

Adjusting Recreation Specialization Investments to Develop a Tourism
Destination

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Abstract

This paper explores the question of how recreation specialization affects the development of a tourism destination over time. We formulate the development process as an optimal control problem by adjusting specialization investments for the purpose of either attracting more tourists or discouraging tourists from visiting. Our research suggests investment strategies for two types of tourism destination consistent with the intensity of correlation between recreational activities and degree of specialization. Our data show that when the influx of tourists exceeds the carrying capacity of a destination, tourism companies will reduce investment to avoid congestion. Otherwise, companies will increase expenditures to maximize profits

Keyword : recreation specialization, investment strategy, tourism destination, optimal control