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Mature Market's International Travel Characteristics and Images of the People's Republic of China

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MATURE MARKET'S INTERNATIONAL TRAVEL CHARACTERISTICS AND IMAGES OF THE PEOPLE'S REPUBLIC OF CHINA

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ABSTRACT

Very little research has been conducted on the mature market (50+ years) with respect to travel. However, the size and economic spending power of this group makes it a significant force in the travel marketplace. The purpose of this article is to profile portions of the mature market predisposed to travel to the People's Republic of China and analyze Before/After touristic images the groups held of the country. Some notable findings were 1) the individuals profiled in this study were frequent international travelers with over one-third traveling internationally three or more times a year, 2) they preferred traveling in family groups, 3) friends and relatives were the most commonly utilized sources for international travel information but the external search process also included other business provided sources, 4) Historical attractions followed closely by a category described as People had the highest attractiveness ratings although there was some evidence to suggest that expectations exceeded reality as most of the attributes contained in the Historical and People categories had lower attractiveness scores for the After visitation group than for the Before visitation group, 5) five of the ten service attributes were rated significantly higher by the After visitation group than for the Before visitation group.

The study raises many questions about the mature market and their travel behavior. The need for further research is quite evident to more

fully understand this significant group of travelers.

MATURE MARKET'S INTERNATIONAL TRAVEL CHARACTERISTICS AND IMAGES OF THE PEOPLE'S REPUBLIC OF CHINA

INTRODUCTION

During the first few years after The People's Republic of China (PRC) began to officially encourage tourism, the country experienced what has been termed as "tourist tidal wave" (6). The only barriers perceived in the early years were the country's ability to provide rooms, guides and inland transportation. Visitors appeared to accept the lack of service and facilities as part of the travel adventure. "The novelty of the situation, however, has tended to wear off with each passing year" (3).

Japan ranks as the largest foreign market in terms of arrivals for the PRC followed by the United States. These two countries together account for approximately 52 percent of all foreign arrivals. Since 1979, U.S. tourists to the PRC increased at an annual average rate of 18.6 percent but declined by 4.5 percent from 1987 to 1988 (Table 1). Davidson (4) as early as 1984 stated "There is an urgent need to develop a strong unique competitive edge; to gain a larger share of the U.S. travel market pie from a clearly defined market segment; to build continued costumer loyalty, and to engage in aggressive marketing."

In an attempt to clearly identify market segments and focus promotional efforts, the China National Tourism Administration identified "four-highs" of the U.S. market. They were: 1) High Income, 2) High Level of Education, 3) High Age and 4) High Level of Occupation (9). These Four Highs led to the identification of two target markets in the U.S. They are professionals/executives and the 50 and over group. The latter is the focus of this study.

MATURE MARKET

There is very little consensus, in the literature, on a proper name for the substantial travel market age 50 and older. At various times, this group has been labeled the "senior market" (11, 13); "graying market" (12, 13); "mature market" (7, 8) and "older market" (1). Supernaw (12) posits that this market is in reality many distinct markets with the only common characteristics being age.

Shoemaker (11) using cluster analysis segmented the over 55 market into distinct groups which he labeled "Family Travelers," "Active Resters" and "Older Set." Vincent and De Los Santos (13) extended Shoemaker's work by analyzing data on older travelers to the Rio Grande Valley in Texas and found similar characteristics between their segments and those proposed by Shoemaker. Shoemaker and Vincent and De Los Santos focused on the older markets travel characteristics for travel within the U.S. Very little is known regarding this group's international travel patterns.

Ignoring for a moment, problems of nomenclature for travelers 50 years and older, one thing that most researchers agree on is that this group wields enormous economic leverage and deserves further research attention.

The 50 and over group in the United States is the largest growing population segment (7) controlling more than 76% of total assets with over $130 billion in discretionary income (14). Due to this enormous spending power destinations have actively begun to market their tourism products to this group.

The People's Republic of China has identified the 50 and over market (hereafter referred to as the mature market in order to be consistent with published literature for the group of individuals age 50 and over) in the United States as a prime group for travel to the country.

Results from a survey of 1,629 U.S. resident tourists to China revealed that almost sixty percent were over 50 years old with annual family incomes exceeding $50,000 U.S. and 80 percent were on a package tour (9). This descriptive study prompted the PRC to actively target promotions at the U.S. mature market.

The importance of the mature market as an active level group and the targeting of this group by the PRC led to a study investigating that markets travel behavior toward the PRC. Specifically the study had the following objectives:

1.   To profile U.S. mature market international travel characteristics with respect to the PRC.

2. To assess Before/After touristic image(s) held by the mature market of the PRC.

METHODS

A mail survey instrument was developed to collect data. The questionnaire was divided into five sections. The first section was comprised of questions which were used to assess the usefulness of a guide book made available to the mature market through the China National Tourist Office (NTO), New York. Results of those questions do not appear in this paper instead they were used as part of a separate conversion study.

The second section consisted of five major attraction categories with a total of twenty-two attraction attributes related to the five categories. Respondents were asked to rate the attraction attributes on a five-point Likert-type scale anchored by the bi-polar adjectives Least Attractive to Most Attractive. The five major attraction categories were: Natural Resources, Historical (including ancient tombs, temples, etc.), Cultural (drama, handicrafts, etc.), People (customs, way of living, etc.), and Man Made (shopping, cities, etc.). The major attraction categories were chosen because they correspond to the five major national and socio-cultural resource attractions in the PRC as identified by the China International Travel Services (CITS).

The third section of the survey asked respondents to rate the quality of ten service related attributes in the PRC. Survey Recipients were asked to rate each service attribute on a five-point Likert type scale anchored by the bi-polar adjectives Poor and Excellent. The fourth section of the survey elicited responses regarding international activity patterns of the study group and the final section collected demographic data.

A pretest of the questionnaire was undertaken by utilizing sixteen students in an International Tourism class. Minor modifications to the instrument resulted from the pretest.

The sample was chosen from a randomly ordered list maintained by the China NTO, New York. In an effort to provide information directly to the mature market, the China NTO, New York published an announcement of a free on request guide book to China in the October-November, 1988 issue of Modern Maturity magazine, which is the official publication of the American Association of Retired Persons (AARP). Membership in AARP commences on a person's 50th birthday and therefore provides an opportunity for announcements and advertisements in their magazine to target the mature market. Names and addresses for each person requesting the guidebook were maintained at China NTO Headquarters, New York. A list of 1,000 names and addresses were provided to the researchers. A systematic sample of 500 individuals was selected by using every second name. The geographical location of the sample covered 47 states. Because the sample was selected from a list of indivduals who had requested a guidebook, generalization of results is limited. Perdue and Botkin (10) discourage the use of conversion studies to profile visitors or potential visitors. Therefore the results reported in this study do not represent the universe of potential travelers to the PRC but rather represent those individuals predisposed to solicit specific information about travel to the PRC. Therefore, the value of this study rests more in questions raised for future research rather than generalizing to all potential travelers to the PRC.

On April 24, 1989, each of the 500 selected individuals was mailed a questionnaire which was 5 letter size printed pates, a cover letter explaining the survey and a postage-paid return envelope. Return envelopes were numerically coded to reduce the quantity of subsequent mailings. One week after the initial mailing all selected individuals received a post card reminder. Ten days after the post card reminder, a second survey was sent to those who had not yet responded.

This survey methodology corresponds to that outlined by Dillman (5) as most effective in increasing response rate. The cutoff date for accepting returned surveys was June 1, 1989, which turned out to be one day before the major conflict in Tianemen Square.

RESULTS

Total usable surveys returned was 346. An additional 7 were undeliverable and there were 147 nonresponses. Overall response rate was 70.2 percent adjusting for nondeliverables.

Mature Market Respondent Profile

The majority of survey respondents were female (62.7%), the highest percentage age group (30.1%) was for the 65-69 category, the majority of respondents were retired (66.9%), household size was most often 2, the majority were married (66.5%) and annual incomes exceeded $50,000 for more than 36 percent of the respondents. A complete demographic profile is displayed in Table 2.

The mature market profiled in this study is a very active one for international travel. The magnitude of travel uncovered may be due to the respondents predisposition or propensity for international travel which is a product of the list utilized for sampling. The sample, as previously mentioned, was selected from the group of people requesting a free guidebook on travel to China. Noninternational travelers would be less likely to request the guidebook.

Less than one percent of the respondents had never traveled internationally. A great majority had been to Canada (85.5%) and Europe (84.6%). Asia was the fourth most popular destination area with over 60 percent having traveled there at some time in their life (Table 3).

Of those who had visited Asia, Hong Kong/Macau was the most popular destination (73.4%) followed by Japan (67%) and the PRC (60.1%) (Table 4).

Only 13.7 percent of the respondents indicated they did not take an international trip within the last year and 37.9 percent had taken three or more international trips during the previous year (Table 5).

The majority of the respondents traveled in a family group (52.4%). Even when the mature market traveled for business purposes, many of them included family in their party (29.5%). A small percentage of the respondents traveled alone (17%) (Table 6). The Friends/Relatives connection was the most frequently utilized source of information about international destinations (18.5%), however, tour company brochures (16.4%), travel guidebooks (14.0%) and travel agent recommendations (12.2%) were also moderately utilized (Table 7). These results may reflect the importance of the external search process for the mature market, especially for international travel.

Touristic Image of the PRC

Study results revealed that 122 respondents (35% of the total) had traveled to the PRC before receiving the survey. This number was high enough to break respondents into two groups. Membership in Group 1 was based on having previously traveled to the PRC and Group 2 contained the number of respondents who had not visited the PRC. Mean scores for questions asking respondents to rate the relative attractiveness of the five attraction categories and twenty-two attraction attributes were compared and analyzed between groups using the T-Statistic. Results revealed very few differences between the groups. Respondents rated the major category Historical Attractions as most attractive followed by People, Natural Resources, Cultural ad Man-Made. There were no significant differences (.05 level) noted between the Before and After

visitation groups. Only three attraction attributes were determined to be significantly different after visitation. They were Handicrafts and Martial Arts included under the Cultural category and Way of Living which was contained within the People category. The image of Martial Arts and Handicrafts was significantly higher for the group which had visited the PRC and Way of Living was significantly lower (Table 8).

The same analysis was completed for touristic image(s) of services. Of the ten service attributes evaluated, five showed significant improvement after visitation and none were significantly lower. The five service attributes showing significant improvement ratings were Accommodations, Transportation, Reservations, Safety and Security and Local Receptiveness to Tourists. Four service attributes were below the midpoint value (3) on the attractiveness scale for the Before Visitation group and only one (Clean Environment) was below the midpoint for the After Visitation group (Table 9).

DISCUSSION AND IMPLICATIONS

The mature market profiled in this study is very active for international travel. They travel frequently and have visited more than one international destination. They meet two and possibly three of the "Highs" identified by CITS for a prime target market in the U.S. That is they generally have High Income and High Age and possibly High Education although this was not determined from the study as only indirect indicators of education and income, were compiled for the group. Since the majority of respondents were retired, it was not possible to determine if the group also had "High Occupations" as occupation prior to retirement was not queried.

This group of international travelers also likes to travel in a family group indicating the importance of visiting international destinations with families and possibly friends. The relatively large percentage of the respondents that are married and reside in a household of two or more people may indicate a population that uses international travel to reinforce interpersonal relationships.

Although the largest percentage of the respondents utilized friends and relatives as sources for learning more about international destinations, the percentage who utilize guidebooks and travel magazines is large enough to indicate the importance of external searches. This group probably has the time and interest to embark on extensive external searches before selecting a destination. They also utilize tour company brochures and travel agent recommendations to the extent that the provision of travel counseling may be an important service for this group.

With respect to the respondents image of the PRC, Historical attractions have the highest attractiveness ratings and should be the main focus of promotions targeted at the mature market. The People attractions category also showed relatively high attractiveness ratings and should be promoted concurrently with Historical attractions. There is however, some cause for concern that past promotion efforts may have built up the attractiveness of the Historical and People attraction category to such an extent that expectations exceed reality. As early as

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1983 senior government officials in China adopted a policy to enhance the image of China's tourism in effect putting 'image before profits' (2). Of the four attraction attributes included under the Historical Attractions category, three were perceived less attractive by the After visitation group. None of the differences were significant at the .05 level from the Before visitation group but the trend raises questions about expectations and reality. Even more disturbing is the Before/After group comparisons for the attraction attributes in the People category. All four attraction attributes were perceived less attractive for the After visitation group with one attribute significantly different (.05 level). Further research investigating the reason for these Before/After differences and possible impact on future visitation is needed.

Further promotions should also concentrate on the level and quality of services provided. Study results revealed that perceptions of services from the Before group is low but improves for the After visitation group. Five of the ten services evaluated showed significant positive changes for the After visitation group. In this case, reality is exceeding expectations and should be capitalized upon in future promotions.

CONCLUSIONS

The information derived from this study poses more questions about the mature markets international travel behavior than it answers. For example, do mature market visitors to other regions and countries of the world resemble the visitors profiled in this paper? Is the importance of traveling in family groups recognized by tour operators? What is the importance of reinforcing interpersonal relationships as a motivator for international travel compared to domestic travel? How important are service attributes in the mature markets decision process? What service attributes are most salient? Do international destinations have multi- or uni-dimensional images for the mature market? What portion of the mature market engages in international travel?

The results presented in this paper do not answer these questions. What was learned is that the portion of the mature market that requested travel information, in this case a guidebook on the PRC, can be categorized as frequent international travelers with high incomes and the desire to travel in family groups. The image(s) this group holds prior to and after travel to the PRC is also useful in helping identify promotional strategies for the country with respect to the targeted mature market in the United States. One caveat, however, is very important. As this study was completed prior to the major conflict in Tianemen Square, image(s) may have significantly changed. A study assessing possible image change as a result of the conflict is currently being conducted.

The amount of research directed at the mature market has not kept pace with either increases in size or economic power of the group. Projections indicate that the mature market will continue to be a major force demanding and expecting travel related services. The dearth of literature available on the mature market and the magnitude of this

market make it a high priority for future research.

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Table 1

Growth in U.S. Tourist Arrivals to China 1979-88

Year	US Tourists (000)	Annual Growth %
1979	67.8	
1980	101.5	49.7
1981	130.4	28.5
1982	145.2	11.3
1983	168.3	15.9
1984	212.3	26.1
1985	239.6	12.9
1986	291.8	21.8
1987	315.2	8.0
1988	300.9	-4.5
AVG:	197.3	18.6

Source: China International Travel Services, Shanghai.

Table 2

Demographic Profile

Factor	No.	%
Sex (N=332)*		
Male	124	37.3
Female	208	62.7
Age (N=339)*		
18-49	9	2.7
50-54	34	10.0
55-59	52	15.3
60-64	70	20.6
65-69	102	30.1
70 or Over	72	21.2
Employment Status (N=344)*		
Employed full-time	58	16.9
Employed part-time	20	5.8
Retired	230	66.9
Self-employed	20	5.8
Others	16	4.7
Household Size (N=344)*		
1 person (self)	97	28.2
2 persons	210	61.0
3 or more	37	10.8
Marital Status (N=343)*		
Married	228	66.5
Widowed	60	17.5
Single	24	7.0
Separated/Divorced	31	9.0
Annual Household Income (N=313)*		
Less than $20,000	31	9.9
$20,000-$29,999	59	18.8
$30,000-$39,999	66	21.1
$40,000-$49,999	39	12.5
$50,000-$59,999	42	13.4
$60,000 or more	76	24.3

* Number of valid cases

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Table 3

Foreign Destinations Visited (N=337)

Destination	Rank	No.	%*
Canada	1	288	85.5
Europe	2	285	84.6
Mexico	3	244	72.4
Asia	4	203	60.2
Caribbean	5	196	52.8
Middle East	6	98	29.1
South America	6	98	29.1
Africa	7	88	26.1
Australia/New Zealand	8	75	22.3
None	9	3	0.9

*Percentage is not equal to 100% because of multiple answers.

Table 4

Asian Destinations Visited (N=203)

Destination	Rank	No.	%*
Hong Kong/Macau	1	149	73.4
Japan	2	136	67.0
People's Republic of China	3	122	60.1
Thailand	4	86	42.4
Singapore	5	74	36.5
Philippines	6	55	27.1
Taiwan	7	47	23.1
Malaysia	8	42	20.7
Korea	9	39	19.2
India	10	38	18.7
Indonesia	11	30	14.8
Nepal	12	25	12.3
Pakistan	13	15	7.4
Sri Lanka	14	11	5.4
Bangladesh	15	3	1.5

*Total does not equal 100 due to multiple responses.

Table 5

Number of Foreign Trips Taken in Last Three Years (N=343)

No. of Foreign Trips	No. of Responses	%
None	47	13.7
1	83	24.2
2	83	24.2
3	78	22.7
4	26	7.6
5 or more	26	7.6

Table 6

Party Type of Foreign Trip (N=288)

Party Type	No.	%
Traveling Alone	49	17.0
Family Group	151	52.4
Business Group	3	0.1
Mixed Business & Family	85	29.5

Table 7

International Travel Information Sources

Source	Rank	No.	%
Friends/Relatives	1	115	18.5
Tour Company Brochure	2	102	16.4
Travel Guide Book	3	91	14.7
Travel Agent Recommendation	4	76	12.2
Travel Magazine	5	62	10.0
Others	5	62	10.0
AARP Travel Services	6	37	6.0
Newspaper	7	34	5.5
Destination Tourist Office	7	34	5.5
General Magazine	8	8	1.2

Table 8

Results of T-Tests for Attractions

Attraction	After Mean	Before Mean	T-Value
NATURAL ATTRACTIONS:	3.5233	3.5966	-0.69
a. waters	3.4486	3.5990	-1.16
b. mountains/caves	3.8214	3.6471	1.38
c. gorges	3.6600	3.6721	-0.09
d. park	3.5743	3.5000	0.58
e. coastlines	3.2292	3.4947	-1.85
HISTORICAL ATTRACTIONS:	4.3160	4.3789	-0.76
f. ancient tombs	4.2124	4.1198	0.77
g. ancient buildings	4.2973	4.3918	-0.98
h. ancient temples	4.3158	4.4315	-1.24
i. historical cities	4.4912	4.5226	-0.40
CULTURAL ATTRACTIONS:	3.3729	3.2278	1.61
j. handicraft	4.2193	3.9188	2.81*
k. martial arts	2.6500	2.2796	2.46*
l. drama	3.2617	3.1111	1.16
m. food and drink	3.1091	3.3158	-1.36
n. music and dance	3.8426	3.7128	1.04
PEOPLE ATTRACTIONS:	3.9307	4.1011	-1.41
o. way of living	3.9043	4.2663	-2.55*
p. ethnic groups	3.6373	3.7853	-1.06
q. customs	4.1478	4.2923	-1.26
r. countryside life	4.0088	4.0258	-0.13
MAN-MADE ATTRACTIONS:	2.5029	2.4783	0.32
s. museums	4.0183	4.1066	-0.75
t. shopping	3.4914	3.3673	0.86
u. modern cityscape	2.9289	2.8201	0.70
v. night life	2.2453	2.1347	0.80

*indicates significant at 0.05 level of probability.

Table 9

Image Scores and Results of T-Tests for Services

Service	After Mean	Before Mean	T-Value
a. Accommodation	3.8051	2.9626	7.39*
b. Restaurant	3.2222	3.2139	0.07
c. Clean Environment	2.9744	3.0108	-0.27
d. Transportation	3.1062	2.7760	2.74*
e. Reservation	3.2566	2.9290	2.46*
f. On-time Arriv. & Depart.	3.0855	2.9441	1.05
g. Service Personnel	4.0250	3.9130	1.05
h. Local Receptives	4.2137	3.8859	3.04*
i. Relaxation	3.2957	3.2951	0.00
j. Safety and Security	4.1261	3.8245	2.83*

*Indicates Significant at 0.05 level of probability.