

Precision in Pricing a Tourist Destination: The Perspectives of Western Europeans and Northern Americans

I.D.W. Samarawickrama^{1*}, E.J. Wattegama², D.M. Jayasena³

*^{1, 2, 3}Department of Industrial Management, Faculty of Applied Sciences, Wayamba University of Sri Lanka 60200, Sri Lanka
isuri.samarawickrama@gmail.com

Tourism was a major contributor for the national income apart from Textile and Apparel industry and Foreign Remittances. Retaining revenue sustainability in the tourism industry has become a challenge for the government amidst of natural disasters and civil unrest. The findings of a similar study by the authors have revealed that there is a significant variance between the current entrance fee charged for some tourist destinations and the Willingness to Pay (WTP) of the foreign tourists. The present study attempted in identifying whether there exist the aforementioned variance for Sigiriya. Sigiriya is an essentially visited among the archaeological sites by the foreign tourists throughout the year. The sample for the study was collected among foreigners to visit Sigiriya and who has the highest purchasing power. The duration was from November 2018 – February 2019, the peak arrival times of the selected regions as highest purchasing power. Among them 54 tourists were selected randomly and self-administered questionnaire which was designed in three languages, English, French and German was distributed upon their language preference. The Contingent Valuation Method (CVM) – a widely used stated preference method for similar studies in foreign context- was used for the WTP estimation. The study found that the estimated WTP for Sigiriya was USD 80.84. It revealed that there is an under-pricing of the site compared to the current entrance fee of USD 30. As policy implications, the study recommends to use the estimated WTP as the ceiling price at the revision of the entrance fee of Sigiriya for the foreign tourists. Additional arrivals for the site can be fortified through viral marketing strategies.

Key words: Contingent Valuations Method, Sigiriya, Willingness to pay