

Case 4: Chinese Tourists and their Duty-Free Shopping in Guam

It was a Saturday night and Francisca was sitting at her desk. The house was quiet, and all her housemates were out. Francisca decided to stay in, as she told herself that she really needed to get this done. What has been troubling her is quite a common issue for any student: her research philosophy.

Francisca knew the idea of her research project all along, thanks to her friends back home in Guam- a United States of America (USA) owned island located in the western Pacific Ocean with a population of approximately 160,000; and where tourism is the largest contributor to the local economy. One of Francisca's friends worked for a duty-free shopping retailer, operating in a number of airports across the world. During one conversation, Francisca's friend had mentioned that, although most tourists in Guam are from Japan and South Korea, this duty free retailer had decided to target Chinese tourists as one of its main customer segments. She had commented that new flight routes between China and Guam were believed to bring about 14,000 Chinese tourists to the island in 2014 (Guam Visitors' Bureau 2014, cited in Brown 2014).

Based on her initial research, Francisca had already decided that Chinese tourists and their spending power would be an interesting and topical area for her project. China was the fastest-growing tourism source market in the world, and Chinese expenditure on travel abroad had reached US\$ 102 billion in 2012; a 40% increase compared with the year 2011 (World Tourism Organization 2013). Moreover, according to the newest report produced by Global Blue, Chinese tourists had been the top spenders in tax-free shopping over the last few years, spending on average more than 800 Euros per transaction (Global Blue 2014). Understanding the buying behaviour of these highly valuable shoppers seemed an important topic for any global retailer, including those involved in duty free shopping. Francisca considered this was a very promising and practical idea for her research project.

Francisca had initially stated that the aim of her project would be to understand Chinese tourists' buying behaviours and motivations in duty-free shopping stores. She had discussed this with her project tutor, who had commented that she still needs to refine her research aim further. He had also emphasized that she needed to be clear about her own research philosophy as this would underpin her research design. Her friend had introduced the duty free retail manager in Guam, to Francisca, who had

given permission for Francisca to conduct her project in the store. The manager emphasized that, since the Chinese tourists are new customers for Guam, it would be really helpful for the store to know what kinds of consumers they were and what motivated them to shop at the duty-free. Based on this Francisca had revised her aim: to establish the characteristics of Chinese tourists, and how these characteristics affect their shopping motivations in duty-free stores.

Francisca believed that a data collection technique like interviewing would not enable her to address this research aim. She felt that interviewing a small number of tourists would not provide enough data to reveal the observed behavioural patterns of the majority of Chinese tourists in Guam. She wanted her findings to be representative of the actual behaviour of Chinese tourists in Guam, she wanted to collect quantitative data using a questionnaire which she could analyse statistically.

Francisca thoughts turned to her research philosophy. This she considered was more in line with positivism than other philosophies such as interpretivism. She was going to design a questionnaire asking Chinese tourists about their motives for shopping at duty-free in Guam. However she had a dilemma. From her research methods lectures, Francisca knew that as a positivist, she should maintain an independent and objective stance, not allowing her values or opinions to influence her research. However, when she was thinking about her research, she found herself constantly recalling her own shopping experiences in duty-free stores. She felt she could identify with tourists' motives to shop, such as buying a gift for family or friends. Her friend who worked at the duty-free store had also given her some ideas about Chinese tourists' motives for shopping. If she used such sources, her research design would be considered subjective. This, she felt, did not seem to fit with positivism.

Francisca reminded herself she needed to be objective. Even though she had some prior experiences of shopping in duty-free stores, she recognized that these were her views rather than those of other consumers. She also noted that she was interested in the patterns of the consumers' behaviours, rather than an individual's opinion. After further searching, she found a paper that might serve as her theoretical foundation, as the reported study investigated the possible reasons why consumers shop at airports. Crawford and Melewar (2003) provided several explanations for buying behaviour at airports, such as gift giving, killing time, and disposal of foreign currency. Francisca decided she could use the reasons identified in this study to design a questionnaire. She commented to herself, "by doing this the reasons identified will be derived from scientific research, not my own subjective experiences. My research idea is more

aligned to positivism as I am observing the behavioural pattern of Chinese tourists, and looking to discover law-like generalisations, rather than just their perception as individuals.’

Francisca had made up her mind. As air travel and Chinese tourists’ spending continued to follow an upward trend, she believed that her research would be interesting and practical for the field of global retailers. Now it was time to enjoy the rest of Saturday night.

References:

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Questions:

Q1: Why is Francisca’s research idea unsuitable for interpretivism?

Q2: How did Francisca solve her dilemma? Is there any other way to solve it?

Q3: How might Francisca’s positivist philosophy and approach impact her research process?