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## Demographic, Behavioral and Perceptual Comparisons of U.S Visitor Experience with Group Package Tours and Free Independent Travel to China

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# Demographic, Behavioral and Perceptual Comparisons of U.S. Visitor Experience with Group Package Tours and Free Independent Travel to China

## **Abstract**

U.S. visitor demand for the China travel experience is anticipated to rise significantly through 2105, causing the Chinese government to employ 100 million service providers over the next six years and raising concern about service delivery and perceptions of the on-site China experience. In an effort to better understand these issues concerning U.S. visitors, this study investigated two specific types of U.S. travelers to China: Group Package Tour (GPT) visitors and Free Independent Travel (FIT) visitors. Results indicated that GPT visitors were more likely to be older and have higher household income than FIT visitors. Four trip-related characteristics of GPT and FIT visitors were found to be significantly different, with GPT visitors showing higher levels of satisfaction with the overall China on-site travel experience.

## **Keywords**

China, Travel, Group Package Tour, Free Independent Travel, Visitors

# **Demographic, Behavioral and Perceptual Comparisons of U.S. Visitor Experiences with Group Package Tours and Free Independent Travel to China**

**By Mark A. Bonn, Howook “Sean” Chang, Jerome Agrusa, Leslie Furr, Woo Gon Kim and Hae Young Lee**

*U.S. visitor demand for the China travel experience is anticipated to rise significantly through 2105, causing the Chinese government to employ 100 million service providers over the next six years and raising concern about service delivery and perceptions of the on-site China experience. In an effort to better understand these issues concerning U.S. visitors, this study investigated two specific types of U.S. travelers to China: Group Package Tour (GPT) visitors and Free Independent Travel (FIT) visitors. Results indicated that GPT visitors were more likely to be older and have higher household income than FIT visitors. Four trip-related characteristics of GPT and FIT visitors were found to be significantly different, with GPT visitors showing higher levels of satisfaction with the overall China on-site travel experience.*

## **INTRODUCTION**

As the U.S. dollar weakened considerably against much of the world’s currency during 2006 and 2007, it might have been expected that Americans would cut back on overseas travel. During this same time, the U.S. dollar lost 11% against the Euro and registered an 8.2% decline against an index of global currencies. However, according to a 2007 report by the Office of Travel and Tourism Industries of the U.S. Department of Commerce, the number of U.S. residents who traveled abroad reached record levels: 64 million person trips. Travel expenditures by U.S. residents traveling abroad also set a record high during 2007 at US\$104.7 billion, up by 5% percent from 2006 (U.S. Department of Commerce, 2008). A closer look at American’s top 20 international destinations reveals a diverse and geographically widespread selection of destinations. Specifically, countries in the Far East appear to be rising as destinations of choice for U.S. residents. The most popular destination in this region is the People’s Republic of China (PRC), which now has achieved a top-10 ranking, moving up from the 16th position since 2000. This performance represents an increase of over 100% more U.S. visitors over eight years (2000-2007), as shown in Table 1.

**Table 1**  
**Historical U.S. resident visits to China (in thousands)**

| Year        | Visitors   | Change (%)  |
|-------------|------------|-------------|
| 2000        | 644        | -           |
| 2001        | 682        | 6%          |
| 2002        | 725        | 6%          |
| <b>2003</b> | <b>562</b> | <b>-22%</b> |
| 2004        | 1,067      | 90%         |
| 2005        | 1,295      | 21%         |
| 2006        | 1,327      | 2%          |
| 2007        | 1,374      | 4%          |

According to the Office of Travel and Tourism Industries, 1,374,000 U.S. residents visited China in 2007, a 4% increase from a year earlier, and a 100% increase over 2000, when there were only 644,000 U.S. visitor trips. As shown in Table 1, the number of U.S. residents visiting China has continued to increase for the last 8 years except in 2003, when SARS broke out in China. Additionally, U.S. travel spending in China has also jumped 35% during the same period, recording \$3.3 billion in expenditures in 2007 (U.S. Department of Commerce).

At the same time, China welcomed 54.7 million inbound travelers in 2007, a 10% increase from that of 2006 (World Trade Organization [WTO], 2008), making China the fourth-ranked nation for inbound travelers, following France, Spain, and the United States. Baedeker (2007) illustrated that visitors from the United States appeared to be a fundamental component of China's increased growth in tourism. Zhang, Pine, and Zhang (2000) attributed this growth to Deng Xiaoping's government's initiating tourism development in China in 1986. China grasped the fact that the tourism industry could be strategically developed as a potential source for obtaining outside currencies. During this period, the development of the Chinese tourism industry was expedited by Deng's encouragement of economic impact through tourism, which resulted in hosting the 2008 summer Olympic games (Zhang, Pine, & Zhang). As a result of the 1986 tourism development initiative, China's national economy has grown at an average rate of 10%, as measured by its Gross Domestic Product (GDP) per year from 1986 to 1997 (Lewis, 2003). On November 11, 2000, China became a World Trade Organization (WTO) member (Zhang & Wu, 2004). As a result, China opened its doors to international investors, and travel became much

easier. Fewer political barriers were placed upon inbound visitors to China compared to past years. Additionally, the Chinese government encouraged international investors to engage in joint ventures with Chinese nationals (Qiu & Lam, 2004). These are the primary factors contributing to China's growth as a preferred international destination. Hence, the WTO predicts that China will be the most visited nation in the world by 2020. Thus, the Chinese government recently announced its intent to employ a total of 100 million service providers for China's tourism industry over the next six years ("China to Boost," 2008). This major initiative involving many new service providers for China's tourism industry suggests that issues related to homogeneity of service and visitor satisfaction may impact visitors to China.

Although the number of U.S. travelers to China is increasing, there is a dearth of research illustrating the travel perceptions and experiences of American outbound travelers to China.

## **RESEARCH QUESTIONS**

This paper explores travel perceptions pertaining to two specific classifications of U. S. international travelers to China: Group Package Tour (GPT) travelers and Free Independent Travelers (FIT). The well-documented, growing popularity China now holds as a travel destination raises several interesting research questions. First, within what structure are U.S. visitors to China traveling? Are they traveling with other groups of U.S. travelers or as individual travelers? Second, does their travel structure affect their perceptions of the service delivery experience? Third, do U.S. visitors to China traveling as GPT or FIT visitors experience the same levels of trip satisfaction? Fourth, do GPT and FIT overall trip-satisfaction experiences differ, and if they do, to what can these differences be attributed?

### **The Group Package Tour (GPT)**

Outbound travel can be essentially classified into two types of travel modes: the Group Package Tour (GPT), also referred to as the Group Inclusive Tour (GIT), and the Free Independent Traveler (FIT), also referred to as the Independent Traveler (IT) (Kotler, 2007; Wang et al., 2000).

Mak (2004) defined the Group Package Tour (GPT) as an all-inclusive package tour with a specified minimum size and as a group or groups traveling on scheduled ground and air transportation. The GPT combines elements of a pleasure trip, such as air and ground transportation, baggage handling, accommodations, sightseeing, meals

and other items, into a single product that is then sold to the consumer at a single price. GPT's are generally put together by tour operators and tour wholesalers, who purchase the components from their suppliers, such as airlines, motor coach companies, hotels, restaurants, and related companies. GPT products were originally created for travelers in order to provide them with a convenient way to purchase travel-related services. GPT companies maintain a volume-pricing advantage and in many cases have access and priority to destinations otherwise difficult and expensive to visit, despite advantages offered through the Internet.

Through volume, GPT companies gain contracting power with suppliers as frequent buyers of their products and services. GPT companies maintain influence over entities such as tourism boards, hotel associations, attractions, famous foodservice establishments, and other travel-related components. Because of this competitive advantage, GPT companies represent a large segment of the travel market to many international governments (Mak). Tours include a tour escort who travels with the group and coordinates all meals, sightseeing, entertainment, and accommodations. GPT companies offer special interest tours often associated with outdoor adventure activities, eco-tourism, gourmet-oriented experiences and themed cruises that involve day visits to exotic cultural destinations.

Research documented that travel mode (structure) is affected by unfamiliar environments, diverse languages, and complex societies. In these situations, visitors are more likely to choose group package tours when they travel to such destinations (Li, 2000). Additionally, when traveling to unfamiliar environments, GPT's can create feelings of security when group members experience the strangeness of unfamiliar cultures. Recent research supports the notion that GPT's are generally more popular among travelers on overseas pleasure trips (Mak). During 2001, 17% of Americans traveling abroad on pleasure trips did so through GPT's. Similarly, 27% of foreign tourists visiting the United States did so by purchasing GPT's. In fact, the package tour is one of the most popular modes of outbound travel in Asian countries (Prideaux, 1998; Tsaur & Wang; Wang et al., 2000). For example, two-thirds of Japanese outbound travelers in 1998 were on prepaid package tours to international destinations (Mak). In the U.S. travel industry, the group package tour accounted for 13% of overseas travelers in 2007, down 2% from 2006 (U.S. Department of Commerce, 2008). The personal computer/Internet may be partially contributing to this gradual decline in purchasing prepackaged tours. The Internet continues to grow as an important source of information for international trip planning,

surpassing the use of travel agents as the top information source for U.S. overseas travel in 2007. Travel agents (35%) continue to be the primary means of booking U.S. international pleasure travel vs. on-line Internet bookings (32%), although this gap has been continually narrowing since 2006.

### **Free Independent Travel (FIT)**

With general public access to the Internet, the world travel market has undergone significant changes since 1997. It has become easier to plan for leisure/pleasure travel through Free Independent Travel (FIT). Through the Internet, FIT's in increasing numbers have been purchasing airlines tickets, rental cars, and hotel rooms directly from suppliers for the past ten years. As a consequence, FIT leisure travelers no longer rely upon travel agents or tour operators to buy travel packages (Kotler, Bowen, & Makens, 2003).

FIT is considered to represent a customized trip. The FIT segment customizes trips by gathering pre-trip information from friends, performing on-line searches, communicating with specialty providers, and trying other methods. FIT's are described as individuals over 35 years of age with above-average income who like to travel on their own. They tend to travel in smaller groups or in couples and avoid mass tourism and the holiday packages offered by travel wholesalers. In addition, they prefer an individualistic approach to travel and tend to pass on their tour experiences, ideas, and knowledge to others ("Free Independent Traveler," 2008).

### **Demographic Profiles of GPT and FIT**

According to the China National Tourist Office, 1,710,292 U.S. nationals visited China in 2006. This figure differs from information reported by the U.S. Department of Commerce because the U.S. Department of Commerce figure represents only U.S. residents traveling to China, while the China National Tourist Office counts all U.S. nationals arriving in China from the United States and all other destinations. As shown in Table 2, China National Tourist Office statistics indicate that U.S. travelers of 25 to 64 years of age account for more than three-quarters of U.S. travelers to China (78%). The number of U.S. male travelers (1,123,217) is more than double the number of female travelers (587,075) to China.



**Table 2**  
**Demographic profiles of U.S. travelers to China**

| Year 2006                    | Number of Travelers | Percent |
|------------------------------|---------------------|---------|
| Total U.S. Travelers         | 1,710,292           | 100%    |
| Age                          |                     |         |
| Under 14                     | 113,598             | 7%      |
| 15-24                        | 108,632             | 6%      |
| 25-44                        | 564,511             | 33%     |
| 45-64                        | 768,117             | 45%     |
| Over 65                      | 155,434             | 9%      |
| Gender                       |                     |         |
| Male                         | 1,123,217           | 66%     |
|                              | 587,075             | 34%     |
| Trip Purpose                 |                     |         |
| Meeting/Business             | 454,707             | 27%     |
| Leisure/Sightseeing          | 983,750             | 58%     |
| Visiting Relatives & Friends | 22,444              | 1%      |
| Worker & Crew                | 72,818              | 4%      |
| Others                       | 176,573             | 10%     |

Classifying tourists based on personal traits and characteristics has been found useful to understanding travelers' behavior. Alvarez and Asugman (2006) identified *risk taking, attitude to tourism as a new experience, variety seeking, and attitude towards planning beforehand* as factors influencing mode of travel between group package and free independent tours. These researchers classified travelers into two distinct groups entitled "Spontaneous Explorers" and "Risk-Averse Planners" (Alvarez & Asugman). Their study found that female travelers were more likely to travel via package tours because they were "Risk-Averse Planners." On the contrary, "Spontaneous Explorers," considered free independent travelers, were less likely to be concerned with risk, and more likely to exhibit a degree of involvement and exploratory tourism behavior (Alvarez & Asugman). As well, the study documented that elderly people tend more often to visit attractive destinations with tour groups (Li). Thus, gender and age are demographic profiles historically used to distinguish GPT from FIT. Personal traits also can determine the appropriate products and communication strategies used to address various segments. In another research study, Wickens (2002) found that "Security" and "Familiarity" are determinants individuals use to select pre-paid holiday package tours. Furthermore, the technique of visitor segmentation can greatly assist destinations to better manage their resources and design policies.

## **Study Hypotheses and the Research Strategy**

A series of research hypotheses was developed to meet the objectives for this study. They were based upon current international trends in travel to China, the recognized need for China to employ over 100 million new service providers during the next several years (up to 2015), and recent literature addressing significant differences in perceptions, demographics, and behaviors of international visitors traveling with groups (GPT) and with individuals (FIT).

H1: There are significant differences with regard to the demographic profiles of U.S. GPT and FIT travelers to China.

H2: There are significant differences in trip-related characteristics between U.S. GPT and FIT travelers to China.

H3: There are significant differences between U.S. GPT and FIT traveler perceptions pertaining to behavioral issues related to the China visitation experience.

## **Methods: The Study Sample**

The sample frame for this study was developed from a list of U.S. residents who purchased airline tickets or escorted group tours to China during a two-year period. The list was obtained from a U.S.-based travel agency that books and sells individual airline tickets to China and provides escorted group tours to China marketed specifically to U.S. citizens. A total of 300 names/addresses was selected at random (using a random numbers table) from a list of 1,255 names. Questionnaires were mailed out via first class U.S. mail. First-class postage-paid, self-addressed envelopes were provided. Using no incentives and only a one-time mailing, a total of 198 questionnaires was returned within three (3) weeks that had been completed by U.S. citizens who had visited China during the previous two years. Nine questionnaires were discarded because they were returned as undeliverable. A total of 189 usable surveys was obtained from this method, resulting in a 63% usable return rate. A non-response bias check was conducted using 20 randomly selected non-respondents from the list of the 102 overall non-respondents. A brief travel survey was developed to compare selected demographics of respondents with non-respondents. After two weeks, a total of 12 responses, or 60%, of the 20 randomly selected non-respondents was obtained. No demographic differences were found between the original list of 189 respondents and the 12 responses received from the non-response bias check.

## The Survey Instrument

In this study, twenty-four items were examined that measured attitudinal and behavioral characteristics of U.S. tourists (GPT and FIT) who had visited China during the two years previous to the study's mail-out survey process. The items chosen addressed visitor motivation, attitude and behavior and have been widely used in the international travel literature (Jang & Cai, 2002; Kim, Lee, & Klenosky, 2003; Kim & Prideaux, 2005; Kozak, 2002; Tyrrell, Countryman, Hong, & Cai, 2001; Uysal & Hagan, 1993; Yuan & McDonnald, 1990; Bonn, Furr, & Dai, 2006). A 10-point rating scale (1=*Least Important*, and 10= *Most Important*) was applied to quantify the responses to the items. Overall level of satisfaction was measured with a 10-point rating scale (1=*Poor*, and 10= *Excellent*). Additional questions of value included, but were not limited to, items such as specific purposes of the trip; primary on-line and off-line information source used in the pre-planning process; accommodation type(s) used during the trip; spending behavior; party size; length of stay; intent to revisit; and demographics, such as gender, marital status, and educational level.

Questionnaires for the respondents were written in English. To insure clarity and avoid ambiguity, the researchers pilot tested the questionnaire on 20 U.S. tourists who had previously traveled to China. A few items were edited prior to data collection. Participation in this study was completely voluntary. Respondents were assured of absolute confidentiality.

In order to investigate whether there were statistically significant levels of association between selected socio-demographic characteristics and tour-related or preference variables, the chi-square tests were applied. A series of t-tests was conducted in order to identify attitudinal and behavioral differences. Factor analysis was used to identify important dimensions of the China travel experience. Regression analysis was used to compare the effects of each dimension.

## Analysis

Data analysis was performed in four steps. First, a chi-square analysis was conducted to understand the differences in demographics between the GPT visitor group and the FIT visitor group. Second, a chi-square test was also employed to investigate the differences for the primary purpose of the trip, information sought through Internet use, and activities sought between the two groups. Additionally, independent *t*-tests were used to examine group differences in terms of trip-related

characteristics, such as travel frequency and overall satisfaction level. Third, a factor analysis was performed to examine the underlying structure of the measurement of U.S. travelers' perceptions of overall trip satisfaction with their China experience. Finally, a multiple regression analysis was employed to estimate the association between perceived quality and satisfaction. The Chow test (1960) was subsequently performed to determine whether the independent variables impacted the subgroups (GPT and FIT) in different ways. In this case the Chow test (which is an application of an F statistics test) was performed based on the residual sum of squares (RSS) from the two subgroups (GPT and FIT). A statistically significant Chow test suggests there are one or more differences between independent variables across the two traveler subgroups (Hardy, 1993). Unfortunately, as Schmidt (2005) indicated, this test does not tell about the causal nature of those differences.

## Results

The demographic profiles of the respondents are reported in Table 3. Of the 189 travelers who responded, 108 (57.1%) were GPT travelers and 81 (42.9%) were FIT travelers. The  $\chi^2$  tests confirmed that the two travel groups differed in age ( $\chi^2 = 34.11, p = .00$ ), and income ( $\chi^2 = 10.83, p = .06$ ). Results also validated the fact that GPT visitors represented older travelers, with 57% of the group being 50 years of age or older. The largest age group of GPT travelers (35.2%) was 60 years and older. GPT travelers between the ages of 50-59 represented 22.2% of this group. The youngest group of GPT travelers (ages 18-29) accounted for 16.7%. The FIT visitors, in contrast, represented a much younger age of travelers. Over 83% of those respondents were identified as 49 years of age or less. FIT visitors within 30-39 years of age (30.9%) and 18-29 years of age (29.6%) accounted for the two largest age-group percentages. FIT visitors 40-49 years of age accounted for 23.5% of all FIT survey participants. Over 40% of GPT participants indicated that their household income was more than \$75,000. FIT travelers indicated that their household income varied from \$20,000 to \$75,000, or more. GPT travelers were significantly more likely to be older and to have higher household income than FIT travelers. However, there were no statistically significant differences in gender and education between GPT and FIT. Thus hypothesis H1 was partially accepted.

**Table 3**  
**Demographic profiles & primary purpose of visit of respondents**

| Variable         | Travel type |            | $\chi^2$ | <i>p</i> |
|------------------|-------------|------------|----------|----------|
|                  | GPT(n=108)  | FIT(n=81)  |          |          |
| Gender           |             |            |          |          |
| Male             | 39 (36.1%)  | 35 (43.2%) | 0.98     | .32      |
| Female           | 69 (63.9%)  | 46 (56.8%) |          |          |
| Age              |             |            |          |          |
| 18-29            | 18 (16.7%)  | 24 (29.6%) | 34.11    | .00      |
| 30-39            | 13 (12.0%)  | 25 (30.9%) |          |          |
| 40-49            | 15 (13.9%)  | 19 (23.5%) |          |          |
| 50-59            | 24 (22.2%)  | 6 (7.4%)   |          |          |
| Over 60          | 38 (35.2%)  | 7 (8.6%)   |          |          |
| Education        |             |            |          |          |
| High school      | 9 (8.3%)    | 6 (7.4%)   | 0.81     | .85      |
| Some college     | 21 (19.4%)  | 17 (21.0%) |          |          |
| College graduate | 47 (43.5%)  | 39 (48.1%) |          |          |
| Post graduate    | 31 (28.7%)  | 19 (23.5%) |          |          |
| Household income |             |            |          |          |
| Under 20,000     | 7 (6.5%)    | 5 (6.2%)   | 10.83    | .06      |
| 20,000-29,000    | 8 (7.4%)    | 12 (14.8%) |          |          |
| 30,000-39,000    | 26 (24.1%)  | 24 (29.6%) |          |          |
| 40,000-49,000    | 17 (15.7%)  | 13 (16.0%) |          |          |
| 75,000 or more   | 45 (41.7%)  | 18 (22.2%) |          |          |

Table 4 shows the results of chi-square tests conducted on trip purpose, Internet usage, and motivation variables. Independent *t*-tests were conducted on the behavioral variables. Seven trip-related characteristics between GPT and FIT travelers were significantly different at the 95% level of confidence with +/- 0.05 error. The primary trip purpose for GPT travelers to China was leisure/vacation (93%). On the contrary, FIT travelers indicated a variety of purposes for their trips to China. FIT respondents indicated visiting family, friends, and relatives (40%); leisure/vacation (39%); and business (20%) as primary travel purposes. FIT travelers were identified as more likely to acquire trip information about price through Internet searching (60%) than were GPT travelers (40%). GPT travelers sought more cultural and historical experiences during their China visit, while FIT travelers experienced more activities associated with local foods and shopping. On average, GPT group size was much larger, at 16.78 people, than FIT group size (2.83). This difference was found to be significant at the 0.000 level. FIT travelers were considered to travel more frequently to China and to have had more extensive international travel experience over the previous five years. By contrast, GPT travelers demonstrated higher levels of

satisfaction towards China and tended to travel with larger numbers of individuals than did those responding FIT travelers. Thus hypothesis H2 was accepted.

**Table 4**  
**Comparison of trip-related characteristics and satisfaction level**

| Variable  | Travel type |           | $\chi^2$        | <i>p</i> |
|---|-------------|-----------|-----------------|----------|
|   | GPT(n=108)  | FIT(n=81) |                 |          |
| Primary Purpose                                       |             |           |                 |          |
| Leisure/Vacation                                      | 100 (93%)   | 33 (39%)  | 63.83           | .000     |
| Convention/Meeting                                    | 2 (2%)      | 1 (1%)    |                 |          |
| Business  | 2 (2%)      | 17 (20%)  |                 |          |
| Visit Friends/Relatives                               | 4 (4%)      | 34 (40%)  |                 |          |
| Acquire Price Information through Internet            |             |           |                 |          |
| None  | 59 (60%)    | 33 (40%)  | 8.89            | .031     |
| Rarely  | 5 (5%)      | 11 (13%)  |                 |          |
| Sometimes   | 20 (20%)    | 18 (22%)  |                 |          |
| Frequently  | 15 (15%)    | 20 (24%)  |                 |          |
| Motivation Variables for Travel to China              |             |           |                 |          |
| Culture   | 41 (38%)    | 26 (32%)  | 64.432          | .011     |
| Food  | 5 (5%)      | 17 (21%)  |                 |          |
| History   | 58 (54%)    | 13 (16%)  |                 |          |
| Shopping  | 4 (4%)      | 2 (2%)    |                 |          |
| Business  | 0           | 5 (6%)    |                 |          |
| Family  | 0           | 18 (22%)  |                 |          |
| Variables   | GPT(n=108)  | FIT(n=81) | <i>t</i> -value | <i>p</i> |
| A number of persons in travel party                   | 16.78       | 2.83      | 8.016           | .000     |
| Trip frequency  |             |           |                 |          |
| Frequency of visiting China in the past 5 years       | 2.17        | 3.68      | -2.02           | .05      |
| Frequency of traveling outside US in the past 5 years | 4.72        | 7.59      | -2.71           | .00      |
| Travel expertise                                      | 4.56        | 5.34      | -1.69           | .09      |
| Overall satisfaction level                            | 4.30        | 4.00      | 2.51            | .01      |

### Factor Analysis

Table 5 exhibits the results of the factor analysis conducted on dimensions related to perceived quality of visitor trips to China. To examine the underlying perceptions of structure of this measure, researchers analyzed eight (8) items related to U.S. travelers' perceptions of visiting China using principal factor analysis with varimax rotation. The factor analysis resulted in four underlying factors with eigenvalues greater than 1 and explained 74.5% of the variance in the data. Only the factors with factor loadings greater than .5 and cross-loadings above .4

were retained for further study. Cronbach's coefficient alpha was then used to assess the reliability of the indicators, ranging from .63 to .72.

The first factor was named *service friendliness*, which explained 23.9% of the variance and had an eigenvalue of 1.91. The three items representing this factor were friendliness of residents, level of service, and signage. The second factor, labeled *climate and environment*, accounted for 18.5% of the variance with an eigenvalue of 1.48. The two items relating to this factor were climate and clean environment. The third factor, *getting around*, was composed of two variables and explained 18.3% of the variance in the data, with an eigenvalue of 1.47. The two items representing this factor were ease of getting around and ground transportation. The fourth factor, *value of dollar*, loaded with one item (i.e., value of dollar), explained 13.8% of the variance with an eigenvalue of 1.11.

**Table 5**  
**Results of factor analysis of perceived quality**

| Variables                          | Mean | SD   | Factor Loading | Eigen Value | Variance Explained (%) | Reliability coefficient |
|------------------------------------|------|------|----------------|-------------|------------------------|-------------------------|
| <b>F1: Service friendliness</b>    |      |      |                |             |                        |                         |
| Friendliness of resident           | 6.76 | 2.38 | .85            | 1.91        | 23.87                  | .72                     |
| Level of service                   | 6.66 | 2.28 | .80            |             |                        |                         |
| Signage                            | 5.26 | 2.70 | .60            |             |                        |                         |
| <b>F2: Climate and Environment</b> |      |      |                |             |                        |                         |
| Climate                            | 5.85 | 2.15 | .89            | 1.48        | 18.46                  | .63                     |
| Clean environment                  | 4.58 | 2.30 | .70            |             |                        |                         |
| <b>F3: Getting around</b>          |      |      |                |             |                        |                         |
| Ease of getting around             | 7.08 | 1.99 | .89            | 1.47        | 18.33                  | .64                     |
| Ground transportation              | 6.74 | 2.35 | .73            |             |                        |                         |
| <b>F4: Value of dollar</b>         |      |      |                |             |                        |                         |
| Value of dollar                    | 7.22 | 2.58 | .90            | 1.11        | 13.83                  | -                       |
| Total variance explained           |      |      |                |             | 74.50                  |                         |

### Regression Analysis

To compare the effects of each perception dimension, researchers conducted two multiple regressions for both GPT and FIT travelers. Four factors relating to the perception of trip quality were entered and regressed on their overall satisfaction with the trip to China. Results showed that the goodness-of-fit of the regression model is

satisfactory for both groups. The  $R^2$  values across the two groups were .25 (25% of the variance in overall satisfaction with the trip) and .19 (19% of the variance in overall satisfaction with the trip), respectively. The Chow test was then used to test whether the effects of quality of China's trip service on the level of satisfaction were the same in the two different sub groups (Chow, 1960; Sharma & Patterson, 2000). The F statistic results of the Chow test indicated that there were significant differences ( $F = 9.02, p < .01$ ) in the perceptual effects between the two subgroups, thus accepting study Hypothesis H<sub>3</sub>. *Service friendliness* and *ease of getting around* were significant factors for both groups, whereas *climate & environment* and *value of dollar* were significant factors for only the GPT group. Also, the impact of *service friendliness* on *satisfaction* was stronger for the FIT group. The standardized coefficient of *service friendliness* in the GPT group was .29 ( $t = 3.33, p < .001$ ) as compared to .38 ( $t = 3.63, p < .001$ ) for the FIT group. The other three factors (*climate & environment*, *ease of getting around*, and *value of dollar*) had greater effects on *satisfaction* for the GPT group. The regression coefficient for *ease of getting around* for the GPT group was .26 ( $t = 3.02, p < .01$ ) compared with .22 ( $t = 2.12, p < .05$ ) for the FIT group. The standardized regression coefficients of *climate & environment* were .21 ( $t = 2.39, p < .05$ ) for the GPT group and .07 ( $t = .63, n.s.$ ) for the FIT group. Finally, the standardized regression coefficients of *value of dollar* were .18

( $t = 2.10, p < .05$ ) for the GPT group and  $-.08$  ( $t = -.76, n.s.$ ) for the FIT group. Table 6 illustrates the results of the regression analysis.

**Table 6**  
**Results of regression of overall satisfaction level**

| Factors                    | Travel type                                |         |                          |         |
|----------------------------|--|---------|--------------------------|---------|
|                            | GPT (n=108)                                |         | FIT (n=81)               |         |
|                            | $\beta$                                    | t-value | $\beta$                  | t-value |
| F1: Service friendliness   | .29  | 3.33*** | .38                      | 3.63*** |
| F2: Climate & Environment  | .21  | 2.39*   | .07                      | 0.63    |
| F3: Ease of getting around | .26  | 3.02**  | .22                      | 2.12*   |
| F4: Value of dollar        | .18  | 2.10*   | -.08                     | -.76    |
|                            | $R^2=.25, F=8.43, p=.00$                   |         | $R^2=.19, F=4.31, p=.00$ |         |
|                            | Chow test (F) = 9.02 (d.f.=5,179), $p<.01$ |         |                          |         |

\*  $p<.05$ , \*  $p<.01$ , \*  $p<.001$



## **Limitations, Conclusions and Recommendations**

All studies have limitations, and this study is no exception. One important limitation for this research study was the use of a sampling of travelers generated from only one travel company source. Therefore, results are strictly limited to this company's proprietary list of China travel consumers and cannot be generalized upon other U.S. travel company consumers of the China product. A second study limitation was that for financial reasons only one mail-out was employed for data collection. Perhaps additional numbers of responses to the follow-up mailing would have provided a larger data set for analysis. However, the randomization process used in the original sample formulation was deemed methodologically correct to support study findings obtained from these respondents.

The purpose of this research study was to investigate aspects of demographics, behaviors, and perceived quality of trip experiences between two different travel groups to China: Group Package Tour visitors and Free Independent Travel visitors. There were significant differences in demographics between the two groups (Wang et al., 2000). As Alvarez & Asugman indicated, this study supported higher numbers of female visitors among those GPT respondents. GPT travelers were found to be older and have higher reported household income than FIT travelers. Over one-third of GPT travelers were 60 years of age or older. This supported Li's and Wickens' earlier findings that older travelers are more likely to select the security and comfort that group package tours offer. They do not use on-line trip information sources as much as those younger FIT visitors, and over 90% of all GPT travelers experienced activities related to Chinese history and culture during their leisure/vacation trip to China.

Although GPT travelers as a group represented fewer trips made to both China and overseas than FIT travelers during the five-year period of this study, GPT visitors stayed significantly longer times and spent much more money during their on-site experiences than did FIT visitors. The presence of tour guides throughout the GPT trip may have tended to make GPT travelers feel more secure and allow for faster service recovery when necessary. Thus the overall GPT satisfaction level was significantly higher than that of FIT visitors. GPT visitors recorded higher overall satisfaction levels with dimensions related to service friendliness, comfortable transportation, acceptable climate and environment, and value of money spent.

Research indicated that the majority of FIT visitors are younger travelers who take more frequent and shorter overseas trips (Caprioglio, 2006). Our study confirmed these findings. In addition, FIT visitors tend to take more overseas trips, 7.59 times on average for the past 5 years, compared to 4.72 with GPT travelers. FIT visitors to China in our sample indicated that over the past five years, an average of 3.68 trips to China were made compared with 2.17 trips by GPT travelers during the same period. As in Caprioglio's study of backpackers, FIT visitors indicated the primary purposes of their China experience were leisure/vacation travel and visiting family/friends/relatives. The FIT visitors were more likely to acquire trip information online, and they rated food as a much higher motivator during their trip to China.

The overall satisfaction level of FIT visitors to China was lower than that of GPT visitors. Perhaps this could be partially explained by trip structure and related issues. Pre-planned and pre-paid GPT itineraries offer full services during the entire travel experience, including pre-set menus, accommodations, entertainment, controlled on-site experiences at attractions, VIP preferences for avoiding long queues, baggage handling including daily pick-up and drop-off services, and many other tangible services. Thus, the value of the dollar becomes important and affects satisfaction scores. The repetitive nature of the GPT program allows opportunities for the same on-site service providers to work with GPT service providers, thus controlling and providing for a more homogeneous level of service for GPT visitors. FIT travelers face a much more heterogeneous situation. Thus, service friendliness becomes the critical factor that influences FIT overall trip satisfaction. Value of the dollar and trip environment were not important factors related to FIT overall satisfaction. FIT visitors did not partake of all-inclusive, prepaid trips, suggesting FIT travelers could possibly be more price conscious, thus explaining the importance of shopping as a trip activity.

Findings from this research may be readily employed by GPT companies and tour operators to accurately position their GPT products and services. Factors influencing overall GPT trip satisfaction should be emphasized in all on-line and off-line GPT communication channels.

This research presents an analysis of consumer satisfaction using data from recent U.S. visitors to China representing different travel structures. The results outlined above allow for a much better understanding of the study hypotheses. However, because effects are statistically significant but leave a portion of the variability in responses unexplained, the researchers see the real importance of this analysis to be

determining how China and perhaps similar developing countries can improve tourism net income by controlling the number of GPT and FIT travelers allowed to enter the country.

To get a better explanation of responses, it must be understood that acceptance of satisfaction is a significant, but far from perfect, predictor of future travel behavior. This work is one piece of the puzzle that will ultimately reflect a formula for creating more precise relationships between travel service providers and consumers. It is only through the process of building logically on past work and “observed reality” that we can understand the admittedly large percentage of unexplained variance in travel behavior. In that vein, *a priori* logic, logical deduction based on information available, e.g., prior to data collection (Luchins & Luchins, 1965, pp. 297-303) is used in examining how variables can be expected to be associated with traveling to a destination. Anderson, Burnham and Thompson (2000) noted that: “Care must be given to *a priori* scientific thinking” in order to address an array of hypotheses relevant to a study’s objectives so that viable research is formulated. Additionally, it is important for Null Hypothesis Statistical Testers to control for Type II errors by collecting data from enough respondents to detect all the phenomena that the researcher might expect from the research plan (Green, 1994).

Certainly causation research can be a difficult and complicated issue for tourism investigators. For instance, the planning horizon for a time-series study represents more time required than most scholars have available for data collection and analysis. Perhaps research has passed the time when exclusive reliance on null hypothesis testing with reports of significant effects can aid the travel industry. Even though this paper was not designed to deliver causal connections, it would be interesting to understand the effect of information found in the paper on the destination service provider. For example, would China consider choosing 300 GPT travelers with higher incomes (who are likely to be more satisfied with a GPT trip) over 300 FIT counterparts with relatively lower incomes and trip satisfaction levels? From a purely hypothetical point of view, restriction of supply at the destination level, based on these basic information bits, could create an opportunity to create marketing schemes that are more attractive and affordable for GPT travelers. True causal analysis of international travel is a mixture of researchers, contrast, and control groups, where convenience samples are far more prevalent than truly random samples. Gigerenzer, a behavioral scientist, said it well when he stated, “we need statistical thinking, not statistical rituals” (1998).

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