Understanding the Destination choice of Chinese Outbound Tourists

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Introduction

In the context of tourism, alternative evaluation and selection is regarded as the key stage of tourism decision making process since it is of great importance for destination marketing and management performance. Rather than the traditional models in decision-making, this research focus on an important element of decision making termed as choice heuristic since it is always ignored in previous studies or taken for granted as a fixed type (i.e. weight additive choice heuristic).

This study aims to complement tourism decision making theories by investigating the existence of different choice heuristics and to compare possible estimation methods of tourists’ preference and their choice heuristics. The comparisons between different estimation methods will indicate how predictable of each choice heuristic model and more importantly, will suggest how these measurement tools can be helpful for the analysis of tourists’ preference and how they can be used for destination marketing strategy and policy.

Nowadays, China has been recognized as one of two (China and India) major emerging outbound tourism markets in the world and considering that only four percent of China’s urban population has travelled overseas, the Chinese outbound travel market still has huge growth potential (Li, Harrill, Uysal, Burnett & Zhan, 2010). Despite worldwide attentions have been drawn on this new emerging market, knowledge about behavior of Chinese outbound tourists, especially their decision making process is still limited. Therefore Chinese outbound tourism market is used as a case study in this research to test and quantify the theories of choice heuristic.

Conceptual approach

To understand the processes of evaluation and selection, it is important to study the evaluation criteria and choice heuristic or evaluation rules. Evaluation criteria are the (important) attributes or factors (e.g. cost of the trip, destination culture or friend’s recommendation) considered by tourists to select destinations. Choice heuristic, or the evaluation rules, is the way tourists use criteria to evaluate alternative destinations. For example, tourists may weigh every attribute carefully and select one scored best in total or they may set a cut-off point on those important attributes and select one
destination meet all cut-off values.

The final decision of which destination to choose is made by the function of evaluation criterion and choice heuristic together. Tourists need to set their evaluation criteria first and then use a certain way (choice heuristic) to operate them so that they can select one destination after evaluation (Crompton & Ankomah, 1993; Decrop & Kozak, 2009). For example, assume tourist C only cares about two attributes which are the weather of destination and the price of the trip so he set these two attributes as his evaluation criteria. And the choice heuristic he used is to set a cut-off point on each criterion (temperature of destination should above 10 centigrade and price of trip should below 200 pounds). There are two destinations A and B (The temperatures of these two destinations are 20 centigrade and 8 centigrade and the prices for going to these two destinations are 180 pounds and 100 pounds respectively). According to tourist C’s criteria, only weather and price will be evaluated on these two destinations and only the destination meet the two cut-off values which is destination A will be selected.

Actually, evaluation criteria can be deduced by simply asking consumers to indicate which amongst a range of attributes are important for them in the context of a specific decision. The Choice heuristic, however, is an abstract concept which describes consumers’ complicated information processing (Crompton & Ankomah, 1993) and it varies from one situation to the next and may even be different from one stage to the next during the choice process (Bettman & Park, 1980). Therefore, more complicated and systematic methods and analysis are required to infer consumers’ heuristics.

Conjoint analysis was invented for modeling compensatory heuristics, especially additive weighted heuristic (Dieckmann, Dippold & Dietrich, 2009) and this method has predominated to date in consumer research. However, the methods to measure decision making process, which are based on utility maximization has been questioned by scholars since 1970s. Some simple noncompensatory heuristics such as conjunctive, disconjunctive and lexicographic heuristics were introduced and proved to be more or at least equally accurate in predicting consumer behavior in some situations.

Under the circumstances, a greedoid-based algorithm was developed by Kohli and Jedidi (2007) and Yee et al. (2007) to represent non-compensatory heuristics including: conjunctive heuristic; disconjunctive heuristic; lexicographic-by-features and lexicographic-by-aspects heuristic. In order to find out which heuristic is more relevant for a target market, we need to compare the predictive performance of each heuristic. Because to the best knowledge of the author, there is no research in tourism using greedoid analysis to identify non-compensatory choice heuristics, so how choice heuristics are used by tourists for destination selection and how they are used are still unknown.
As a result, this research initially uses both conjoint analysis and greedoid algorithm to estimate tourists’ preferences for destinations respectively and then compare the advantages and disadvantages of these methods.

Methodology

The preference data set is generated from 201 fully completed questionnaires. Among the 201 useful questionnaires, 78 were collected at the travel agency with the tourists who are asking information about outbound trips or who are going to take an outbound trip and the 123 questionnaires are completed by a snow ball sampling and these people have the money and want to go for an outbound trip in the future.

The questionnaire require the respondents to indicate among 10 destination profiles, which ones they will consider and then rank all 10 profile cards according to their preference. These 10 destination profiles are generated from a fractional factorial design conducted by SPSS 18.0 based on 5 attributes (price, visa risk, shopping, time schedule and famousness of destination) and 11 aspects. Along with this main task, a few questions regarding tourists’ previous experience and their demographic characteristics are asked. During the data analysis, besides simple descriptive analysis, the preference data are estimated by both conjoint analysis and greedoid analysis.

Major findings

The findings reveal that in general non-compensatory choice heuristics model can predict as well as compensatory choice heuristic model but greedoid method needs less preference information and efforts from respondents during the data collection than conjoint analysis. In addition, at the stage of forming a consideration set, most tourists use a non-compensatory choice heuristic.

At the level of aspect, according to the utility score of conjoint analysis, package price around 900 pounds, easy to get a visa and famous destination are the top three aspects appreciated by respondents. However, regarding the level of attribute, based on the importance value, besides price, time schedule is the second important attribute instead of visa risk. It means there is a larger difference in preference between the two aspects of time schedule (i.e. free schedule with more resorts and compact schedule with less resorts) than the two aspects of visa risk (i.e. no risk to get a visa and certain risk to get a visa).

(Due to the time limit, the part of result have not completed, more details will be presented in full paper)
Implications for practice

By understanding the preference (evaluation criteria and choice heuristic) of the target market, destinations can improve their products and services more effectively and therefore advertisements, accurate destination image and information can be sent to target tourists. Because it is an exploratory study on choice heuristic investigation, more improvements are needed in the future regarding the research method. But it can be used as a starting point for further tourism studies.
References


