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# The Economic Impact of Film Tourism: The Case of the Lord of the Rings and Hobbit

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# **The Economic Impact of Film Tourism: The Case of the Lord of the Rings and Hobbit**

## **Introduction**

Film tourism, also known as popular culture tourism, is tourism in the wake of film shows. This paper takes the first step to evaluate the overall economic impacts of film tourism, with a particular focus on the Lord of the Rings and the Hobbit filmed in New Zealand.

## **Literature Review**

Research within the field of film tourism has developed from describing the phenomenon or calculating tourist flows (Riley and Van Doren 1992; Tooke and Baker 1996; Riley, Baker and Van Doren 1998) to exploring more complex topics such as travel motivations (Beeton 2005; Riley and Van Doren 1992), the management of destination impacts (Mordue 1999; 2001), and postmodern interpretations of authenticity and hyper-reality (Beeton 2010).

Research literature contains no established and accepted method for measuring the economic effects of film tourism. Methods usually applied are estimations of the marketing value of a film or TV-series in relation to a destination and the multiplier effect of a film in a particular region (Kulendran and Divisekera 2007).

## **Methodology**

A new approach that combines both econometric and computable general equilibrium modeling techniques is used in the impact assessment. This study proposes to first use the econometric approach to capture the direct influence of film tourism on the increased tourism expenditures followed by the application of the CGE model to evaluate the total economic impact on household welfare. The tourist expenditures estimated from the econometric model are the key data inputs for the CGE model.

## **Results and Conclusions**

Given that this study is still in progress, only some of the preliminary results on the direct influences of film tourism are reported in this abstract. The preliminary results show that the effects of the Hobbit films have significant effects on tourist arrivals from USA, China, Japan, Singapore, Thailand, UK, Hong Kong, Germany, and Korea, but insignificant effects on tourist arrivals from Australia, India, and Canada visiting New Zealand. In contrast, the effects of the Lord of the Rings on the demand for New Zealand tourism are insignificant in all of the origin countries, which contradicts with the news reported by the media.