The Effect of Customer Demography and Perceptual Factors for Selecting a Tourism Service Provider

Biswajit Roy and Shreya Ojha

Abstract

Travel and tourism is one of the growing sectors these days. People from all over the world love to travel. Taste of tourism along with the habit of travelling varies in different manners. The industry today is globally recognized as a major economic contributor and employment generator. On the other hand people's behaviour in the urban environment depends upon their perception and attitudes. Their actions are conducted in the environment as perceived. Therefore, to understand whether demographic factors have any impact over the different travelling habits along with the perception of people towards becoming the tour ambassador. Tourism in India is economically important and is growing rapidly.

The study was conducted in Kolkata, West Bengal in order to understand how much the demographic factors influence the customers and also this study can provide a clue for the marketers about how to improve the obstacles in order to reach to the larger mass. Thus the research and findings concludes that there is way to minimize the problem if and only of the services are improved and thus changing the mind of people towards investing more in travelling as this alternatively improves the economic condition as well as increases the employment of the nation as a whole. The study also identified some specific attributes of promotional activities run by different tourism service providers to attract customers to become the ambassadors for promoting their service to others. A business model is also been proposed in this research.

This paper also, tried to identify some specific demographic attributes of customers, following which a tourism service marketer can identify their target customers in future.

Key Words: Tourism, Demographic, Ambassador, ANOVA, Logistic regression

1. Introduction

Tourism industry is emerging as a big service sector in all over the world. Different tourism companies are competing hard with each other by introducing new business policies to attract customers. Some of those competing farms are also introducing new marketing tools to increase their business growth.

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The World Travel & Tourism Council calculated that tourism generated Rs.6.4 trillion (USD 96 billion) or 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% till 2023 making India the third fastest growing tourism destination over the next decade. India has a large medical tourism sector which is expected to grow at an estimated rate of 30% annually to reach about Rs.95 billion (USD 1.4 billion) by 2015 (http://kallaionline.com/web/Tourist.aspx).

The tourism industry is made up of a number of different sectors including the travel, hospitality and visitor services sector. This particular industry is developing itself as it has an increasingly competitive environment. Thus this industry now feels the importance to measure customer satisfaction and takes it as a part of their quality assurance programs. In order to compete and survive successfully in today's dynamic environment, all the service providing organization focus on enhancing their customer base that arise after the fulfillment of needs and wants of customers to maximize their ultimate profitability.

With the increasing competition in service sector the importance of service quality and its management is growing exponentially. No player in service sector can afford to overlook the management of service quality now. With the increasing competition in service sector the importance of service quality and its management is growing exponentially. No player in service sector can afford to overlook the management of service quality nowadays.

This research has been conducted in Kolkata, the capital of the state West Bengal, India considering all the available tourism service providers (both group and individual marketers) available there during the research process. The study initially attempts to study the characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. Here customer is defined as any person as individual or as a part of a group, has taken any service during tour management.

The study also tries to assess influences on the consumer demographical attributes and other societal characteristics from groups such as family, friends, sports, reference groups, and society in general. The study is also based on consumer buying behaviour in different aspects. Demography is one of the external factors that shape tourism demand and development. The structure of societies is continuously changing, and for both public and private organizations working in the tourism field it is relevant to study these changes in order to anticipate and react upon them in the most competitive way. Translated into the marketing area, demographic changes are likely impact on the patterns of travel demand, including frequency, length of stay. This study also concentrates on a new concept that is emerging as a marketing tool in the tourism

industry called "Tour Ambassador". The concept has been coined by a well known tourism management company. But for maintaining confidentiality, the name of the same is not disclosed in this research work.

Tour Ambassador is described to be a person who would be independently working with the views and ideas of the organization. The person is expected to explain the benefits a person is supposed to get after becoming the tour ambassador. Tour Ambassador would work for the organization as a part time work or may be full time where the person is to bring in another interested person who would give the company the leads who would like to travel and understand the travel habits as well. If anybody enrolls as an ambassador then they are supposed to get holiday packages and other goodies as well and subsequently increasing the business of the company as well as increasing its own funds and prizes as well. The number of ambassador enrolled the higher amount of incentives can be achieved. This study also tries to find out the general perception among the customers about this concept of tour ambassador.

2.   Literature review

In his research, Lexhagen, has identified that the internet has also seen an increasing importance of user-generated content and utilization of the Internet as a social medium. In this study the concept of customer value, based on the typology of consumer value (Holbrook, 1994; 1999) and the value hierarchy model (Woodruff & Gardial, 1996; Woodruff, 1997), is used to identify dimensions and expressions of what customer-perceived value is in travel and tourism websites and how it is created. Moderately structured in-depth interviews are used to collect data. In the analysis connections between different types of value are presented and the lack of certain types of value is discussed (Lexhagen M, 2008).

In 2010, The World Tourism Organisation and the European Travel Commission published an article on "Demographic change and tourism". According to them, Demography is one of the external factors that shape tourism demand and development. The structure of societies is continuously changing, and for both public and private organizations working in the tourism field it is relevant to study these changes in order to anticipate and react upon them in the most competitive way. Translated into the marketing area, demographic changes are likely impact on the patterns of travel demand, including frequency, length of stay. The overall objective of the report is to deliver a comprehensive analysis of demographic trends, how these are impacting and will impact on tourism demand in specific generating markets, and how consequently destinations and companies can benefit from and adapt to such trends in order to become increasingly competitive in the market place (The World Tourism Organisation And The European Travel Commission, 2010).

For other service sectors like banks, some similar type of research work has already been done. The effects of demographic factors on perceived customer satisfaction between public and private banks in Turkey, was conducted by A. Emin Serin et al. To achieve this aim, they conducted a survey among the six geographic regions in Turkey. They choose the big cities for sample (İstanbul, İzmir, Ankara, Antalya, Kahramanmaraş and Sinop). They used a composite scale, which were used for several studies (SERVQUAL, Parasuraman, Zeithalm and Berry (1985) Wu ve Liang (2009)). They run Explanatory factor analyses, t-tests, correlation and regression analyses using SPSS 20.0. As a result, they found that, selection had a positive and significant relation with Competence and Credibility. In addition, gender had a positive and significant relation with Accessibility and negative relation with Sensitivity. Moreover, age and marital status had positive and significant relation with Credibility (Serin A Emin et al, 2013).

Mishra N Vishu has identified the importance of service quality and its management. According to the study, one of the most popular ways to measure the service quality is SERVQUAL. It has explained that Expectancy disconfirmation is the gap between perceived quality and expected quality. This paper attempts to measure impact of demographic factors on expectancy disconfirmation of private sectors. With the increasing competition in service sector the importance of service quality and its management is growing exponentially. No player in service sector can afford to overlook the management of service quality now. Service quality is now one of the most important aspects. To manage the service quality effectively and efficiently its measurement becomes important. The measurement of service quality also helps in assessing the performance of services, diagnosing problems, if any, and ensuring a smooth service delivery (Mishra N Vishu,2014).

Zarrad.H and Debabi.M, has conducted a research to identify the theoretical arguments and hypotheses about the interrelationships between electronic word of mouth (eWOM) and tourists' attitudes towards specific destinations and actual travel intentions. To this end, they conducted a Structural Equation Model (SEM) to test the relationship between some research variables. An empirical test of the model is reported using data collected from a sample of 219 foreign tourists who participated in online communities and travelled to Tunisia throughout the research period. Their results illustrate that e-WOM communication has a credible influence on both attitude and intention to revisit Tunisia as a destination. Some further theoretical and marketing implications are discussed in this study (Zarrad.H et al, 2015).

3.   Objectives
The objectives of the study are:
- To find out the influence of general perceptual factors among respondents towards becoming a tour ambassador.

- To find out the influence of demographic specifications on choosing a tourism service provider.

4. Research methodology

4.1   Research design

The study has followed Causal Research design.

4.2   Data Collection

Both primary and secondary data were collected for the study. A significant amount of effort was given to collect primary data. A Structured, undisguised, self designed questionnaire was used for collecting primary data for face to face mode of interviews. Secondary data were collected from Internet mainly through social media. Simple Random Sampling technique is used for data collection.

4.3   Sample Size

100

4.4   Sampling Error

The sampling error has been calculated by using the following formula.

$$S = \frac{\rho\,(1-\rho)\,z^2}{e^2}$$

$$\Rightarrow 100 = \frac{0.71\,(1-0.71)\,(1.96)}{e^2}$$

$$\Rightarrow e^2 = \frac{0.71\,(1-0.71)\,(1.96)^2}{100}$$

$$\Rightarrow e^2 = 0.0079$$
$$\Rightarrow e = \sqrt{(0.079)}$$
$$\Rightarrow e = 0.088$$

Therefore the sampling error is 8.8%.

5. Results

5.1   Influence of general perceptual factors among respondents towards becoming a Tour Ambassador

To find out the influence of general perceptual factors among respondents towards becoming a Tour Ambassador, the following analysis of Logistic Regression has been done.

Here the respondents have replied with "yes" or "no" towards willingness of becoming tour ambassador, which is considered as dependent variable. Whereas the independent variables considered are responses of the customers of various tour and travel service providers on their opinion about the Tour Ambassador scheme as- interesting, relevant,

exciting, appealing, fascinate, valuable, needful, involvement. The respondents have rated these independent variables on the basis of a 5 point scale.

Table 1: Case processing summary

Unweighted Cases[a]		N	Percent
	Included in Analysis	100	100.0
Selected Cases	Missing Cases	0	.0
	Total	100	100.0
Unselected Cases		0	.0
Total		100	100.0

a. If weight is in effect, see classification table for the total number of cases.

Table 2: Dependent variable encoding

Original Value	Internal Value
Yes	0
No	1

Table 3: Classification Table[a,b]

			Predicted		
	Observed		Ambassador		Percentage Correct
			Yes	No	
Step 0	Ambassador	Yes	0	29	.0
		No	0	71	100.0
	Overall Percentage				71.0

a. Constant is included in the model.

b. The cut value is .500

Table 4: Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	TA_relvnt_scheme	-1.194	.265	20.378	1	.000	.303
	Constant	4.332	.849	26.025	1	.000	76.115
Step 2[b]	TA_relvnt_scheme	-.790	.303	6.789	1	.009	.454
	TA_excitng_scheme	-.630	.278	5.127	1	.024	.533
	Constant	4.949	.958	26.693	1	.000	141.052

a. Variable(s) entered on step 1: HA_relvnt_schme.

b. Variable(s) entered on step 2: HA_excitng_scheme.

The model

The logistic regression equation will be as follows-

$$\Rightarrow \log_e \frac{YES}{NO} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots\dots + \beta_n X_n$$

$$\frac{YES}{NO} = e^{\beta_0} + \beta_1 e^{X1} + \beta_2 e^{X2} + \ldots\ldots + \beta_n e^{Xn}$$

$$= Exp(\beta_0) + Exp(\beta_1)*X_1 + X_2 Exp(\beta_2)$$

$$\frac{29}{71} = 141.052 + 0.454(TA\_relevant\ scheme) + 0.533(TA\_exciting\ scheme)$$

$$\frac{29}{71} = 141.052 + 0.454\ (TA\_relevant\ scheme) + 0.333\ (TA\_exciting\ scheme)$$

$\Rightarrow$ $0.454\ (TA\_relevant\ scheme) + 0.333\ (TA\_exciting\ scheme) + 140.644 = 0$

where TA stands for "Tour Ambassador"

5.2 The influence of demographic specifications on choosing a tourism service provider

Here the dependent variable is the rating given to a particular tourism service provider and independent variable is customer's demographic specifications like occupation, income group and gender.

A Three Way ANOVA is used to analyze data as follows.

Table 5: Between-subjects factors

		Value Label	N
Occupation	1	Private Sector	48
	2	Govt. Sector	18
	3	Business	6
	4	Student	12
	5	Homemaker	7
	6	Others	9
Income	1	Less than 25000	15
	2	25000-49999	55
	3	50000-74999	29
	4	75000 Above	1
Gender	1	Male	71
	2	Female	29

Table 6: Descriptive statistics for three way ANOVA

Dependent Variable: rate_Tourism service provider

Occupation	Income	Gender	Mean	Std. Deviation	N
Private sector	Less than 25000	Male	.57	.976	7
		Total	.57	.976	7
	25000-49999	Male	2.34	1.861	22
		Female	2.73	1.794	11
		Total	2.47	1.820	33
	50000-74999	Male	.50	1.225	6
		Female	2.00	2.828	2
		Total	.88	1.642	8

		Male	1.67	1.819	35
	Total	Female	2.62	1.850	13
		Total	1.93	1.857	48
Govt. sector	Less than 25000	Male	.00	.	1
		Total	.00	.	1
	25000-49999	Male	2.50	2.179	3
		Female	3.00	.	1
		Total	2.63	1.797	4
	50000-74999	Male	3.94	.391	9
		Female	4.00	.000	4
		Total	3.96	.320	13
	Total 2	Male	3.31	1.507	13
		Female	3.80	.447	5
		Total	3.44	1.305	18
Business	25000-49999	Male	1.00	1.732	3
		Total	1.00	1.732	3
	50000-74999	Male	1.67	1.528	3
		Total	1.67	1.528	3
	Total	Male	1.33	1.506	6
		Total	1.33	1.506	6
Student	Less than 25000	Male	3.75	1.041	4
		Female	1.00	1.414	2
		Total	2.83	1.751	6
	25000-49999	Male	4.00	.	1
		Female	.00	.	1
		Total	2.00	2.828	2
	50000-74999	Male	3.25	.354	2
		Female	4.00	.	1
		Total	3.50	.500	3
	75000 Above	Female	.00	.	1
		Total	.00	.	1
	Total	Male	3.64	.802	7
		Female	1.20	1.789	5
		Total	2.63	1.760	12
Homemaker	25000-49999	Male	3.00	.	1
		Female	1.25	1.500	4
		Total	1.60	1.517	5
	50000-74999	Male	1.00	1.414	2
		Total	1.00	1.414	2
	Total	Male	1.67	1.528	3

		Female	1.25	1.500	4
		Total	1.43	1.397	7
Others	Less than 25000	Male	4.00	.	1
		Total	4.00	.	1
	25000-49999	Male	.00	.000	6
		Female	.00	.000	2
		Total	.00	.000	8
	Total	Male	.57	1.512	7
		Female	.00	.000	2
		Total	.44	1.333	9
Total	Less than 25000	Male	1.77	1.889	13
		Female	1.00	1.414	2
		Total	1.67	1.809	15
	25000-49999	Male	1.92	1.877	36
		Female	2.00	1.826	19
		Total	1.95	1.843	55
	50000-74999	Male	2.36	1.767	22
		Female	3.43	1.512	7
		Total	2.62	1.746	29
	75000 Above	Female	.00	.	1
		Total	.00	.	1
	Total	Male	2.03	1.834	71
		Female	2.21	1.840	29
		Total	2.08	1.828	100

Figure 1: The effect of different demographic attributes on preferring a tourism service provider
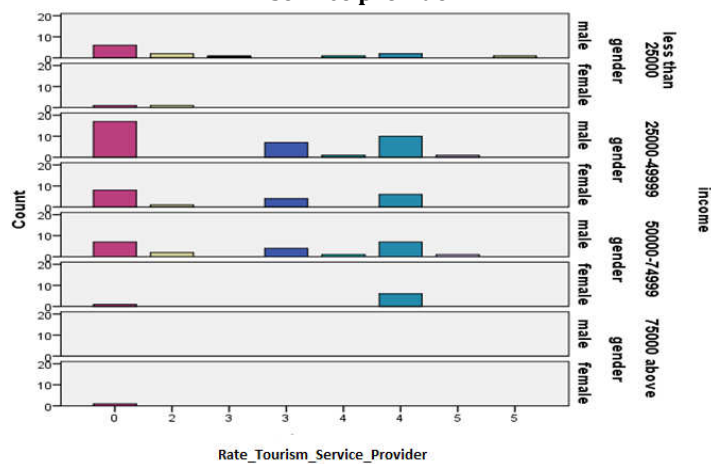
Table 7: Tests of between-subjects effects

Dependent Variable: rate_Tourism service provider

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	186.964[a]	25	7.479	3.846	.000	.565
Intercept	2.809	1	2.809	1.444	.233	.019
rate_crnt_booking_sys	17.707	1	17.707	9.106	.003	.110
Occupation	15.869	5	3.174	1.632	.162	.099
Income	16.781	3	5.594	2.877	.042	.104
Gender	.709	1	.709	.364	.548	.005
Occupation * income	48.963	7	6.995	3.597	.002	.254
Occupation * gender	7.103	4	1.776	.913	.461	.047
Income * gender	15.973	2	7.986	4.107	.020	.100
Occupation * income * gender	8.885	2	4.442	2.284	.109	.058
Error	143.896	74	1.945			
Total	763.500	100				
Corrected Total	330.860	99				

Table 8: Between-subjects factors

		Value Label	N
Occupation	1	Private Sector	48
	2	Govt. Sector	18
	3	Business	6
	4	Student	12
	5	Homemaker	7
	6	Others	9
Income	1	Less than 25000	15
	2	25000-49999	55
	3	50000-74999	29
	4	75000 Above	1
Gender	1	Male	71
	2	Female	29

Thus it can be concluded that scores given to a tourism service provider is significantly varying with different income groups, occupation with income, and income with gender.

Table 9: Tests of between-subjects effects

Dependent Variable: rate_ Tourism service provider

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	186.964ᵃ	25	7.479	3.846	.000	.565
Intercept	2.809	1	2.809	1.444	.233	.019
rate_crnt_booking_sys	17.707	1	17.707	9.106	.003	.110
occupation	15.869	5	3.174	1.632	.162	.099
income	16.781	3	5.594	2.877	.042	.104
gender	.709	1	.709	.364	.548	.005
Occupation * income	48.963	7	6.995	3.597	.002	.254
Occupation * gender	7.103	4	1.776	.913	.461	.047
Income * gender	15.973	2	7.986	4.107	.020	.100
Occupation * income * gender	8.885	2	4.442	2.284	.109	.058
Error	143.896	74	1.945			
Total	763.500	100				
Corrected Total	330.860	99				

a. R Squared = .565 (Adjusted R Squared = .418)

The above figure shows the people of different income groups. The income group that earns less than 25000 has given, 5 male respondents of which has rated 0 and 1 female has given 1 to the service provider the service provider which the highest in that group. For the income group of 25000-49999 18 people rated as 0 and 8 female rated the service provider as 0. So the same way other groups have also rated the service provider in the same manner.

Figure 2. Shows that only one person in the income group of 75000 has rated the tourism service provider as 0. In the income group of 50000-74999 7 people rated the Tourism Service Provider as 0, 2 rated as 2, none of them rated 3, 11 of them rated 4, 1 of them rated 5 and so on.

6.   Conclusion

The proposed methods in this study can be used to understand the perception of customers of different tourism service providers. The paper also suggests some tool for understanding customers' response towards some exclusive marketing tools, if applied by the service providers.

Figure 2: Figure depicts the income group wise variations in rating a tourism service provider
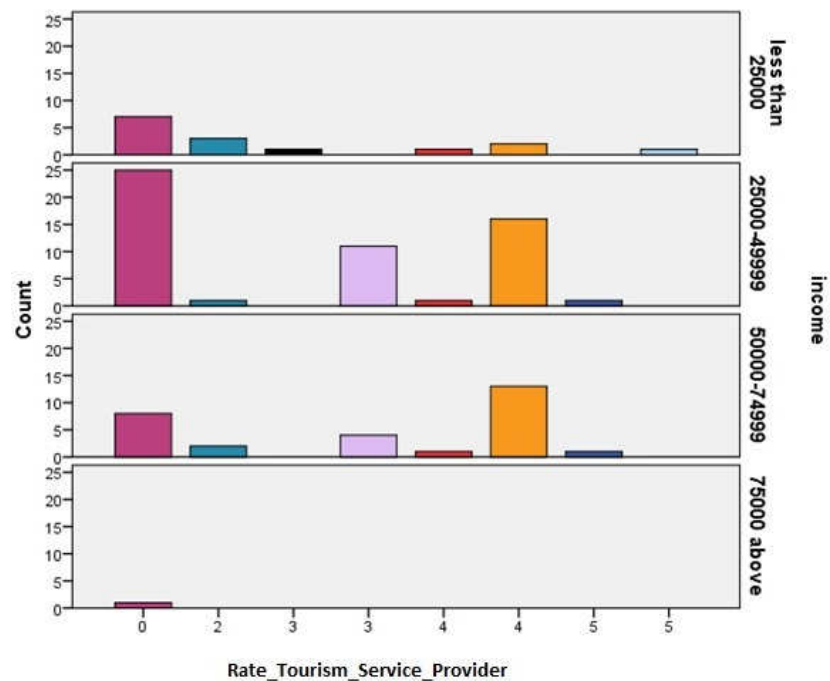
The study finds that customers can be the marketing agents by themselves on behalf of tourism service providers if they find the scheme is itself a relevant one and is very exciting in nature. A new model has been proposed in this paper for the purpose. This study also tries to find out the effect of different demographic attributes on preferential rating scores of different service providers. This paper identifies that the rating given to a service provider is varying significantly across different income groups, occupation with income groups and income group with gender.

And finally the study concludes that, there is a huge business opportunity for the people of Kolkata. Some Demographic factors have significant effect on preferring a service provider and tourism companies can concentrate on those to get edge over their competitors and to prosper in their business.

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