
Swiss second-home owners' intention to move to their dwelling: an integrated ordered logit model with latent variable.

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Swiss second-home owners' intention to move to their dwelling: an integrated ordered logit model with latent variable.

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Abstract

Among the different types of tourist accommodation, second-homes represent a very peculiar reality for the tourism market, particularly in Switzerland in which such kind of dwellings have a long tradition and represent an important segment in the accommodation sector.

Despite scientific literature on second-home tourism is rich, very few studies took into account the intention of second-home owners to permanently move to the place (typically representing the destination of leisure trips) where they own their dwelling.

The purpose of the present research is to investigate how the intention to relocate in a stable way, expressed by second-home owners, is determined by a set of factors; among these, we include socio-economic covariates characterizing the second-home owners and the extent and habits of usage of the second home. In order to pursue the research we apply an ordered logit model in which the dependent variable is represented by the self-assessed probability to relocate in a stable way; we extend the classical framework of ordered logit models including a latent variable, described by a series of indicators such as the attraction of the second-home owners toward the region of relocation, the desire to spend time at destination, the affection they feel for it and their relationship with neighbors.

The inclusion of a latent construct represents a progress in explaining the intention to relocate of second-home owners. The rationale behind the use of unobservable factors is the idea that the decision to permanently relocate in the second-home destination is not only affected by observable variables (i.e. socio-demographics) but also by different attitudinal and psychological aspects (linked both to the ownership of the dwelling and the destination itself) which are not directly observable and hence measurable. In addition to the main object of research (the intention to move), the integrated framework represented by the ordered logit model enriched by the inclusion of the latent variable helps in explaining the attitudinal and psychological aspects as well.

Data used to pursue the research objectives refer to a structured survey submitted to individuals owning a second home in the Lake Maggiore region in Canton Ticino (Switzerland), an area in which tourism represents a strategic segment of economic development. The sub-sample of Swiss respondents was analyzed.

Descriptive statistics show that about one fifth of the eligible sample declared a very high

probability to relocate in a permanent way in the vacation home in the Lago Maggiore region while more or less 40% declared a very low likelihood. Preliminary results indicate that the attitudinal and psychological traits expressed by the second-home owners represent a fundamental source of explanation of their intention to permanently relocate.

Keywords

Second-home – intention to move – place attachment – latent variable

1. Introduction

Second-homes are typically (but not exclusively) used for leisure purposes by their owners. Scientific literature that deals with such a topic extensively highlighted many and different aspects that characterize the second-home phenomenon spanning from the reasons for owning a vacation dwelling (Jaakson (1986, Chaplin (1999)), to the activities commonly pursued at destination by owners (Kaltenborn (1998), Sievänen et al (2007)), focusing on the interconnections between households' and second-home destinations' lifecycles (Godbey and Bevins (1987) and partially Truly (2002)) and studying how second-home ownership impacts on the socio-economic texture of the places interested by the phenomenon (Girard and Gartner (1993), Clendenning and Field (2005)).

The present work fits in the stream of literature that link seasonal and permanent migration and follows the path trod by several other authors (Sullivan and Stevens (1982), Godbey and Bevins (1987), McHugh (1990), Martin et al (1987), Oigenblick and Kirschebaum (2002)) whose works explicitly take into account individuals' consideration of future permanent move (not necessarily second-home related) contextualized in a tourist framework.

Our purpose with the present work is to examine the influence of psychological and place-attachment (as well as other individual-specific) factors on the intention to permanently move to the vacation property we propose an empirical model based on survey data collected from a sample of Swiss second-home owners. In our work we exploit ordered response modeling (Greene and Hensher (2010)) and expand the classical framework by considering the inclusion of a latent (unobservable) variable. Preliminary results show that inclusion of the latent variable representing the psychological traits helps in explaining the phenomenon under observation.

2. Literature review

The decision to move to the place of seasonal vacation (from residential tourism to permanent migration – McHugh (1990)) is obviously influenced by a lot of factors (*“the challenges posed by a temporary or permanent change of residence can only be understood in terms of individual and family decision making, the mechanisms that facilitate their stay in the destination and the broader socio-economic structures which influence the decision”*, Rodriguez (2001)) and can be considered as a something related to family lifecycle (Godbey and Bevins (1987) analyzed the ownership and disposal of and eventual retirement to second-homes from this perspective). In literature, disparate factors are taken into account to analyze the phenomenon of retirement migration: for example, in a logic of push and pull factors, Clark et al (1996) explain the interstate retiree migration in the USA with adopting as explanatory variables personal characteristics, location-specific amenities and fiscal-related

data and in the same line are the works of Duncombe et al (2001, 2003). Despite the amount of literature explaining the retiree migration behavior, there is little relevant literature regarding the role of feelings or psychological factors in the decision to move and this regards the second-home framework as well. The inclusion of lifestyle-related aspects can be found in Simpson and Siguaw (2013) and, in a different framework, Walker and Li (2007). As far as the impact on individuals' decision to move of constructs like place-attachment or place-engagement, to our best knowledge related literature lacks of consideration and conceptualization. At this regard, psychological aspects in a second-home setting are examined in Stedman (2002) who explores concepts such as "place attachment" and "place satisfaction" starting from the conceptualization of sense of place ("...a collection of symbolic meanings, attachment, and satisfaction with a spatial setting held by an individual or group") and linking it to protective measures toward the destination adopted by seasonal homeowners. Further works that analyze the topic with a particular interest regarding the natural setting of the second-home destinations are by Kaltenborn (1997), Jorgensen and Stedman (2001) and Jorgensen and Stedman (2006) (in the latter the authors relate individuals' characteristics to place dimensions constructs such as identity, attachment and dependence).

3. Behavioral framework

In our approach, we link the individuals' behavior (or better, the intended behavior) to "environmental" factors (in our specific case, the vacation-home related characteristics), individuals' own observable characteristics (e.g. gender, age, etc) and "intervening factors" (Morikawa et al (2002)) such as perceptions and attitudes (psychometric data). The mix of all these sets of factors is supposed to be essential part of individuals' choice and behavior and are therefore intended to explain the phenomenon under observation: the intention to move of second-home owners. The psychometric data are used to characterize (i.e. help to identify) unobservable factors: more specifically (and following the literature on the topic) we will define such psychometric variables as "indicators" and these will be seen as manifestations of a latent construct that we define as "destination engagement". On the other hand, the latter will be represented as a cause-and-effect relationship using observable variables.

4. Data and modelling

4.1 Data and sample description

The present work builds on a recent study performed by Tourism Observatory (O-Tur) of Canton Ticino in Switzerland. Data considered in the present work come from a structured survey sent on February 2013 to almost 12'000 individuals owning a second-home in the

Lake Maggiore region. Respondents had the opportunity to fill in a paper version of the survey and send it back (via post service or fax) or answering to an online version. Our study considers 635 returned questionnaires and the proportion of surveys is 59.4% paper and 40.6% online.

The questionnaire touched different aspects of the second-home phenomenon in the region and it was accordingly structured. The questions proposed to the respondents were collected following specific interests and were based following guidelines and recent examples found on the scientific literature regarding the experience of spending time in a second-home destination.

Sample of respondents and second-home descriptives. Most of respondents are male (63.1%) and the average age is around 60 (11% of the sample is under-50). The biggest share (more than one third) of Swiss second-home owners in the Lake Maggiore region reside in the Zurich region and respondents are generally highly educated (almost 60% has a degree). As far as the house type, the majority is represented by flats (46.9%) followed by single houses (40.8%). Most represented municipalities in the sample are Locarno, Ascona, Gambarogno, Brissago and Minusio which can be considered the main areas (also from a touristic point of view) in the region. Finally, vacation-homes in the Lake Maggiore region seem to be extensively used considering the average number of days homeowners spend at destination is 69 (almost 20% of the sample reported to spend more than 3 months at destination and around 12% less than one month).

4.2 Model specification

Our model is essentially made up of two components. The first is a regression model, in the form of an ordered logit, adopted to explain the self-assessed probability of settling in a stable way in the second-home. In our specific case, the dependent variable is represented by the question “How probable is it that you permanently shift your residence to your house in Ticino in the future?” which is evaluated by individuals with a 7 point Likert scale (1 = very low - 7 = very high). The second component is a latent variable model used to take into account attitudinal covariates collected with the survey. Among the variables to be included in the model to explain the phenomenon of interest there are the type of owned house, the location in the destination region, the ownership motivation and some individual specific covariates. Both model components are integrated in one single construction and estimation is performed with maximum likelihood method.

5. Preliminary results

Preliminary results report that owning a single-house or a flat in the Lake Maggiore region positively influences the intention to permanently move in later life if compared to the country-house case. The inclusion of municipalities where the dwellings are located did not result in being relevant.

Concerning ownership motivations indicated by homeowners, only a couple estimations reported significant parameters: people who inherited the house show a significantly lower propensity toward permanently moving to Lake Maggiore than who indicated other ownership motivations. On the opposite, owners having friends and relatives at destination show significantly higher propensity to move rather than owners that reported different reasons. Another result reports that the longer the stay during the year at destination (in number of days spent), the higher the intention to move the residence in later life. Turning to the socio-demographic variables adopted to explain the propensity to move, we successfully managed to include gender, age and place of residence. As far as gender, results show that, *ceteris paribus*, male owners show a higher propensity to move in later life than women do. Regarding age, we aggregated the sample of respondents in three different classes and included the variable in a non-linear fashion, adopting a spline-type specification. We notice that there is no significant impact on the propensity to move for younger owners (up to 64). On the opposite, we have a statistically significant impact of age from 65 y.o. and results suggest that people close to retirement age or that recently retired already have decided about their later life residence and the older they get the lower their propensity to move to a new place. Coming to the region of residence of second-home owners, we isolated the observations regarding respondents resident in the central-eastern part of Switzerland (including Cantons such as Graubunden, St. Gallen and Zurich) and positive estimate of the associated coefficient implies that owners coming from this Swiss region show a higher propensity to move to Lake Maggiore region than owners residing in the rest of Switzerland do.

The inclusion of place engagement latent variable leads to a significant improvement of the model fit and the positive sign of the parameter stands for a positive effect of place engagement on the propensity to relocate at destination in later life.

6. Conclusions and future advances

The study aimed at shedding light on the profile of Swiss second-home owners in the Lake Maggiore region (Switzerland) who expressed the intention to permanently move in the future. Our work is exploratory in nature since the purpose of the original research was not to

investigate the specific topic of second-home ownership and retirement. Moreover, we cannot claim to be representative of the entire population of second-home owners in the region since there are no official statistics about it.

Tourism destinations that are interested in stimulating or managing such phenomenon (Rowles and Watkins (1993) and Truly (2002), individuals' point of view on the issue was considered in Godbey and Bevins (1987)) an approach as the one we proposed may be helpful to better understand the intentions of second-home owners and could help shaping and integrating policies that attract people in this sense. In our work we focused on homeowners' individual level, investigating how the profile of individuals and vacation-home related characteristics help explaining the intentions to move of second-home owners.

Concerning both the subject discussed and the methodology adopted in this paper, several advances may be proposed. From a methodological point of view, the implementation of advanced modeling may be helpful to disentangle new evidences considering the variables the present work focused on. From a conceptual point of view, several new aspects may be considered in the modeling of the phenomenon in order to obtain new evidences. We are referring to the consideration of tourism related aspects that may have an impact both on individuals' attitudes and behavior – among these we can consider the activities regularly pursued at destination (Godbey and Bevins (1987), Simpson and Sigauw (2013) and push and pull factors concerning the decision to spend time where the vacation-home is located (Rodriguez et al (1998)).

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