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Digging deeper into decision-making of Chinese long-haul outbound tourists: a two-stage preference estimation approach.

ABSTRACT:

Investigating and understanding tourists' preferences is of great importance for both decision-making theories and destination marketing practice. In the current study we investigate the process of consideration-set formation together with conjoint analysis to estimate destination preferences of Chinese long-haul outbound tourists. Through the integration of choice-set and characteristic theories, this study explores how to obtain more comprehensive insights into destination choice processes. The findings show that preferences can be analysed effectively in a two-stage model, which can reveal detailed additional insights regarding tourists' preferences towards destination attributes, thus contributing to marketing insight on destination choice and selection.

Key words: decision making, preference estimation, consideration-set formation, Chinese outbound tourists

1. Introduction

Understanding consumer choice, and particularly destination selection, is critical for effective tourism marketing. Two main research approaches dominate the research in this area: behavioural and choice-set approaches (Sirakaya & Woodside, 2005). The former focuses on the attributes influencing the process of destination choice while the latter concentrates on investigating the range of choice stages used by decision makers. Most behavioural studies investigate tourists' decisions as a homogeneous process without considering the possibility that tourists' preference toward attributes may differ at difference stages in the choice process. This may result in less accurate prediction (Gensch, 1987). As for studies adopting the choice-set approach, alternative destinations are usually treated as holistic units, which means that analysts are not able to explain the reasons why

some destinations are included in the consideration set nor why a particular destination is eventually selected and others rejected (Perdue & Meng, 2006). Each approach however has made important contributions to our understanding of tourist's decision-making and preferences for tourism destinations. Therefore it is surprising that these two perspectives have rarely been integrated to provide a more accurate and comprehensive explanation of destination choices, which motivated the current study.

As a rapidly growing market, Chinese outbound tourists have been the focus of a number of empirical studies over the last two decades (Tse, 2014). Of those which have investigated tourists' destination choice preferences, most were conducted on samples of Chinese tourists who were visiting one specific destination, such as Hong Kong (Zhang & Lam, 1999), United States (Cai, O'Leary, & Boger, 2000), Australia (Chow & Murphy, 2007) and so on. In other words, the tourists in these studies had already chosen their destination. How Chinese tourists evaluate and compare different alternatives prior to reaching their final choice has been rarely studied, let alone addressing possible preference variance at different decision stages. Thus it is important to focus on this emerging and dynamic market studying tourism studies. Of specific interest are Chinese long-haul (outside Asia) outbound tourists since this group has not been studied comprehensively in previous research and most of this market are first-time tourists (Li, Meng, Uysal, & Mihalik, 2013) which may reveal different preference patterns compared to mature markets. Therefore, this study seeks to contribute both to our understanding of an important future market context in addition to the incorporation of consideration-set formation into a destination preference experiment, to provide a more comprehensive and in-depth preference analysis of destination choice.

2. Literature review

2.1 The characteristic theory and preference estimation

Lancaster (1966) developed characteristic theory to understand product decision making, which assumes that utility is derived from the characteristics or attributes of a product. This theory fits the tourism context well, since destinations consist of a range of intangible and tangible attributes, including social, cultural and environmental features. Most of the time tourists do not derive utility by possessing or using travel destinations as a whole, but

by consuming destination components such as transport, accommodation and attractions (Tussyadiah, Kono, & Morisugi, 2006). Due to its explanatory value, Lancaster's characteristic theory has been used widely in a tourism context to identify the determinant attributes of destination choice, being adopted and refined over many years (e.g. Apostolakis & Jaffry, 2005; Morley, 1994; Papatheodorou, 2001; Rugg, 1973; Seddighi & Theocharous, 2002). More recently, Tussyadiah et al (2006) extended Lancaster's theory to explain how tourists choose their destination from multiple options.

According to the characteristic theory, tourists' evaluations of destinations are a combination of the relative importance they attach to each relevant attribute and how they evaluate these attributes (Seddighi & Theocharous, 2002). In order to increase the accuracy of prediction about tourists' destination choice, a large number of studies have estimated tourists' preferences based on this approach. These studies can be roughly categorized into two types: revealed preference estimation (e.g. Lyons, Mayor, & Tol, 2009; Morley, 1994; Seddighi & Theocharous, 2002) and stated preference estimation (e.g. Ciná, 2012; Hsu, Tsai, & Wu,2009; Suh & Gartner, 2004; Tsaur & Wu, 2005).

Revealed preference estimation is based on actual observation of destination choice (i.e. what the individual actually chose). It is used predominantly for deriving utilities and estimating travel demand amongst existing alternatives. Since the data is derived from real choices made by the tourists, this method can not be used to estimate the preference of potential tourists who have not made their decisions or to estimate combinations of attribute levels/aspects that do not exist in real destinations but which may be useful to destination markets and planners for their potential in the future. In contrast, the stated preference method is useful because it allows the researcher to present combinations of different attribute levels/aspects that may or may not be provided in current destinations to tourists or potential tourists. Experimental study design methods enable researchers to manipulate destination attributes flexibly (Tsaur & Wu, 2005), which is of great help for designing new products or making improvements.

Conjoint analysis is one of the most popular stated preference methods used in marketing research to determine what combination of attributes has most influence on respondent choice by estimating the values or part-worth of each attribute (Dieckmann et al., 2009). It has also been applied in tourism contexts (e.g. Basala & Klenosky, 2001; Ciná, 2012; Suh & Gartner, 2004). Conjoint analysis can estimate the contributions of different attributes or one attribute at different levels, which allows us to predict consumer preferences about any combinations of attributes, even those not included in the original observations. Additionally, by including hold-out profiles in the data collection, the method allows a further evaluation on whether the choice model established is predictive regarding new preference data (Green & Srinivasan, 1978). Moreover, by choosing among a set of attribute combinations, conjoint questions attempt to mimic how consumers encounter information regarding product alternatives in the real world, i.e. through combinations of different attributes. So the respondents perceive the findings about the importance of each attribute aspect in a more trustworthy way than traditional survey methods which ask respondents to estimate how much value they place on each predetermined attribute (Schoemaker & Waid, 1982).

2.2 Two-stage decision-making

Although characteristic theory provides useful insights on why or how a destination is selected, this theory assumes a consistent and careful evaluation process, which is not always the case in the "real world" of tourist decision making. Tourists, indeed, are faced with considerable alternatives, especially in the current digital and global context, and they may not be able to evaluate each of the available alternatives equally and thoroughly (McCabe, Li, & Chen, 2016). Thus studies using the choice-set approach propose that decision-making is a funnel-like process in which a large number of alternatives from awareness set are eliminated initially to form a smaller consideration-set after which, alternatives within the consideration-set are evaluated more carefully to reach a final choice (Um & Crompton, 1990; Woodside & King 2001). The goal of the first stage evaluation is to eliminate alternatives while the purpose of the second stage evaluation is to select the most satisfying product among fewer acceptable alternatives. Because of the difference in purposes, the relative importance of the attributes and how they are evaluated

in these two stages may differ as well (Turley & LeBlanc, 1993).

Some researchers have proposed that in order to narrow down a huge number of alternatives into a manageable consideration set, decision-makers tend to use very few choice criteria to perform evaluation at the early stage; otherwise, there could be too many attributes to compare (Crompton & Ankomah, 1993). Normally, these attributes used as choice criteria at this stage are evaluated in a non-compensatory manner (Brisoux & Laroche, 1981; Laroche & Kim, 2003). This means that if an item under consideration cannot provide the desired performance on the critical attribute(s), this item will be eliminated no matter how good it is on other attributes. In this case, identifying the critical attribute(s) and the desired level (must-have aspect) of the attribute(s) can be crucial for understanding decision-makers' preference at the stage of consideration-set formation.

Tourism scholars have developed hypotheses on changes in evaluation attributes at the two stages. For example, it has been suggested that choice facilitators are likely to be used as dominant criteria at the stage of consideration set formation while the situational constraints are more likely to be more dominant at the stage of final choice (Decrop, 2010; Um & Crompton, 1990). These promising propositions, however, have rarely been empirically tested.

Indeed, a vast body of literature can be found identifying the important attributes for destination choice with some investigating the relative importance of attributes using quantitative analytic methods (e.g. CINÁ, 2012; Hsu et al. 2009; Seddighi & Theocharous, 2002). But few have considered the role played by each attribute may vary at different stages in the decision-making process. Although notable exceptions do exist (e.g., Fry & Prentice [2006], in which destination image, familiarity and affect are integrated in the model as explanatory factors behind each stage of choice), relatively little effort has been made to bridge characteristic theory and choice-set theory to obtain more accurate and comprehensive insights about tourists' preferences within decision-making processing. Thus this research aims to address this gap. The reasons for using Chinese long-haul outbound tourists as the study subject are presented below.

2.3 Chinese long-haul outbound tourists

Over the past decade China has been the fastest-growing tourism source market in the world. Since 2000, the volume of international trips by Chinese tourists has grown from 10 million to 100 million in 2014 with this number expected to reach 200 million by 2018 (Travel & Tourism Intelligence Center, 2014). The huge growth potential has drawn the attention of destination marketers and scholars worldwide. Moreover, compared with more mature outbound markets (countries in the Americas and Europe) the Chinese outbound tourism market is an emerging one, which implies that most Chinese outbound tourists, especially long-haul travellers, are first time visitors. It could be claimed they have little previous experience on which to base a "consideration set", nor can they seek advice from many of their peers who are equally inexperienced (Li, 2016). In addition, there are differences found in the perceptions, motivations, and intended activities between first-time and repeat tourists (Mckercher & Wong, 2004). So the investigation of this group of people may reveal different preference patterns and provide insights on the decision-making process of first time tourists.

Some studies have investigated the important attributes considered by mainland Chinese outbound tourists. For instance, Ryan and Mo (2002) researched the decision-making processes of Chinese tourists visiting New Zealand and found that the main motivation was to see new places. Kim and Guo (2005) found that mainland Chinese respondents considered 'safety' and 'beautiful scenery' to be the most important attributes, whereas 'level of economic development' and 'good place for shopping' were regarded as the least important. The perceived importance of 'safety' amongst Chinese outbound tourists was also reported by Sparks and Pan (2009) and Li et al (2015).

Sparks and Pan (2009) proposed a model in which the intention to visit a certain destination is determined by the influence of subjective norms, attitudes to visiting destinations, constraints and perceived control. Their research investigated potential Chinese outbound tourists' values in terms of destination attributes, as well as attitudes toward international travel. Five destination attributes were rated as most important by

this potential group of tourists and included 'the natural beauty and icons of a destination', 'quality infrastructure', 'autonomy', 'inspirational motives' and 'social self-enhancement'. Li et al.'s (2015) survey among actual and potential long-haul Chinese outbound tourists revealed that "personal safety," "good customer service," "relaxing atmosphere", and "cleanliness" were the most important factors when deciding on destinations for a leisure trip outside Asia, whereas "sufficient tourist information" was least important in destination choice.

Besides those studies focusing on tourists from mainland China, others have investigated tourists from Hong Kong and Taiwan. For instance, Lee, Huang and Chen (2010) indicate that 'safety', 'excellent quality of accommodation' and 'reasonable travel cost' were the three most important attributes determining the attractiveness of a honeymoon destination for young couples from Taiwan. Moreover, trip expenditure, length of stay during the trip, size of the travel party, monthly household income, discovering new places and/or things, and getting away from daily routine, obligation, stress and troubles have been reported to have a significant influence on Hong Kong residents' destination choice (Guillet, Lee, & Law, 2011). As for the choice of travel itinerary, Tsaur and Wu (2005) conducted a survey of consumers who enquired about visiting Japan at travel agencies in Taipei (Taiwan). This study found that most respondents were affected by the price of the travel products when they were selecting package tours. The duration of tour and type of flight were important factors to respondents under 40 years old. The older tourists, however, paid more attention to the content of tours.

Although the studies based on Chinese tourists from Hong Kong and Taiwan provide a good reference point, the preferences of mainland Chinese may be different from Hong Kong and Taiwanese consumers. As for the studies focusing on mainland Chinese tourists, most used samples of tourists who were already visiting a certain destination; that is, during the data collection, tourists' decision regarding destination had already been made. Therefore, their preferences for specific types of attributes are inevitably bundled into the contexts of the destinations already selected.

Given all that, further understanding of this valuable source market is needed on (1) what are the important attributes considered at the early stages of decision making, prior to destination selection? (2) What does each attribute contribute towards the overall destination evaluation? And (3) does the role of attributes change at different choice stages? This study attempts to shed some light on these questions.

3. Methodology

3.1 Attributes identification and pre-test

An experimental survey was designed to test tourists' preferences of destination attributes. For the survey, commonly considered attributes by Chinese outbound tourists were identified from previous studies through desk research. These were compared and further refined through six in-depth interviews with staff in major tour operators in China (e.g. tour guides on international trips and marketing managers for international destinations focusing on the long-haul market, i.e., beyond Asia). All the informants are knowledgeable about Chinese long-haul outbound tourists as well as various long-haul destination packages, which ensured that the attribute aspects (i.e. level of price) used in the experimental design were the most relevant to Chinese tourists and adequately represent actual destination products.

One point of clarification is that destination choice referred to in this research actually refers to a destination-based package tour. Since the majority of the Chinese long-haul tourists still take a package tour, especially first time tourists (Li et al., 2011; Sparks & Pan, 2009), this research focuses on package tourists rather than individual tourists. This means that attributes of the package as a whole, in addition to destination-specific attributes, are implicated in the decision-making processes.

During the desk research, destination safety was reported to be a very most important destination attribute (Kim et al., 2005; Li et al., 2015; Sparks & Pan 2009; Yu & Weiler, 2001). The informants agreed that safety is very important for Chinese tourists. But it is more of a requirement for a package tour (i.e., a "hygiene" factor) rather than a choice criterion for tourists. Besides, travelling with a group of Chinese people would

automatically enhance the sense of security for tourists. Given that the survey respondents in the present study were looking at taking a package tour that had been carefully planned by large, credible tour operators, safety was not included in the survey questionnaire as a destination attribute. Some attributes that were highlighted in previous studies, such as weather, food, and transport, were not deemed important in the interviews and were hence not included in this study.

The top six attributes mentioned frequently or emphasised by the interviewees were: (1) package price per person, (2) risk involved in obtaining a visa, (3) famousness of the destination (i.e. well known by the Chinese public, either for advanced economic development or for beautiful scenery), (4) suitability for branded shopping opportunities, (5) time schedule and (6) the type of attractions (i.e. historical and cultural interest; natural sights; tours of islands; or nature-related activities). A pre-test was conducted to test how many stimuli cards and how many attribute levels respondents could cope with before being overwhelmed during the sorting task. Based on the pre-test, 5 attributes with 11 aspects were confirmed for the experimental survey design. The 5 attributes (in italic) and their aspects were:

(1) Package price per person: around Renminbi [RMB] 9,000, around RMB 13,000-17,000, above RMB 18,000.

(2) Risk involved in obtaining a visa: less risk/more risk of being refused

(3) Whether the destination country is famous: famous country/non famous country

(4) Suitability for branded shopping opportunities: good for brand shopping/not suitable for brand shopping

(5) Time schedule: tightly organised journey with tours of more scenic spots/relaxing journey with more free time

Questionnaire design

The 48 (3*2^4) possible combinations based on the 5 attributes' aspects were reduced to an 8-profile nearly orthogonal design. This plan generated by SPSS ensures the highest level of coverage of different combinations of aspects with the minimum number of stimuli necessary for the estimation using conjoint analysis. Besides the 8 profiles, another 2 hold-

out profiles randomly generated by SPSS were included in the design for model fit estimation.

The questionnaire consisted of two parts. The first part was a tailor-made experimental design in which respondents were asked to sort and rank the 10 stimuli profiles, where 1 was the most attractive destination tour and 10 the least. No attempt was made to present respondents with actual destinations, and the cards were labelled simply 'Destination itinerary 1' through 'Destination itinerary 10'. The combinations of the 10 stimuli (destination cards) are listed in Table 1 and Figure 1 provides two translated examples of how the stimuli were presented to respondents. A question about which of the 10 destination(s) participants would consider as possible options for their next long-haul trip was asked after the ranking task because the pilot demonstrated that this would avoid respondents having to deal with the information on alternatives twice.

The second part of the survey was composed of two questions regarding previous travel experience and one question regarding travel companions, which was revealed as an important factor influencing tourists' preferences during the interviews. Three demographic questions including gender, age and occupation to distinguish different groups of tourists were asked at the end.

INSERT TABLE 1 HERE
INSERT FIGURE 1 HERE

3.2 Data collection

The experimental survey was conducted from March to June 2012 using a convenience sampling approach to locate actual or potential long-haul outbound tourists. In total, 201 participants completed the survey and 184 of them were able to fully rank the 10 stimuli cards. This represented an adequate sample size in comparison with similar studies that have applied this type of experimental design methodology, and has advantages over similar studies which have larger sample sizes but drawn from student respondents (e.g.

Ciná, 2012; Dieckmann et al., 2009; Yee et al., 2007). Of those, 78 were recruited at a tour operator (the name can be provided on request) when they inquiring information of long-haul outbound trip and planning to take a trip within one month. Due to a low response rate (25%), it took an average 8 hours each working day to recruit 8 respondents who met the requirements and were willing to participate in the survey.

In order to control the bias associated with the selection of a particular tour operator, another 123 respondents were recruited through a snowball sampling method. The initial respondents of the snowball sampling were generated from leads provided by the interview informants, who then recommended relatives or friends. The respondents had to meet two requirements: sufficient financial resources and the desire to take an outbound trip within six months. Since the experimental task is relatively complex, the survey was conducted face to face at the working places or home of the respondents by making appointment in advance. For the sorting task as well as the questions, it took on average 20-25 minutes for each to complete.

3.3 Data analysis

The first stage of the analysis was to investigate the existence and the size of consideration-set for each respondent. Frequency analysis was done on the size of the consideration set (expressed as the number of options for further consideration). Based on the size of the each respondent's consideration set, a 'must-have aspect' program was written by Java (the programme code can be provided on request) and used to identify, for each respondent, whether there are any attribute aspect(s) that exist for all the destination cards this respondent would consider.

Then conjoint analysis was employed to investigate the influence of each attribute level/aspect on the overall preference of decision-makers. As described, in this study, 10 stimuli destination cards were used in the survey. Conjoint analysis requires the order of only the first 8 cards to perform the estimation of utility scores, while the preference order on destination card 9 and destination card 10 were used as hold-out data to test to what extent this analysis was accurate.

Additionally, T-tests and one-way ANOVA were used to test for any significant preference differences in terms of gender, age, previous travel experience, travel companions of the trip and where the data were collected (travel agency versus snowball sampling). Preferences were then revealed and compared among/between subgroups where significant differences were found.

4. Findings

4.1 Respondent profile

Within the sample, there were 90 males and 111 females (See Table 2), which provided a sufficient number to compare the preference difference between genders. In the sample, 155 (77%) respondents are between 18 and 35, 29 (14%) respondents are between 35 and 55, and 17 (9%) respondents are over 55. In China, these age groups approximately correspond with particular stages in the life cycle: most Chinese people start to have their stable career after the age of 35 and normally by then their children are old enough to go to primary school, while the retirement age in China starts at 55. Although the proportion amongst the age groups is uneven, there are sufficient cases for us to explore the possible differences in preference between age groups. Firstly, in reality, young people are the key market for outbound tourism. Secondly, younger respondents were easier to approach during the data collection and they could understand the task very quickly. Notably, more than half (111) of the respondents had not made any self-funded outbound leisure trips before and this figure increases to 71% (143) for long-haul outbound travel. This implies that the preference estimations that we derived from the data are particularly relevant for first-time Chinese long-haul outbound tourists.

As for the travel companions, more than 40% of the respondents (85/201) indicated that they would like to go on their next long-haul outbound leisure trips only with their spouse or significant others. About 36% of respondents would like to travel with family members (73/201). Another 28 respondents (13.9%) would like to go with their friends. And only 15 people (7.5%) would like to go by themselves.

INSERT TABLE 2 HERE

Preference on consideration-set formation

Almost 98% of the respondents would consider no more than seven destinations out of the 10 described on the cards. The size of the consideration set (see Table 3) for the majority (76%) of the respondents was between two and six alternatives, while the mode was three (used by 23% respondents).

INSERT TABLE 3 HERE

Based on the size of the consideration set for each respondent, the 'must-have aspect' program was used to identify, for each respondent, whether any common attribute aspects occurred in all the destination cards each respondent would consider. This analysis cannot be performed for the 12 respondents whose consideration set comprised only one destination and these respondents were not included in further analysis. There were too few respondents (only five in total) who retained eight or nine destination cards for further consideration, and they were also excluded from the analysis, as their inclusion would not lead to stable results. Finally, for five cases the information about the size of the consideration set was missing. Therefore the total sample for the analysis comprised 179 respondents. Any 'must-have' aspects identified in the consideration set were recorded for further analysis.

In total, 14 (8%) respondents did not appear to have any 'must-have aspect', which suggests they probably did not use a non-compensatory strategy to form the consideration set, while the remaining respondents (92%) did select the destinations they would consider based on a few critical attribute aspects. A large number of them (114) used a single must-have aspect, which means their consideration set was formed by the presence of one aspect. For this group of respondents, the most commonly used aspect was 'More free time during the trip' followed by 'Easy visa application', 'Famous destination country' and 'Price RMB9, 000' (see Table 4). The destinations that did not have the must-have aspect were discarded.

Of the remainder, 33 respondents used two must-have aspects while 18 had three must-have aspects. Seventeen of these 18 would consider only the first two destinations for their next trip, while most of the respondents (27 out of 33) who had two must-have aspects retained two or three destinations in their consideration set. Almost all the respondents who used only one must-have aspect considered at least three destinations, except for one respondent who had only two destinations in his consideration set. The pattern is thus that the smaller the size of the consideration set, the more non-compensatory criteria (must-have aspects) were required to form this consideration set, which is consistent with Crompton and Ankomah's (1993) proposition.

INSERT TABLE 4 HERE

4.2 Overall Preference for destination attributes

A conjoint analysis was performed on the sorting data of the 184 respondents who provided a full ranking of the stimuli. As can be seen (Table 5), in general, a low price level, an easy visa application, a famous destination, more free time during the trip and a good place for branded product shopping have positive utility (part-worth) scores, which means that, all else being equal, destinations with these characteristics are preferred over others. Apparently, price around 9000 RMB, a visa that is easy to get and a famous destination are the top three attribute aspects appreciated by respondents whereas branded product shopping contributes relatively little to the overall preference for a destination.

For the 184 respondents, conjoint analysis (on the basis of estimated utilities) can predict about 80% (147) rank orders of the hold-out data correctly. It suggests that the utilities of attribute aspects revealed by the conjoint analysis can reflect the preference of a large majority within the sample.

It is interesting to note that, although the lowest price (RMB9, 000) has the highest utility score (0.69), it is not the most commonly used aspect to form the consideration set for this group. These results suggest that although price is the most important attribute in general, it is not a non-negotiable aspect in destination choice. In other words, even respondents

who prefer a price of RMB9, 000 may still consider destinations at a higher price. However, people who prefer 'more free time during the trip' tend to use this as a non-compensatory criterion (as a must-have aspect) in their selection.

INSERT TABLE 5 HERE

As for the importance value of each attribute, the results show that price is the most important attribute on the change of preference (see Table 6), which means there is a large difference in preference between destinations at RMB 9,000 and those at RMB18, 000. Time schedule also plays an important role but not as important as price and it is followed by visa and fame of destination.

According to the overall utility score, if we change the time schedule from 'compact' to 'more free time', the overall utility of one destination for the whole sample would increase by 0.46 (0.23-(-0.23)) units, which is much less than if we change the aspect of visa application from 'easy' to 'risk of rejection' (0.51-(-0.51) =1.2 units). But according to the importance value, the averaged preference change (18.94) of each individual due to the change of time schedule is even larger than the averaged preference change (17.29) due to the change of the visa application aspect. This does not mean the importance values are in conflict with the results of overall utilities. It instead suggests that if we treat the whole sample as a target group, then the change of time schedule (from compact to more free time) would make a destination package more attractive for the entire group, but less so than a change of visa application (from easy to risk of rejection).

This is not because tourists do not care about the change of time schedule: rather, it is probably because, within the sample, people's preferences regarding the time schedule are not necessarily in the same direction (some would prefer a change to more free time, while others would not), whereas, presumably, none of the sample would prefer to have a risky visa application.

Branded product shopping is the least important influence on tourists' decision-making,

based on the averaged utility score for this attribute. But, as can be seen from table 6, the averaged importance value is much higher than might be expected from the overall utility score. What this indicates in practice is that, if we are looking at the whole group, whether a destination can offer branded product shopping will barely increase its attractiveness (as reflected in the low utility scores); nonetheless, there are some people in the group who care greatly about this attribute and who would change their preference for a destination if this attribute were to change (as reflected in the relatively high importance value). The results suggest there are different groups within the sample that hold different opinions toward the attributes and therefore a segmentation of the sample is desirable, to explore preferences within subgroups.

4.3 Subgroup preference on destination attributes

A summary of the tests performed are presented in Table 6 (*Cells with "ns" indicate there is no significant difference regarding the utility value of each attribute aspect between/among groups. For the cells where significant differences exist, the p value is reported followed by the means of the utility values of each group for this attribute aspect*). No significant difference is found regarding the size of consideration set and the must-have aspect used to form the consideration set among different groups. The results also indicate that there is no significant difference on preference in terms of gender, nor is there significant difference toward attributes "visa application" and "brand shopping".

Based on the results of the ANOVA, age has a significant effect on the preference for a particular time schedule. Both young people (18-35) and middle-aged (35-55) people prefer a schedule with more free time, and this is most pronounced for middle-aged people (utility value 0.45 compared with 0.26 for young people). The senior group ($\geq$55), however, prefer a compact schedule with more scenic spots but less free time. The utility score for 'compact time schedule' for the senior group reaches 0.69, while the other two age groups have a negative utility score for this aspect. A post-hoc (Tukey) test was conducted which confirmed this hypothesis (p<0.05).

There is a significant difference ($p<0.05$) in the utility score for fame of the destination between people who had never been on an outbound leisure trip and those who did have outbound travel experience. First-time outbound tourists assigned a higher utility score (0.49) for famous destination while repeat outbound tourists assigned a lower utility (0.38) for this attribute. This difference reflects that, in general, people who have not travelled to an outbound destination before prefer to go to a famous country greater than those who do have outbound travel experience.

Besides the difference regarding their attitude to the fame of the destination country, another marginally significant difference (at the $p<0.1$ level) is found: first-time long-haul outbound tourists assigned less utility (0.18) to 'more free time during the trip' while repeat long-haul outbound tourists assigned more utility (0.35) to this aspect. This may suggest that the more travel experience tourists have, the more confident they are in spending time on their own.

As for influence of travel companions, people travelling with the whole family/partners have a preference for famous destinations, whereas people who travel by themselves are more likely to fit the explorer, or Free Independent Traveller (FIT) category, and prefer off the beaten track type destinations that are not famous.

Earlier we indicated the need to control for a possible preference bias generated by the selection of the clients from one specific tour operator. A significant difference ($p<0.05$) was found regarding preferences on package price. The 123 respondents from the snowball sampling had a higher utility score (0.78) for the lowest price level than those approached at the tour operator (0.53). But preference towards other attributes has no substantial difference amongst the two groups.

5. Discussion and conclusion
5.1 Implications for (tourism) decision-making theories
An interdisciplinary approach in tourism (Tribe, 1997) has become more important for

knowledge development as well as advancing methods, which requires theoretical elements to be assembled, concepts to be unified and theories to be connected and circulated (Belhassen & Caton, 2009; Darbellay & Stock, 2012). In this research, by incorporating the concept of consideration-set into a conjoint preference estimation experiment, a much greater, detailed understanding of decision-making processes can be revealed.

For instance, time schedule is one of the most important attributes used by Hong Kong residents in choosing a package tour (Wong & Lau, 2001) and in the study of Mainland Chinese outbound tourists conducted by Zhu (2005) time schedule was also an important attribute. The importance of the time schedule was confirmed by the present research too. But more insight into how this attribute is preferred and used was provided in this study. Instead of presenting a straightforward ranking of attributes tourists care about, the conjoint analysis reveals what kind of time schedule is preferred by the whole sample (compact schedule vs. schedule with more free time). In addition, the importance value of this attribute provides an indication on whether there is a need to further segment the sample into different groups with different preferences for this attribute. And a significant difference was found for this attribute among different age groups. Furthermore, although more free time has less impact than lower price level to boost overall preference, the findings imply that during the early stage (consideration-set formation) of decision-making, this aspect can be more crucial to tourists than a lower price level.

Besides the efforts of knowledge integration, this study also reveals some unique factors influencing tourism destination choice including the composition of the travel party and previous travel experience. A leisure trip, as a hedonic experience, is not like the purchase of shampoo or a cigarette. It is a more substantial monetary and time investment requiring much more consideration of the decision-makers. Especially when they are going to travel with someone else, they need to consider companions needs, so choice can be influenced by the composition of the travel party. Joint decision-making and the influence of children, family and friends on destination choice have been included in many studies of tourist

decision-making. The findings of this research further demonstrate how this important factor may influence tourist's preference. People who travel with their family prefer famous destinations more highly than any other groups. We may speculate that iconic destinations provide the motivation for Chinese families to build and create treasured, shared experiences, whereas single travellers' motivations are for exploration or adventure seeking.

Another factor is previous travel experience. Although previous experiences in purchasing general household products can also influence the next purchase, the directions of the influences are slightly different. Previous purchase experience of a certain product such as a cell phone enables consumers to enhance knowledge of relevant features, as well as symbolic and other attributes, which inform subsequent product choice decisions. But besides the information gained from previous travel experience, the more important influence of prior travel experience is an increase in confidence of travellers to explore new destinations, especially those presenting a certain risk (Belhassen & Caton 2009). The influence of expanding travel horizons has been discussed in the literature (Oppermann, 1998; Stepchenkova & Li, 2012), and is confirmed by the findings of this research. Tourists who have long-haul travel experience pay less attention to constraint attributes such as visa application but more attention to the amount of free time during the trip, while the first-time long-haul outbound tourists tend to give greater consideration to the constraint attributes such as price and visa application.

5.2 Managerial implications

Despite the fact there has been a growing interest in Chinese outbound tourists, the majority of research on Chinese outbound tourists remains at the stage of identifying attributes considered important by this market (e.g. Agrusa, Kim & Wang, 2011; Kim et al., 2005; Ryan & Mo, 2002; Sparks & Pan, 2009). This study provides further managerial implications for tourism marketers and product developers.

Firstly, the study provides new insights into the important destination/tour package attributes considered by long-haul outbound travellers. The findings reveal that some

additional attributes (e.g. visa restriction and famousness of the destination) are important for potential Chinese outbound tourists, which had not been addressed by previous studies investigating Chinese tourists visiting a certain destination. For instance, visa applications were not included in many previous studies because they focused on Chinese tourists travelling to short-haul destinations such as Singapore, Japan and Korea, or destinations like Australia or New Zealand. There is rarely any problem in getting a visa to these destinations. In contrast, the visa application was a key factor for Chinese travellers deciding whether to visit the USA (Agrusa et al., 2011; Lai et al., 2013). The preference information regarding these attributes and their importance can be more instructive for long-haul destinations such as European Countries. Moreover, this research reveals the commonly used aspects by Chinese long-haul outbound tourists to form the consideration-set (i.e. more free time during the trip, famous destination, little risk of getting visa and lower price level), which is helpful for destination marketers to understand their position amongst competitors.

Another point is that the attributes considered by tourists as evaluation criteria can be treated as two categories for a destination. One is the 'must-have' criterion, so destinations that cannot provide the desired value/aspect required by the tourists will not meet for consideration. For tourists who use this kind of criterion such as the ones who use little risk of getting visa, destinations should firstly make sure the 'must-have' need being met. If the destination cannot provide it within acceptable cost, they have to shift tourists' preference to something they do offer through smart advertising or deselect this group of tourists from the targeted marketing. For the other types of criteria (e.g. price of the trip) that the tourists deem important but negotiable, the destination should firstly make adequate efforts to meet the desired expectation based on the extent of the importance of these criteria for their target group. If the destination cannot provide it within acceptable cost, it still can retain tourists through improving the performance of other important criteria to compensate the disadvantage on this attribute.

In addition, the study adds greater explanation clarity and contextual analysis for the attributes considered by tourists so that marketing campaigns can be developed or

improved accordingly. Take the importance of shopping as an example. Some cultural studies (e.g Huang, 2010; Wang, 2011) suggest that Chinese tourists are inclined to spend a lot of money on souvenirs or luxury branded products. Wang et al. (2010) indicated that the high prevalence of counterfeit goods in the domestic Chinese retail industry could encourage Chinese people to shop overseas. However, Kim and Guo (2005) reported that a 'good place for shopping' was the second least important attribute for Chinese outbound tourists among 10 suggested attributes. Also, in the study by Sparks and Pan (2009) shopping was deemed not very important by Chinese outbound tourists to Australia. This inconsistency might be simply due to a lack of clarity in what exactly is meant by 'shopping' – what kind of shopping? Thus, this study specifies this attribute as brand shopping and the results indicates that branded product shopping contributes relatively little to the overall preference for a destination. This may be because most of the respondents were first-time tourists. Unlike repeat visitors, first time tourists want to spend more time visiting iconic attractions and experiences of a foreign culture (Lau & McKercher, 2004). Moreover, they were self-funded and price sensitive, which means they may not have sufficient disposable income to purchase expensive branded products. These findings can be instructive for destination marketing and product improvement.

5.3 Limitations and future study

As with any exploratory study, there are some limitations to note regarding its research scope as well as methods. Based on these limitations recommendations are made for future studies. Firstly, instead of a random sample, a convenience sample was collected either at a certain tour operator or through a snowball sampling. The convenience sampling may not produce representative results for the whole population which limits generalizability of the study's findings. Besides the profile of respondents was skewed towards a younger demographic due to the convenience sampling method, thus the overall destination preference revealed may be biased toward the preference of the younger tourists. Although the preference difference among different demographic groups was not the primary interest of this study, some interesting findings may be lost due to the limited numbers within subgroups.

However, there are two reasons that drove a convenience sampling approach for this research which are the difficulties encountered in locating actual (potential) long-haul outbound tourists and the exploratory purpose of the study. Since unlike normal consumers, long-haul outbound tourists cannot be easily located at a shopping mall, the venue used to recruit respondents or location process needs to be considered and selected to find the respondents who are actual long-haul outbound tourists or would actually take a long-haul trip in the near future. Additionally, the main purpose of the study was to explore how to integrate the formation of consideration-set into preference estimation process so that additional insights can be obtained. Although there are limitations of convenience sampling, it was still useful as a way to collect data in this research. Therefore, for future studies, of the types of respondents needed and the purpose of the research should be key considerations in the selection of different sampling methods.

Secondly, because there are few studies that aim to understand tourists' preference at different stages, this research, as an exploratory study, started with the most classic and basic two-stage choice-set model and the respondents are approached only once before the destination selection was made. It would be useful to undertake further research with a longitudinal approach on the same sample at different stages of the decision process to understand how early preferences inform or influence the later stages.

In addition, the destinations investigated are not real destinations but stimuli which contain different combinations of destination attributes' aspects. A further link between stimuli with actual destinations should be made. For example, whether it is easy to get a visa is relatively fixed for each destination country so that the stimuli with aspect "easy to get a visa" should represent countries such as Australia or New Zealand rather than the USA.

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