

# FACTORS AFFECTING PURCHASING BEHAVIOR OF CHINESE TOURIST TOWARDS THAILAND BRAND SOUVENIRS

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## Abstract

With the tourism industry of Thailand become more and more popular in China, more and more Chinese tourist choosing to travel in Thailand. At the same time, “Thailand brand souvenirs” have become a good gift for Chinese tourist. This study aims to find factors affecting purchasing behavior of Chinese tourists towards Thailand Brand Souvenirs. Quantitative approach is used and questionnaire is employed as a tool to collect data. The research studied the effect of demographic profiles, Integrated Marketing Communication (IMC) IMC tools and purchasing behavior of Chinese toward Thailand brand souvenirs.

The results showed that demographic profile and public relation, internet marketing, word of mouth, personal selling of IMC tools have significant effect on purchasing behavior. This findings of this study can provide information to Thailand brand souvenirs shops to develop marketing strategies to better communicate with Chinese tourists to gain competitive advantage in the market.

**Keywords:** Chinese Tourist, Purchasing Behavior, Thailand Brand Souvenirs.

## Introduction

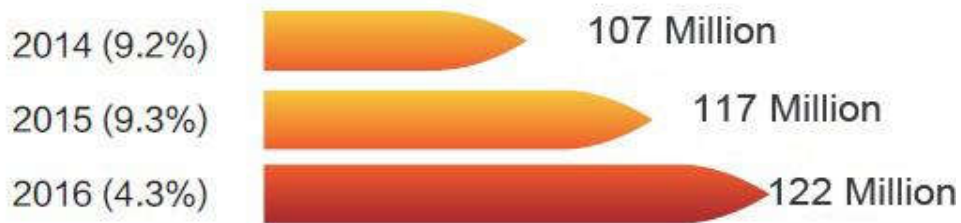
With the development of China's economy, standard of living of Chinese people have improved, more and more Chinese pay attention to the quality of life and choose to travelling overseas. The number of overseas travels are on the rise year by year. China Tourism Academy (CTA), and National Tourism Administration (CNTA) issued "Tribute to the Chinese tourists - 2016 China outbound tourists large data". The report showed that in 2016 the number of outbound tourists from China reached 122 million people, and Chinese visitors spent \$109.8 billion (about 760 billion RMB) at the overseas destinations (Chinese Outbound Tourism Statistics, 2016-2017).

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## Number of Chinese Outbound Tourists



**Figure 1:** Chinese Out bound Tourism Statistics in 2016

Thailand is one of the most popular destination for China's outbound travellers. Throughout the year 2016, the number of Chinese tourists traveling to Thailand was about 8.8 million, and in 2017 it was expected to reach 9 million. (The Tourism Authority of Thailand Newsroom, 2017)

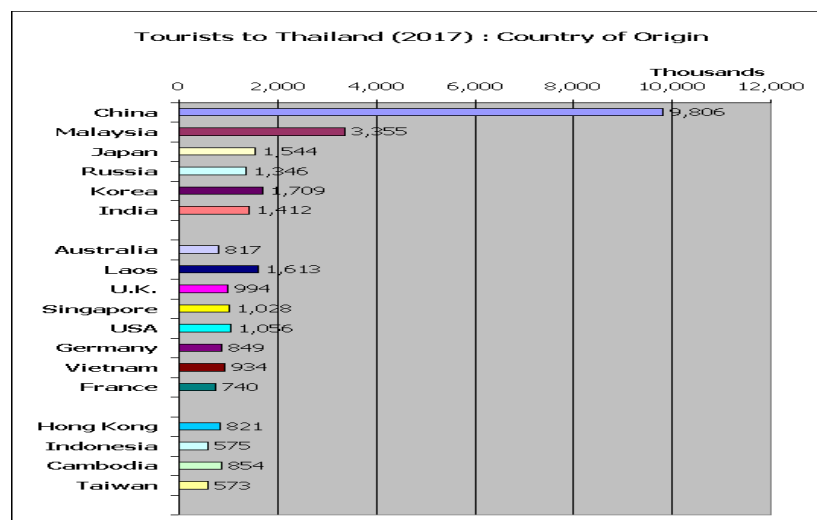
Thailand is a travel hot-spot and known for its friendly hospitality. In 2016, there were 32.59 million foreign tourists visited Thailand. The foreign travelers came from China, South Korea, and Japan, lured by Thailand's year-round warm weather, as well as Western countries and Thailand's neighbors in Southeast Asia. (VOA News, 2017).

Top 10 Destinations Where Chinese Tourists Spent the Most Money in 2016	
1.	Thailand
2.	Japan
3.	South Korea
4.	U.S.
5.	Maldives
6.	Indonesia
7.	Singapore
8.	Australia
9.	Italy
10.	Malaysia

**Figure 2:** Destinations where Chinese tourists spent the most money in 2016.

Top 10 Most Popular Destinations by Chinese Tourists in China in 2016	
1. Thailand	11. Cambodia
2. South Korea	12. Russia
3. Japan	13. Australia
4. Indonesia	14. Mauritius
5. Singapore	15. Italy
6. U.S.	16. The United Arab Emirates
7. Malaysia	17. Sri Lanka
8. Maldives	18. UK
9. Vietnam	19. Egypt
10. Philippines	20. Germany

**Figure 3:** Most popular destinations by Chinese tourists in China in 2016



**Figure 4:** Tourists to Thailand in 2017

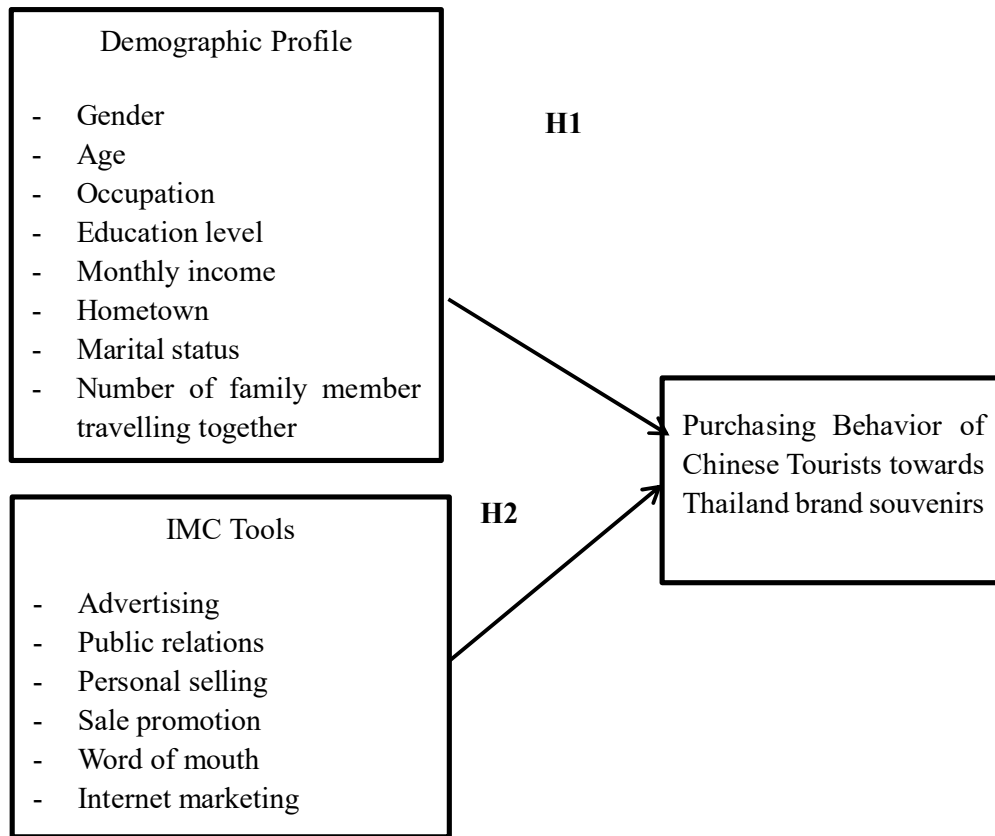
In recent year, Thailand's economy has been developed steadily. The relationship between Thailand and China have been continuously developed and improved, China and Thailand have deepened political mutual trust, strengthened economic and trade ties and increased people-to-people exchanges. So more and more Chinese tourists come Thailand for traveling.

Thailand brand souvenirs are also popular among Chinese tourists. For example: latex product, handicraft, skin care products and cosmetics, and more. In order to raise the income, Thai brand souvenirs shopping center should understand the shopping preferences of Chinese tourists and meeting Chinese tourists needs. Top 10 Thai souvenirs most tourists crave are curry and spice, ointment and aromatic salt, woven handbags, Dusit milk tablet, Cha Tra Mue (Thai tea with milk), Nanyang thong sandals, traditional Thai cloths, Thai silk, crafted wooden furniture, and ceramic (Denpipat, 2017).

Understanding the purchasing behavior of Chinese tourists at Thailand brand souvenirs' shop is beneficial to tourism industry. Therefore, this research aims to investigate the relationship of Chinese tourists' purchasing behavior and the factors, demographic profiles and IMC tools. Two hypotheses are proposed:

H1: Demographic profile will have effect on the purchasing behavior of Chinese tourists towards Thailand brand souvenirs.

H2: IMC tools will have effect on the purchasing behavior of Chinese tourists towards Thailand brand souvenirs.



**Figure 5:** Conceptual Framework of the study

### **Research methodology**

This relationship between demographics, IMC tools on the purchasing behavior of Chinese tourists in Thailand is investigated using the following constructs:

- Demographics: gender, age, occupation, education level, monthly income, hometown, marital status, number of family member traveling together.
- IMC tools: advertising, public relations, personal selling, sale promotion, word of mouth, internet marketing.

Samples are Chinese tourists at King Power (Rangnam) in inner Bangkok. Convenience sampling method is employed select samples. Questionnaire is used as a tool to collect data from Chinese tourists. Questionnaire is divided into three parts: Part :1 respondents' demographic profiles including gender, age, occupation, education level, monthly income, hometown, marital status, and number of family member traveling together, Part 2: IMC tools

consist of advertising, public relations, personal selling, sale promotion, word of mouth, internet marketing, and Part 3: Purchasing behavior of Thailand brand souvenirs.

Due to the limited time frame, the researcher was allowed to collect a reasonable number of respondents at least 100 respondents. However, 150 questionnaires were distributed and 150 completed questionnaire were collected, resulting in a response rate of 100%. Descriptive statistical tool (frequency, percentage, mean and standard deviation) is applied to analyze data. The hypothesis test was conducted by using the Chi-square test.

## **Research Findings**

### *Demographic Profile*

The majority of respondents were female (54.7%) followed by male of 45.3%. The majority of respondents were 21-30 years old (56.7%), followed by less than 21 years old (38.7%). The respondents came from Yunnan province (21.3% ), followed by Guang xi province (19.3%), Sichuan province (12.0%), and Beijing (12.0%). The majority of respondents had Bachelor Degree (72.0%), and 22.7% had Master Degree education. The majority of respondents were freelancers (36.7%), followed by employee (30.7%), and business owner (18.0%). The income level of respondents, 38.7% has income of 4001-6000 Yuan per month, followed by 6001- 8000 Yuan (24.7%), 2000 - 4000 Yuan (18.0%), and more than 8000 Yuan (18.0%). The majority of respondents were single (61.3%), followed by in relationship (28.7%), and married (9.3%). The respondents traveling together others, less than 3 members (42.0%), followed by 3-5 people (39.3%), and 6-8 people (10.7%).

### *Results of the IMC tools*

The results showed that respondents obtained information of Thailand brand souvenirs from advertising (mean=3.475, agree), word of mouth (mean=3.99, agree), sales promotion (mean=3.51, agree), public relation (mean=3.38, agree), and internet marketing (mean=3.177, agree). Respondents agreed that they believe personal selling (mean= 3.93) when purchasing Thailand brand souvenirs.

### *Results on the Purchasing Behavior of Chinese tourists*

The majority of the respondents tended to buy is Snail white (24.0%), followed by tended to buy Latex pillow (23.3%), Ray (16.0%), Mistine cosmetic (12.7%), Naraya (9.3%), Beauty buffet (8.0%) and others (6.7%, ele, soffell, poy-sian, mama, crispy durian). The majority of respondents tended to buy the souvenirs when they see the souvenirs that they like (48.0%), followed by buy the souvenirs at the end of tour program (29.3%), when they see the packaging is beautiful (13.3%), and others (9.3%, purchasing to sale to others and want to try new products). Majority respondents tended to decide to purchase the souvenirs because of friends (59.3%), followed by family (20.7%), sales person (13.3%) and others (6.7%, celebrity and lover).

**Table 1:** What brand Chinese tourists currently buy the souvenir's shop?

Items	Percent
1. Snail white	24.0
2. Latex pillow	23.3
3. Ray	16.0
4. Mistine cosmetic	12.7
5. Naraya	9.3
6. Beauty buffet	8.0
7. Others	6.7

The majority of respondents buy the souvenirs for personal needs (43.3%), followed by buy as gifts (38.7%), Thai brand souvenirs is unique (16.7%) and others (1.3%). The majority of respondents get the souvenirs information from internet (48.7%), followed by get the information from relatives and friends recommend (37.3%), television advertising (6.7%), magazines (4.7%) and others (2.7%) comprise newspaper. The majority of respondents tended to buy the souvenirs is large shopping mall (Central world and Siam) at tourism destinations (51.3%), followed by King Power (31.3%), night market(Asiatique the riverfront) (10.0%), gift shop at tour destinations (5.3%) and others (2.0%). The majority of respondents can accept is 2000 yuan -- 2999 yuan (45.3%), followed by 1000 yuan --1999 yuan (24.0%), more than 3000 yuan (21.3%) and below 1000 yuan (9.3%).

#### *Results of the Hypothesis Test*

**H1:** Demographic profile will have effect on purchasing behavior of Chinese tourists towards Thailand brand souvenirs.

The study found that gender has an effect on brand of the buying: male tended to buy Latex pillow and Snail white (26.5%). Female tended to buy Snail white, Ray and Mistine cosmetic. Age was found to have an effect on brand of the buying: age less than 21 years old tended to buy Latex pillow, Ray, and Mistine cosmetic; age of 21-30 years old tended to buy Snail white and Latex pillow; 31- 40 years tended to buy Latex pillow and Ray. Number of the family member traveling together was found to have relationship with channel to get the information: number of the family member traveling together less than 3 members get the information from internet, 3-5 members get the information from relatives and friends recommendation, 6-8 members get the information from television advertising, and more than 8 members get the information from magazines.

**H2:** IMC tools will have effect on purchasing behavior of Chinese tourists towards Thailand brand souvenirs.

The study found that word of mouth (believe on comments from friends who using the souvenirs) to get the information had an effect on purchasing behavior of Chinese tourists. Public relation (get information from magazine) was found to have an effect on purchasing behavior of Chinese tourists. Internet marketing (search the information from Taobao) was found to have an effect on purchasing behavior of Chinese tourists. Personal selling (it's good to have sale person, sale person give more detailed information, sale person who are knowledgeable) was found to have an effect on purchasing behavior of Chinese tourists.

**Table 2:** Summary of Hypothesis testing

H1	Demographic profile will have effect on purchasing behavior of Chinese tourists towards Thailand brand souvenirs.	Partial support*
H2	IMC tools will have effect on purchasing behavior of Chinese tourists towards Thailand brand souvenirs.	Partial support*

\*significant level at  $\alpha=0.05$

## Discussions and Conclusions

This study aims to identify the factors affecting purchasing behavior of Chinese tourists towards Thailand brand souvenirs in Thailand, and to determine the effect of different demographic profiles, IMC (Integrated Marketing Communication) tools on purchasing behavior of Chinese tourists in Thailand. This study found a significant relationship between demographic profiles and purchasing behavior of Chinese tourists: gender, age, number of the family member traveling together. The study revealed that Chinese tourists with different gender have different purchasing behaviors: brand of buying. The study revealed that Chinese tourists with different age have different purchasing behaviors for brand of buying. The study revealed that Chinese tourists with different number of the family member traveling together have different channel of get the Thailand brand souvenirs information.

This study has found a significant relationship between IMC (Integrated marketing communication) tools and purchasing behavior of Chinese tourists. Such as: word of mouth, internet marketing, public relation, personal selling. In items of IMC tools, the respondents agreed about the importance of advertising, sales promotion, word of mouth, internet marketing, public relation, personal selling. The study revealed that the most importance factors of the IMC tools were word of mouth, internet marketing, public relation, personal selling. Such a consistent result implied that IMC tools (e.g. word of mouth, internet marketing, public relation, personal selling) factors affect Chinese tourist decision to buy Thailand brand souvenirs.

The Chinese are very keep on shopping, it is often a high priority on their agenda. People will often have large family and social circles, when they travel abroad they want to bring home many souvenirs for relatives and friends. All most every Chinese tourist in Sri Lanka needs to buy black tea, A large majority will prefer to buy gemstones and some would spend millions on this (Ranasinghe, 2016)

Now, in Thailand, Alipay online payment system not only becomes the primary means of attracting Chinese customers by Thai retailers, such as restaurants, shopping malls, duty-free shops and convenience stores, but also more and more Thai commercial banks become its financial partner. Kasikorn Bank, one of the most important commercial banks in Thailand, has already designed a new mobile app which can support payments by scanning QR codes. This means that Chinese tourists can pay using their regular accounts in Renminbi, and the money arrives in Thailand accounts in the Thai currency, so that they do not need to exchange currency when they travel to Thailand. (China Daily. 2017). This very convenience for Chinese tourists when they choose buy souvenirs in Thailand.

### **Implications of the Study**

In terms of academic implications, this research can give new knowledge to the literature in tourism industry and relevant areas. IMC tools are applied to understand purchasing of Chinese tourists and Thailand brand souvenirs they bought. Regarding practical implications, this research study gives souvenir industry a guideline and more understanding of the choices of the Chinese tourists about Thailand brand souvenirs. Marketers should advertise via Weibo, because respondents trust more on friends' recommendation.

### **Limitations and Recommendations for future study**

In this study faced several limitations which must be considered. Because in this study the sample just is Chinese tourist. Future study can be extend to other consumers for get more diverse information. In this study use quantitative research method, send questionnaire to respondents to collect the primary data. In the future could be using the in-depth interview, a qualitative research method to collect more specific data from respondents. In addition, in this study researcher just send 150 questionnaires, future study can be taking a large sample size to get more accuracy information and increase explanatory power of the result. From open-ended question, get some comments most of Chinese tourist can't speak Thai and English language, so the Chinese tourist want to have sales person who speak Chinese language at Thai souvenirs stores.



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