

**THE FACTORS INFLUENCE THE PURCHASING BEHAVIOR OF CHINESE  
BUDGET TRAVELERS COME TO THAILAND**

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**ABSTRACT**

Thailand is a country where tourism resources are very abundant, so many foreign tourists come to Thailand to travel. Today, more and more Chinese tourists travel to Thailand, and a number of Chinese people come to Thailand as "budget travelers".

Although there are a number of literatures about Chinese travelers in Thailand, there are limited literatures on how Chinese "budget traveler" choose to travel to Thailand. As the Chinese "budget traveler" market is growing, it is important for the tourist industry to be able to understand the factors that attract Chinese "budget traveler" come to Thailand.

The research findings revealed that customers with different demographic profiles have different purchasing behavior. There are effects of the marketing mix (4Ps) and lifestyle on the purchasing behavior of Chinese budget traveler.

The findings of this study can provide baseline information to related industries to develop new tourism products.

**Introduction**

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Traveling is considered as a luxury thing for most Chinese people. However, there are many younger people who think traveling does not necessarily mean spending large amounts of money on expensive airfares and hotel accommodation. So there are more and more budget travelers from China. “Travel on a budget” translated to Chinese is “穷游 qiong you”.

The word “穷游 qiong you”, or budget travel, has two meanings:

The first meaning is that people really do not have much money, but they want to travel; The second meaning is that some people choose to be budget travelers, as they just want to have the most economical way to enjoy their holiday, which is not directly related to money.

Chinese budget travelers are called “背包客 beibaoke” in China, which translated from the word backpacker. In China, the backpacker is a kind of fashionable tourism style, which since the last century, has been very popular in the United States and Europe, and has given rise in increase number of tourists. In twenty years, the quick development of China’s urbanization has resulted, in outstanding achievements in the field of infrastructure constructions. Backpacking has become popular in China.

In the beginning backpackers liked to travel to remote areas of western China, such as the Qinghai-Tibet plateau, Inner Mongolia, Xinjiang, Yunnan, etc. Later, with the rapid development of information technology, communication is becoming more and more convenient, and has encouraged backpacking. Backpacking in China, as a kind of social phenomenon, has become a fashionable way to travel in China society. Because backpacking had a late start in China, numbers of society from all walks of life are now aware of backpacking, but the government has not yet issued any measures and policies about backpacking. Currently, backpacking is a spontaneous and individual experience in China.

From the outset, backpack travel has been a unique kind of travel, and it is in striking contrast to mass tourism. Compared to mass tourism, backpacking is completely self-service, the travel time is longer, with a low budget. Backpackers prefer carrying a big backpack instead of the popular tourist travelers who carry suitcases. Backpackers do not follow the normal travel routes, and they like to communicate with ordinary people. This is their unique culture. The characteristics of self-help tourists have attracted a large number of tourists, and established a certain mass base for tours. With the speeding up of China’s urbanization process and people’s lifestyle changes, the online network and outdoor

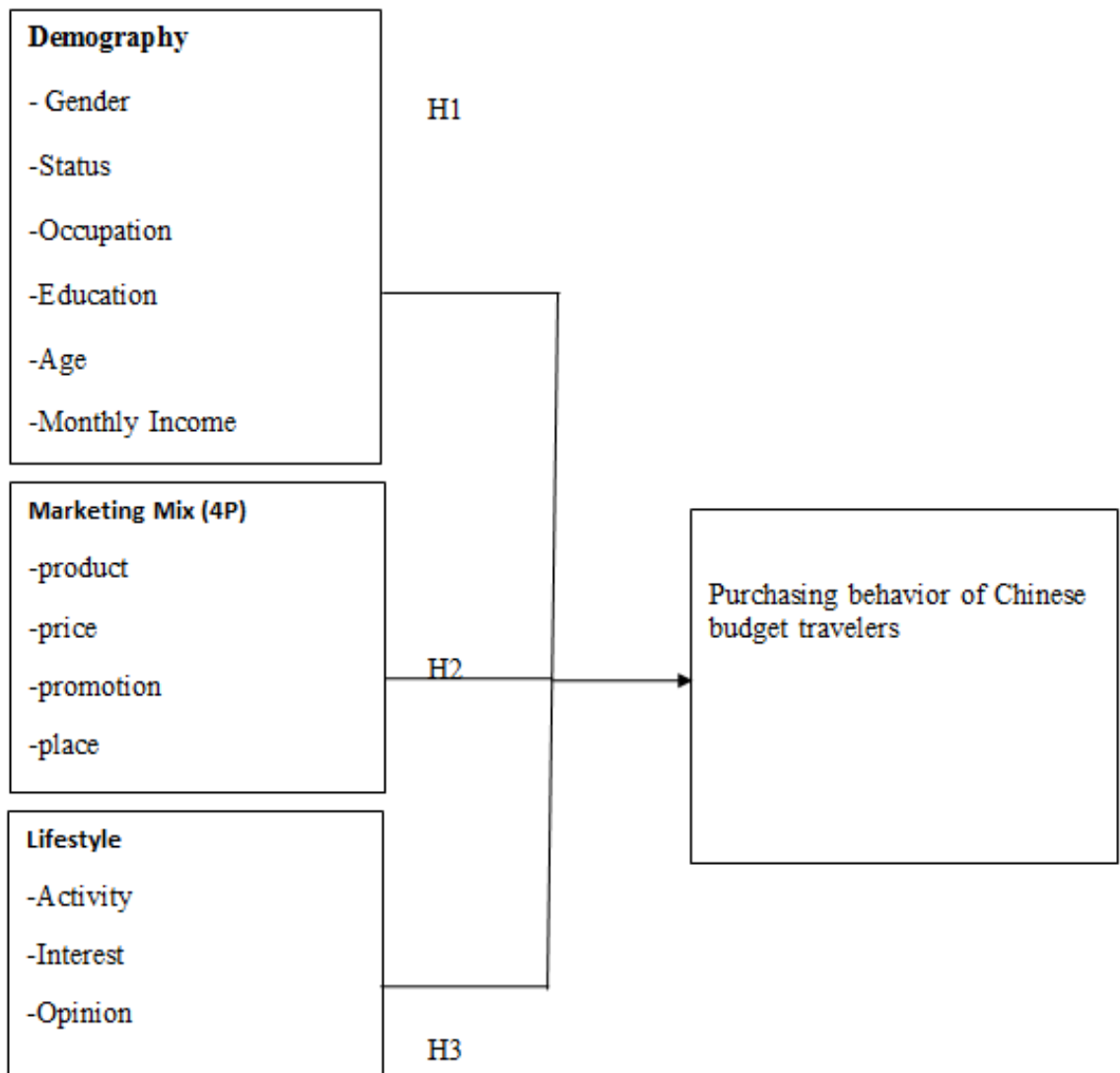
equipment improvements, coupled with the infiltration of the western postmodernist way of life, backpacking is likely to develop more and more.

China is a country with a population of 1.375 billion (source: <http://countrymeters.info/en/China>), while China's economy is in rapid development, national income is increased too. But the large population, leads a domestic competition being quite fierce, and the era of soaring prices make people's life under pressure, perhaps the best way to relieve stress for most Chinese people is travelling. Because of limited funding, naturally they will choose to become budget travelers. There are a lot of websites about traveling on a budget such as: "qiong you wang" <http://www.qyer.com/>, "fengwowang" <http://www.mafengwo.cn/>, "tuniuwang" <http://tuan.tuniu.com>, and "xiechengwang" <http://www.ctrip.com/>.

These tourist websites provide more travel information for Chinese backpackers, and provide more and more convenience for Chinese budget travelers.

Thailand is a country with a long history of Buddhism, with many fascinating tourist attractions, and tourism is the most important pillar of the Thai economy, according to "Ministry of Tourism and Sports, Thailand. International Tourist Arrivals to Thailand by Nationality", tourists from mainland China was 4,636,298 in 2014 (Department of Tourism, 2016), and was expected to reach about 5 million in 2015. These Chinese tourists include backpackers, so what are the factors that affect their travel to Thailand?

Therefore, this research aims to investigate the factors that influence the purchasing behavior of Chinese budget travelers who come to Thailand. The factors such as emographic profiles, marketing mix and lifestyle, are presented in the conceptual framework of this study which is depicted in figure 1.



*Figure 1.1: Conceptual Framework of the Study*

According to the conceptual framework of the research study, the study hypotheses are listed below;

1. H1: There is a relationship between demographic profiles and the Chinese budget traveler.
2. H2: There is a relationship between marketing mix and the Chinese budget traveler.
3. H3: There is a relationship between lifestyle and the Chinese budget traveler.

### **Research Methodology**

This study addresses the relationship between demography, marketing mix, lifestyle and the purchasing behavior of Chinese budget travelers using the following constructs:

1. Demographic: gender, status, occupation, education, age and monthly income.
2. Marketing Mix: product, price, promotion and place.
3. Lifestyle: activity, interest and opinion.
4. Purchasing behavior: how often they travel overseas per year, what transportation they like to use, how long each trip is, the time to travel, the sources of information, and the choice of accommodation.

### **Identifying population and sample**

Population: Chinese budget travelers in Thailand.

Sample: Chinese budget travelers in 3 major districts of Bangkok, Thailand: Central World Shopping Center, WatPhrakaew and Chaduchak Market.

### **Sample size**

Due to the limitation of time of the study, the researcher was allowed to collect a reasonable number of respondents as data for calculating and analyzing. Therefore, the researcher needed to collect at least 120 respondents' data as a sample.

### **Sampling Method**

The research adopted a convenience sampling method by giving out questionnaires to Chinese budget travelers who at Central World Shopping Center, WatPhrakaew, Chaduchak Market. Convenience sampling will be used for this study because the respondents are selected to be in the right place at the right time and it is the least time consuming method compared to other sampling techniques (Malhotra 2007).

### **Measurement Items**

This study developed and adapted items from previous studies to measure the constructs as follows:

- 6 items to measure the demographic profile of Chinese budget travelers. (e.g. gender, status, occupation, education, age, income)

- 16 items to measure the marketing mix of Chinese budget travelers. (e.g. product, price, promotion, place. )

- 4 items to measure the lifestyle of Chinese budget travelers. (e.g. the reasons to travel, the benefits of being a backpacker, the destination for travelling, Thai characteristic that attract you.)

- 8 items to measure the purchasing behavior of Chinese budget travelers. (e.g. how often travel oversea per year, what transportation to use, how long each trip is, what time to travel, the source of information, the choice of accommodation).

120 questionnaires were received. The data were screened for normal distribution which could be assumed with a Skewness value range of -1 to +1 and the Kurtosis value range of -2 to +2 (Tabachnick&Fidell, 2001). 16 sets of questionnaires were found to violate this assumption, so they were excluded from the analysis. Therefore, 104 respondents remained for the data analysis.

### **Data analysis**

Descriptive Statistics – Frequency, percentage, mean and standard deviation. Chi-Square was used to test the relationships between the demographics profile and the purchasing behavior of Chinese budget travelers (Malhotra 2007). And the relationship between marketing mix (4p's) and lifestyle on the purchasing behavior of Chinese budget travelers (Malhotra 2007).

### **Research findings**

The process of data screening showed that it was a symmetrical distribution of collected data. Next, the process of analysis focuses on the factors that influence the purchasing behavior of Chinese budget travelers to Thailand.

### **Results of demographic profile**

1. Gender – the majority of respondents were female (62.5%) followed by male (37.5%).

2. Age – the majority of respondents were 23–35 years old (64.4.0%) followed by less than 23 years old (20.2%) 36–46 years old (13.5%) older than 46 years old (1.9%).

3. Occupation – the majority of respondents were company employees (37.5%) followed by students(25%) business owners (16.3%) others (16.3%) government employees (2.9%) freelancers (1.9%).

4. Education level – the majority of respondents were college degree holders (56.7%) followed by master degree(22.1%) high school or equivalent (20.2%) doctoral degree (1%).

5. Marital status – the majority of respondents were single (65.4%) followed by married (34.6%).

6. Income level – the majority of respondents were 3,000–4,999 Yuan (25%) followed by below 3,000 Yuan (21.2%) 5,000–6,999Yuan (21.2%) 7,000–8,999 Yuan (16.3%) above 9,000 Yuan (16.3%).

### **Results of the Marketing Mix**

For the descriptive results of product strategyit was found that the majority of the respondents thought the product was important when they came to Thailand (mean=3.70 put of 5.00).

For the descriptive results of price strategyreported that the majority of the respondents thought the price was important when they came to travel to Thailand (mean=3.82).

For the descriptive results of promotion strategy,the majority of the respondents thought that the promotion was important when they came to Thailand (mean=3.73).

For the descriptive results of place strategy, it was found that the majority of the respondents thought the place was neutral when they travel to Thailand (mean=3.34).

### **Results of Lifestyle**

The majority of respondents thought the reason to travel is to relax (53.8%)and indicated that the benefit from a backpacking trip is freedom (53.8%). The majorityof respondents like to travel in natural landscapes (48.1%) and they travel to Thailand as they are mostly attracted by Thai culture (39.4%)

### **Results of Customer Behavior**

The majority of respondents travel overseas once a year (52.9%) and they travel by plane (29.7%). The duration of their travel is mainly one week (57.7%) and they

choose to travel during a public holiday (48.1%). The majority respondents found the information about Thailand from their friends (26.4%) and prefer to stay in hotels (85.6%). The respondents are generally satisfied with their travel to Thailand (51.0%) and will travel to Thailand again (86.5%).

## **Results of Hypothesis Tests**

### **H1: There is a relationship between demographic profiles and Chinese budget traveler's behavior**

The study has found a significant relationship from the demographic profiles of Chinese budget traveler.

(1) The study revealed that gender has effects on Chinese budget traveler who find information by BBS (bulletin board system). The result implies that males and females tends to use different ways to find the information from BBS (bulletin board system) when Chinese budget.

(2) The study revealed that age has an effect on Chinese budget traveler who travel overseas per year, the time to travel, accommodation, satisfaction when traveling in Thailand, the desire to travel to Thailand again. The result implies that different age groups tend to have different times of travel overseas, choose different times to travel, choose different accommodation, have different attitudes travel Thailand and as to whether they will come to Thailand again.

(3) The study revealed that occupation has an effect on the number of times Chinese budget traveler travel overseas per year, find information from TV and travel to Thailand again. The result implies that different occupations tend to have different times of travel overseas, find information from TV in different ways, and as to whether they come to Thailand again or not.

(4) The study revealed that education level has an effect on the number of times Chinese budget travelers travel overseas per year and whether they travel to Thailand again. The result implies that people with different education level tend to have different times of travel overseas and whether they will come to Thailand again or not.

(5) The study revealed that income has an effect on the number of times Chinese budget traveler travel overseas per year, the time to travel, the way they find information from BBS (bulletin board system). The result implies that people with different income



tend to have different times of travel overseas, different times to travel and use different ways to find information from BBS (bulletin board system).

## **H2: There is a relationship between marketing mix and Chinese budget traveler's behavior**

The marketing mix (4P) relates to (Kotler 1994) who proposed the marketing mix: product, price, promotion and place. From the study, the product, Thai hotels, has an effect on accommodation; Thai- food has an effect on the desire to travel to Thailand again; product-Thai massage & spa were found to have an effect on the number of times Chinese budget traveler travel overseas per year, the desire to walk, satisfaction with travel Thailand and the desire to travel to Thailand again.

The product-Thai clothes was found to have an effect on Chinese budget travelers' satisfaction when traveling to Thailand, whether they will travel to Thailand again: Famous Thai tourist attractions were found to have an effect on Chinese budget travelers' use of trains and plan when they travel, which accommodation they select, and whether they will travel to Thailand again; The price of Thai hotels was found to have an effect on the way Chinese budget travelers find information from travel guide websites, choose accommodation, are satisfied with travel to Thailand, and whether they will travel to Thailand again.

The price of Thai food was found to have an effect on the length of time Chinese budget travelers spend each trip, the accommodation, they choose, their satisfaction with travel in Thailand and whether they will travel to Thailand again. The price of Thai massage & spa was found to have an effect on Chinese budget traveler like to walk when they travel. The price of Thai ticket was found to have an effect on whether Chinese budget traveller like to cycle when they travel, which accommodation they choose, their satisfaction with travel to Thailand and whether they will travel to Thailand again.

Promotions at Thai hotels were found to have an effect on the way Chinese budget travelers find information from travel guide website. Promotional-airfares were found to have an effect on the way Chinese budget traveler find information from TV when they travel, which accommodation they choose, and whether they will come to Thailand again. Promotions for Thai food were found to have an effect on whether Chinese budget travelers use trains. For place, the fact that Thailand is not far from China was found to have an

effect on when Chinese budget travelers choose to travel and their choice of accommodation.

### **H3: There is a relationship between lifestyle and Chinese budget traveler's behavior**

Lastly, in termd of lifestyle, the study revealed that the reason to travel was found to have an effect on accommodation and whether they travel to Thailand again. The benefits of budget travel was found to have an effect on transportation, whether they like to walk and their choice of accommodation. The destination was found to have an effect on the choice of accommodation. Attractive Thai characteristics were found to have an effect on the travel time for each trip.

### **Conclusion and recommendations**

This study aims to identify the factors that influence the purchasing behavior of Chinese budget travelers, and to determine the effect of different demographic profiles, marketing mix (4P) and lifestyle. This leads to the development of the conceptual framework of the study (see Figure 1.1) and the following hypotheses:

H1\*: There is a relationship between demographic profiles (gender, age, occupation, marital status, education level, income) and customer behavior (travel overseas per year, transportation (Walk, Car, Bike, Train, Plane, Bus), the time to travel, finding information (Travel guide websites, Magazine, from friends, TV, Newspaper, Tourism books), accommodation, satisfaction with travel to Thailand, and whether they will travel to Thailand again)

H2\*: There is an effect of marketing mix (4P) on the purchasing behavior of Chinese budget travelers.

H3\*: There is an effect of lifestyle on the purchasing behavior of Chinese budget travelers.

Discussion and recommendations of the findings are presented in the next sections.

### **Implications of the study**

1. From the study, the majority of respondents thought the marketing mix: product, price and promotion is important, but for the place is neutral. This indicates that Chinese budget travelers do not really care about the place. The respondents thought about the country they wanted to go to but do not think so much about the location.

2. From the study, the majority of respondents thought the main reason to travel is to relax and gain new experience. The main benefit of respondents from the study is freedom. China is a country with a relatively fast pace of life and great work pressure, but income also is not very high, so most Chinese people would choose budget travel to relax. This is one of the reasons that the number of budget travelers has risen, It provides relevant travel enterprise with a chance to understand a budget traveler's demand.

3. From the study, the majority of respondents travels overseas once a year and always chooses hotels when they travel overseas, so from this analysis it is evident that Thai hotels are important for the Chinese budget travelers. Hotel sales manager should know how to meet the needs the Chinese budget travelers.

#### **Limitations of the study**

1. From the study, the majority of the respondents have similar age period, because the data from the questionnaire for some age periods is blank. So it makes the investigation unable to provide comprehensive analysis of the actual situation.

2. The future study may increase the sample size and increase the number of questions to help the accuracy and explanatory power of the findings.

3. Future study may be conducted through a qualitative approach to collect data from Chinese budget travelers, or qualitative and quantitative approaches could be employed to gain a deeper understanding of the relationship between marketing mix and purchasing behavior, which may be useful for further research.

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