley.

Baltagi, B. H. (2008). *Econometric Analysis of Panel data*. Wiley.

Bernini, C., Cerqua, A., & Pellegrini, G. (2020). Endogenous amenities, tourists' happiness and competitiveness. *Regional Studies*, *54*(9), 1214–1225. https://doi.org/10.1080/00343404.2020.1712350

Bimonte, S., & Faralla, V. (2012). Tourist types and happiness a comparative study in Maremma, Italy. *Annals of Tourism Research*, *39*(4), 1929–1950. https://doi.org/10.1016/j.annals.2012.05.026

Bimonte, S., & Faralla, V. (2016). Does residents' perceived life satisfaction vary with tourist season? A two-step survey in a Mediterranean destination. *Tourism Management*, *55*, 199–208. https://doi.org/10.1016/j.tourman.2016.02.011

Boto-García, D., Baños-Pino, J. F., & Álvarez, A. (2019). Determinants of tourists' length of stay: A hurdle count data approach. *Journal of Travel Research*, *58*(6), 977–994. https://doi.org/10.1177/0047287518793041

Buckley, R. (2004). The effects of World Heritage listing on tourism to Australian national parks. *Journal of Sustainable Tourism*, *12*(1), 70–84. https://doi.org/10.1080/09669580408667225

Cetin, G., & Bilgihan, A. (2016). Components of cultural tourists' experiences in destinations. *Current Issues in Tourism*, *19*(2), 137–154. https://doi.org/10.1080/13683500.2014.994595

Chancellor, C., & Cole, S. (2008). Using geographic information system to visualize travel patterns and market research data. *Journal of Travel & Tourism Marketing*, *25*(3–4), 341–354. https://doi.org/10.1080/10548400802508440

Chen, H., & Rahman, I. (2018). Cultural tourism: An analysis of engagement, cultural contact, memorable tourism experience and destination loyalty. *Tourism Management Perspectives*, *26*, 153–163. https://doi.org/10.1016/j.tmp.2017.10.006

Chen, Y., & Li, X. R. (2018). Does a happy destination bring you happiness? Evidence from Swiss inbound tourism. *Tourism Management*, *65*, 256–266. https://doi.org/10.1016/j.tourman.2017.10.009

Cohen, S., Alper, C. M., Doyle, W. J., Treanor, J. J., & Turner, R. B. (2006). Positive emotional style predicts resistance to illness after experimental exposure to rhinovirus or influenza A virus. *Psychosomatic Medicine*, *68*(6), 809–815. https://doi.org/10.1097/01.psy.0000245867.92364.3c

Cooper, C. P. (1981). Spatial and temporal patterns of tourist behaviour. *Regional Studies*, *15*(5), 359–371. https://doi.org/10.1080/09595238100185351

Cuming, A. (2019). This Country Is Basing Its Entire Budget On The Happiness Of Its People | HuffPost. Retrieved September 14, 2019, from https://www.huffpost.com/entry/new-zealand-well-being-budget-happiness-economy_n_5cf4f7e1e4b0e8085e3cf4b0.

Curtin, R. T. (2002). Surveys of consumers: Theory, methods, and interpretation. *NABE 44th Annual Meeting, September*. September 30, Washington DC.

De Cantis, S., Ferrante, M., Kahani, A., & Shoval, N. (2016). Cruise passengers' behavior at the destination: Investigation using GPS technology. *Tourism Management*, *52*, 133–150. https://doi.org/10.1016/j.tourman.2015.06.018

Debbage, K. (1991). Spatial behavior in a Bahamian resort. *Annals of Tourism Research*, *18*(2), 251–268. https://doi.org/10.1016/0160-7383(91)90008-Y

Dibb, S. (2000). Market segmentation: Conceptual and methodological foundations (2nd edition). *Journal of Targeting, Measurement and Analysis for Marketing*, *9*(1), 92–93. https://doi.org/10.1057/palgrave.jt.5740007

Durlak, J. A., Weissberg, R. P., Dymnicki, A. B., Taylor, R. D., & Schellinger, K. B. (2011). The impact of enhancing students' social and emotional learning: A meta-analysis of school-based universal interventions. *Child Development*, *82*(1), 405–432. https://doi.org/10.1111/j.1467-8624.2010.01564.x

Fowler, J. H., & Christakis, N. A. (2008). Dynamic spread of happiness in a large social network: Longitudinal analysis over 20 years in the framingham heart study. *BMJ*, *337*(dec04 2), a2338–a2338. https://doi.org/10.1136/bmj.a2338

Gallup. (2018). World Took a Negative Turn in 2017. Retrieved July 23, 2019, from https://news.gallup.com/poll/242117/world-took-negative-turn-2017.aspx.

Gholipour, H. F., & Foroughi, B. (2020). Business sentiment and international business travels: A cross-country analysis. *Journal of Travel Research*, *59*(6), 1061–1072. https://doi.org/10.1177/0047287519872828

Gholipour, H. F., Tajaddini, R., & Al-mulali, U. (2014). Does personal freedom influence outbound tourism? *Tourism Management*, *41*, 19–25. https://doi.org/10.1016/j.tourman.2013.08.010

Gholipour, H. F., Tajaddini, R., & Nguyen, J. (2016). Happiness and inbound tourism. *Annals of Tourism Research*, *57*, 251–253. https://doi.org/10.1016/j.annals.2015.12.003

Gilbert, D., & Abdullah, J. (2004). Holidaytaking and the sense of well-being. *Annals of Tourism Research*, *31*(1), 103–121. https://doi.org/10.1016/j.annals.2003.06.001

Gitelson, R. J., & Kerstetter, D. L. (1990). The relationship between sociodemographic variables, benefits sought and subsequent vacation behavior: A case study. *Journal of Travel Research*, *28*(3), 24–29. https://doi.org/10.1177/004728759002800304

Godovykh, M., Ridderstaat, J., & Fyall, A. (2021). The well-being impacts of tourism: Long-term and short-term effects of tourism development on residents' happiness. *Tourism Economics*, *0*(0) 1–20. https://doi.org/10.1177/13548166211041227

Gössling, S., Scott, D., & Hall, C. M. (2018). Global trends in length of stay: Implications for destination management and climate change. *Journal of Sustainable Tourism*, *26*(12), 2087–2101. https://doi.org/10.1080/09669582.2018.1529771

Greyling, T., Rossouw, S., & Adhikari, T. (2021). A tale of three countries: What is the relationship between COVID-19, lockdown and happiness? *South African Journal of Economics*, *89*(1), 25–43. https://doi.org/10.1111/saje.12284

Haldrup, M. (2004). Laid-back mobilities: Second-home holidays in time and space. *Tourism Geographies*, *6*(4), 434–454. https://doi.org/10.1080/1461668042000280228

Hallo, J. C., Manning, R. E., Valliere, W., & Budruk, M. (2005). A case study comparison of visitor self-reported travel routes and GPS recorded travel routes. In: Bricker, Kelly, Comp., Ed. 2005. *Proceedings of the 2004 Northeastern Recreation Research Symposium. Gen. Tech. Rep. NE-326. Newtown Square, PA: US Department of Agriculture, Forest Service, Northeastern Research Station: 172–177*.

Hao, Y., Bai, H., & Sun, S. (2021). How does COVID-19 affect tourism in terms of people's willingness to travel? Empirical evidence from China. *Tourism Review*, *76*(4), 892–909. https://doi.org/10.1108/TR-09-2020-0424

Hardy, A., Birenboim, A., & Wells, M. (2020). Using geoinformatics to assess tourist dispersal at the state level. *Annals of Tourism Research*, *82*, 102903. https://doi.org/10.1016/j.annals.2020.102903

Hofstede, G. H., Hofstede, G. J., & Minkov, M. (2005). *Cultures and organizations: Software of the mind (Vol. 2)*. Mcgraw-hill.

Huang, Z., Huang, S., Yang, Y., Tang, Z., Yang, Y., & Zhou, Y. (2021). In pursuit of happiness: Impact of the happiness level of a destination country on Chinese tourists' outbound travel choices. *International Journal of Tourism Research*, 1–12. https://doi.org/10.1002/jtr.2386

Hwang, Y.-H., & Fesenmaier, D. R. (2003). Multidestination pleasure travel patterns: Empirical evidence from the American travel survey. *Journal of Travel Research*, *42*(2), 166–171. https://doi.org/10.1177/0047287503253936

Jovicic, D. (2016). Cultural tourism in the context of relations between mass and alternative tourism. *Current Issues in Tourism*, *19*(6), 605–612. https://doi.org/10.1080/13683500.2014.932759

Kaplow, L. (1996). The optimal supply of public goods and the distortionary cost of taxation. *National Tax Journal*, *49*(4), 513–533. https://doi.org/10.1086/NTJ41789224

Karlsson, S., & Löthgren, M. (2000). On the power and interpretation of panel unit root tests. *Economics Letters*, *66*(3), 249–255. https://doi.org/10.1016/S0165-1765(99)00237-2

Kelly, A. (2012). Gross national happiness in Bhutan: the big idea from a tiny state that could change the world. The Guardian. Retrieved from: https://www.theguardian.com/world/2012/dec/01/bhutan-wealth-happiness-counts.

Khairi, M. D. N. D., Ismail, H. N., & Syed Jaafar, S. M. R. (2019). Tourist behaviour through consumption in Melaka World Heritage site. *Current Issues in Tourism*, *22*(5), 582–600. https://doi.org/10.1080/13683500.2018.1491534

Kim, K., Uysal, M., & Sirgy, M. J. (2013). How does tourism in a community impact the quality of life of community residents? *Tourism Management*, *36*, 527–540. https://doi.org/10.1016/j.tourman.2012.09.005

Kluger, J. (2013). The Pursuit of Happiness. Time, July 8, 2013. Retrieved September 14, 2019, from http://content.time.com/time/covers/0,16641,20130708,00.html.

Knight, J. B., & Gunatilaka, R. (2009). *Is happiness infectious?* Discussion Paper No. 446, Department of Economics, University of Oxford.

Koo, T. T. R., Wu, C.-L., & Dwyer, L. (2012). Dispersal of visitors within destinations: Descriptive measures and underlying drivers. *Tourism Management*, *33*(5), 1209–1219. https://doi.org/10.1016/j.tourman.2011.11.010

Lam, T., & Hsu, C. H. C. (2006). Predicting behavioral intention of choosing a travel destination. *Tourism Management*, *27*(4), 589–599. https://doi.org/10.1016/j.tourman.2005.02.003

Lau, A. L. S., & McKercher, B. (2004). Exploration versus acquisition: A comparison of first-time and repeat visitors. *Journal of Travel Research*, *42*(3), 279–285. https://doi.org/10.1177/0047287503257502

Lau, G., & McKercher, B. (2006). Understanding tourist movement patterns in a destination: A GIS approach. *Tourism and Hospitality Research*, *7*(1), 39–49. https://doi.org/10.1057/palgrave.thr.6050027

Lee, C. C., Chen, M. P., & Peng, Y. T. (2021). Tourism development and happiness: International evidence. *Tourism Economics*, *27*(5), 1101–1136. https://doi.org/10.1177/1354816620921574

Lew, A., & McKercher, B. (2006). Modeling tourist movements: A local destination analysis. *Annals of Tourism Research*, *33*(2), 403–423. https://doi.org/10.1016/j.annals.2005.12.002

Li, Y. (2000). Geographical consciousness and tourism experience. *Annals of Tourism Research*, *27*(4), 863–883. https://doi.org/10.1016/S0160-7383(99)00112-7

Marks, N., Abdallah, S., Simms, A., & Thompson, S. (2006). The unhappy planet index, An index of human well-being and environmental impact. *Nef's Centre for Well-being*. Retrieved from: https://b.3cdn.net/nefoundation/54928c89090c07a78f_ywm6y59da.pdf.

Martinez-Garcia, E., & Raya, J. M. (2008). Length of stay for low-cost tourism. *Tourism Management*, *29*(6), 1064–1075. https://doi.org/10.1016/j.tourman.2008.02.011

Masiero, L., & Zoltan, J. (2013). Tourists intra-destination visits and transport mode: A bivariate probit model. *Annals of Tourism Research*, *43*, 529–546. https://doi.org/10.1016/j.annals.2013.05.014

McCabe, S., & Johnson, S. (2013). The happiness factor in tourism: Subjective well-being and social tourism. *Annals of Tourism Research*, *41*, 42–65. https://doi.org/10.1016/j.annals.2012.12.001

McCabe, S., Joldersma, T., & Li, C. (2010). Understanding the benefits of social tourism: Linking participation to subjective well-being and quality of life. *International Journal of Tourism Research*, *12*(6), 761–773. https://doi.org/10.1002/jtr.791

Mckercher, B., & Lau, G. (2008). Movement patterns of tourists within a destination. *Tourism Geographies*, *10*(3), 355–374. https://doi.org/10.1080/14616680802236352

Mehrabian, A., & Russell, J. A. (1974). *An approach to environmental psychology*. MIT Press.

Mogilner, C., Aaker, J., & Kamvar, S. D. (2011). How happiness affects choice. *Journal of Consumer Research*, *39*(2), 429–443. https://doi.org/10.1086/663774

Nawijn, J., & Biran, A. (2019). Negative emotions in tourism: A meaningful analysis. *Current Issues in Tourism*, *22*(19), 2386–2398. https://doi.org/10.1080/13683500.2018.1451495

Nawijn, J., & Mitas, O. (2012). Resident attitudes to tourism and their effect on subjective well-being. *Journal of Travel Research*, *51*(5), 531–541. https://doi.org/10.1177/0047287511426482

Nawijn, J., & Peeters, P. M. (2010). Travelling 'green': Is tourists' happiness at stake? *Current Issues in Tourism*, *13*(4), 381–392. https://doi.org/10.1080/13683500903215016

Ng, Y.-K. (2000). The optimal size of public spending and the distortionary cost of taxation. *National Tax Journal*, *53*(2), 253–272. https://doi.org/10.17310/ntj.2000.2.05

Ng, Y.-K. (2003). From preference to happiness: Towards a more complete welfare economics. *Social Choice and Welfare*, *20*(2), 307–350. https://doi.org/10.1007/s003550200184

OECD. (2020). Inbound tourism. Retrieved September 12, 2020, from https://stats.oecd.org/Index.aspx?DataSetCode=TOURISM_INBOUND.

Paniagua, J., Peiró-Palomino, J., & Santana-Gallego, M. (2022). Does happiness drive tourism decisions? *Economic Modelling*, *111*, 105824. https://doi.org/10.1016/j.econmod.2022.105824

Pearce, P., Filep, S., & Ross, G. (2010). *Tourists, tourism and the good life*. Routledge.

Phillips, T., Taylor, J., Narain, E., & Chandler, P. (2021). Selling authentic happiness: Indigenous wellbeing and romanticised inequality in tourism advertising. *Annals of Tourism Research*, *87*, 103115. https://doi.org/10.1016/j.annals.2020.103115

Poria, Y., Butler, R., & Airey, D. (2003). The core of Heritage tourism. *Annals of Tourism Research*, *30*(1), 238–254. https://doi.org/10.1016/S0160-7383(02)00064-6

Probyn, E. (2005). *Blush: Faces of shame*. University of Minnesota Press.

Quan, S., & Wang, N. (2004). Towards a structural model of the tourist experience: An illustration from food experiences in tourism. *Tourism Management*, *25*(3), 297–305. https://doi.org/10.1016/S0261-5177(03)00130-4

Reisinger, Y. (1994). Tourist—host contact as a part of cultural tourism. *World Leisure & Recreation*, *36*(2), 24–28. https://doi.org/10.1080/10261133.1994.9673910

Rivera, M., Croes, R., & Lee, S. H. (2016). Tourism development and happiness: A residents' perspective. *Journal of Destination Marketing & Management*, *5*(1), 5–15. https://doi.org/10.1016/j.jdmm.2015.04.002

Rossouw, S., Greyling, T., & Adhikari, T. (2021). The evolution of happiness pre and peri-COVID-19: A markov switching dynamic regression model. *Plos one*, *16*(12), e0259579. https://doi.org/10.1371/journal.pone.0259579

Salmasi, L., Celidoni, M., & Procidano, I. (2012). Length of stay: Price and income semi-elasticities at different destinations in italy. *International Journal of Tourism Research*, *14*(6), 515–530. https://doi.org/10.1002/jtr.1867

Silberberg, T. (1995). Cultural tourism and business opportunities for museums and heritage sites. *Tourism Management*, *16*(5), 361–365. https://doi.org/10.1016/0261-5177(95)00039-Q

Snaith, T., & Haley, A. (1999). Residents' opinions of tourism development in the historic city of york, England. *Tourism Management*, *20*(5), 595–603. https://doi.org/10.1016/S0261-5177(99)00030-8

Su, Y.-W., & Lin, H.-L. (2014). Analysis of international tourist arrivals worldwide: The role of world heritage sites. *Tourism Management*, *40*, 46–58. https://doi.org/10.1016/j.tourman.2013.04.005

Tigre Moura, F., Gnoth, J., & Deans, K. R. (2015). Localizing cultural values on tourism destination websites. *Journal of Travel Research*, *54*(4), 528–542. https://doi.org/10.1177/0047287514522873

UNWTO. (2010). *TSA Data around the World Worldwide Summary Statistics and Tourism Satellite Account (TSA) Programme*. https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-01/tsa_data.pdf.

Van Kleef, G. A., De Dreu, C. K. W., & Manstead, A. S. R. (2004). The interpersonal effects of anger and happiness in nego- tiations. *Journal of Personality and Social Psychology*, *86*(1), 57–76. https://doi.org/10.1037/0022-3514.86.1.57

Veenhoven, R. (2019). Measures of happiness. World Database of Happiness, Erasmus University Rotterdam. Retrieved May 1, 2019, from https://worlddatabaseofhappiness.eur.nl/hap_quer/hqi_fp.htm.

Vu, H. Q., Li, G., Law, R., & Ye, B. H. (2015). Exploring the travel behaviors of inbound tourists to Hong Kong using geo- tagged photos. *Tourism Management*, *46*, 222–232. https://doi.org/10.1016/j.tourman.2014.07.003

Wong, P., & Bowers, V. (2018). Mature happiness and global wellbeing in difficult times. Retrieved from: http://www. drpaulwong.com/mature-happiness-and-global-wellbeing-in-difficult-times/.

Wooldridge, J. M. (2013). *Introductory econometrics: A modern approach* (5th editio). Cengage Learning.

World Bank. (2019a). GDP (constant 2010 US$). Retrieved September 14, 2019, Retrieved from: https://data.worldbank. org/indicator/NY.GDP.MKTP.KD.

World Bank. (2019b). International tourism, number of arrivals. Retrieved September 14, 2019, from: https://data. worldbank.org/indicator/ST.INT.ARVL.

WTTC. (2018). Travel & Tourism Economic Impact 2018. Retrieved September 7, 2019, from: https://www.wttc. org/-/media/files/reports/economic-impact-research/regions-2018/world2018.pdf.

Xia, J. C., Zeephongsekul, P., & Arrowsmith, C. (2009). Modelling spatio-temporal movement of tourists using finite markov chains. *Mathematics and Computers in Simulation*, *79*(5), 1544–1553. https://doi.org/10.1016/j.matcom. 2008.06.007

Yang, C.-H., Lin, H.-L., & Han, C.-C. (2010). Analysis of international tourist arrivals in China: The role of World Heritage sites. *Tourism Management*, *31*(6), 827–837. https://doi.org/10.1016/j.tourman.2009.08.008

Zhao, X., Lu, X., Liu, Y., Lin, J., & An, J. (2018). Tourist movement patterns understanding from the perspective of travel party size using mobile tracking data: A case study of xi'an, china. *Tourism Management*, *69*, 368–383. https://doi.org/ 10.1016/j.tourman.2018.06.026

Zoltan, J., & McKercher, B. (2015). Analysing intra-destination movements and activity participation of tourists through destination card consumption. *Tourism Geographies*, *17*(1), 19–35. doi:10.1080/14616688.2014.927523

Appendix

Table A1. List of countries.

Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech, Denmark, Ecuador, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kenya, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Venezuela, and Vietnam.

Table A2. Descriptions, data sources and descriptive statistics of variables.

Variables	Description	Data Sources	Cross-sectional data Mean	Std	Panel data Mean	Std
EXPND	Inbound receipts on travel in destination (USD million, constant 2018 prices) divided by the number of leisure arrivals (000 trips). Inbound receipts on travel in a destination are spending by inbound tourists on travel within the destination country. It includes spending on all local transport, such as rail, bus, ferry, air, taxis and cruise. Includes tourists' use of public transport, but excludes any daily use by residents for commuter purposes.	Euromonitor International from the World Tourism Organization is the United Nations (UNWTO) https://www.euromonitor.com/ https://www.unwto.org/tourism-statistics-data	0.170	0.132	0.167	0.133
HAPPINESS	It is the average happiness scores from 2005 to 2014. Ten-year averages are used for two reasons: a) To cover a considerable number of nations. Since data is not available every year for most nations, presentation in one-year periods would leave us with small numbers of western nations. b) To reduce measurement bias. The scores are based on responses to a question about satisfaction with life. The question is 'How much do people enjoy their life as a whole on a scale of 0 [completely dissatisfied] to 10 [completely satisfied]'. Life satisfaction is assessed utilizing surveys in general population samples.	World Database of Happiness (Veenhoven, 2019)	6.715	0.878		
HAPPYPLANET	The Happy Planet Index is a measure of sustainable well-being. The index combines four elements to show how efficiently residents of different countries are using environmental resources to lead long, happy lives. The index ranges from >44.6 (Best) to <16.8 (Worst). Happy Planet Index ≈ (Well-being × Life expectancy × Inequality of outcomes) / Ecological Footprint Data for HPI are available for 2006, 2009, 2012 and 2016.	The New Economics Foundation http://happyplanetindex.org/resources			41.124	10.439
WHERITAGE	Number of World Heritage sites	The United Nations Educational, Scientific and Cultural Organization (UNESCO)	14.500	13.216	14.500	13.130
LENGTH	International tourist's average length of stay in a country	UNWTO (2010) OECD (2020) Gössling et al. (2018)	6.982	6.130	6.982	6.090
GROUPTOUR	% of leisure arrival travelling as part of an organized tour group by total inbound leisure arrivals	Euromonitor International from the UNWTO https://www.euromonitor.com/ https://www.unwto.org/tourism-statistics-data	0.243	0.161	0.243	0.160

(*Continued*)

Table A2. Continued.

Variables	Description	Data Sources	Cross-sectional data		Panel data	
			Mean	Std	Mean	Std
INFRUSTRUCTURE	The tourist service infrastructure indicator is one of the sub-indices of the Travel & Tourist Competitiveness index which is based on the number of hotel rooms per 100 population, presence of major car rental companies, ATMs accepting Visa cards/million population and quality of tourism infrastructure. The score is on a 1–7 scale, with 7 being the most desirable outcome.	World Economic Forum	4.537	1.37		
AGE15_24	Share of number of holiday takers aged 15–24 in total number of holiday takers	Euromonitor International https://www.euromonitor.com/	0.149	0.045	0.1479	0.046
AGE25_34	Share of number of holiday takers aged 25–34 in total number of holiday takers	Euromonitor International https://www.euromonitor.com/	0.189	0.054	0.188	0.056
AGE35_49	Share of number of holiday takers aged 35–49 in total number of holiday takers	Euromonitor International https://www.euromonitor.com/	0.261	0.069	0.261	0.070
AGE50_64	Share of number of holiday takers aged 50–64 in the total number of holiday takers	Euromonitor International https://www.euromonitor.com/	0.157	0.056	0.159	0.057
TRANSPORT	Logistics Performance Index: Quality of Trade and Transport Infrastructure Quality of Trade and Transport Infrastructure evaluates the quality of trade and transport-related infrastructure (e.g. ports, railroads, roads, information technology), on a rating ranging from 1 (very low) to 5 (very high).	Euromonitor International from the World Bank https://www.euromonitor.com/ https://data.worldbank.org/indicator/LP.LPI.INFR.XQ			3.316	0.639
MENTALDEATH	Deaths from Mental and Behavioral Disorders (per 100,000 population)	Euromonitor International https://www.euromonitor.com/	15.106	16.686	16.260	18.561
GDPCAPITA	GDP measured at purchasing power parity per capita (international dollar)	Euromonitor International from national statistics/ Eurostat/OECD/UN/International Monetary Fund (IMF), International Financial Statistics (IFS) https://www.euromonitor.com/ https://data.worldbank.org/indicator/ NY.GDP.PCAP.PP.CD	27843.84	16922.28	28706.15	17744.19