

EXPLORING THE DECISION-MAKING ATTRIBUTES OF VACATION PLANNING

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Abstract

The decision-making process of individuals travelling to various places for a vacation is a complex area of research that has received little academic attention. Our Business Research paper investigates the decision-making process/attributes of individuals who have travelled to various places and examines the thought process and major variables that count in their decision. The study will be based on Qualitative framework, supported by Indian consumers and research on different papers by experts. The literature review highlights various factors such as the socio-economic status, lifestyle and travel behavior with modes and structure of travel planning with Internet playing a major role. The studies also reveal the expenditure pattern and gender psychology in different areas while planning a vacation. Others factors which contribute to decision attributes are the various online sites and booking platforms that provide information and guidance on travelling. The research acts as a precursor to a further in-depth behavioral sensitive modeling study.

Keywords:

Vacation planning;
Travel patterns;
online;
Indian consumers;
Travel planning.

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1.Introduction

At the present time, travel and tourism sectors provide the largest economic contribution to the development of countries. Its contribution can be direct, indirect or engorging the income, employment and the development of many related industries. In case of India through tourism during the September month of 2016 the total amount earned under foreign exchange was US\$ 1.76 billion. Thus, travel and tourism is considered an extremely motivating phenomenon for both academics and practitioners. Marketing research on tourism focuses on various factors like travel behavior, role of internet, contents available on social media, socio-economic status and many more.

Joseph S. Chen et al. (2009) analyzed the differences between the three groups of travelers: (a) Family Oriented Travelers, (b) Social Oriented Travelers, and (c) Stylish Travelers. The differences in the trip characteristics included the frequencies of travel, hotel preferences, average expenditure on accommodations, and the variations in demographic characteristics related to age, family life cycle, education, and household income [6]. The result of its study shows depending on the different lifestyle market sections distinct service products and marketing strategies should be developed. The findings from this study imply that separate service products and marketing strategies should be developed for different vacation lifestyle market segments. The study suggested that according to different vacation lifestyle groups, different groups of services should be provided by service planners and should focus their efforts on those objectives which are more important in terms of revenues.

The model suggested by the authors Dale Fodness and Brian Murrery (1999) studies the correlation between the contingencies (situational influences and product characteristics), information search strategies and individual characteristics (family life cycle and socio-economic status) and the behavioral search outcomes (length of stay, no. of destinations visited, no. of attractions visited) [2]. The results of the study show that, since the travelers use various types of information sources to reply to all the external and internal possibilities in vacation planning, makes the search strategies more live.

Bing Pan et al. (2003) analyzed the major role of internet in vacation planning as travelers have a variety of semantic mental models regarding a destination and they tend to search for

information hubs on the Internet [1]. Xiang's et al. (2010) analysis of the search results showed that social media constitute an important part of the search results, indicating that search engines likely direct travelers to social media sites. The study confirms the growing importance of social media in the online tourism domain. It also provides evidence for challenges faced by traditional providers of travel-related information [9].

The researcher Rob Lawson (1991) analyzed the relationship between the family life cycle and tourist behavior. The study found that stages in the family life cycle are reflected in both the type of vacation taken and financial expenditure made. Social orientation of young singles is evident, as are constraints imposed by children. Vacation activities correlate with the age of adult members of the group [8]. Research scholar Darrian Collins et al. (2002) examined the life cycle travel patterns in terms of gender and purpose of travel. It was found that men tended to travel more often than women for business and work-related travel, but women traveled more often for leisure purposes, including travel to visit friends and relatives [3].

The study conducted by Hector San et al. (2007) analyzes the relationship between psychological factors (motivations and cultural values) and perceived image of a tourist destination, i.e. an image that individuals have of a tourist destination before visiting it [5]. The study results found that destination image is a multidimensional concept formed by cognitive and affective evaluations of a place and results also provide support for the influence of psychological factors, i.e. motivations and cultural values, on image that individuals have of a tourist destination before visiting it. The authors Julian K. Ayeh et al. (2013) examine online travelers' perceptions of the credibility of user-generated content (UGC) sources and how these perceptions influence attitudes and intentions toward the travel planning process [7]. The model also draws on the theory of homophily to make predictions about the antecedent of credibility. Results validate the Source Credibility Theory in the context of UGC but also accentuate the central mediating role of attitude. In addition, the study finds support for perceptual homophily as a critical determinant of both credibility and attitude [7].

In April 2016, Yatra.com, one of India's leading online travel portals, conducted their annual summersurvey which spotlights that the maximum bookings done by Indians are through mobile apps, whereas desktops and laptops continued to be the preferred medium of booking and also

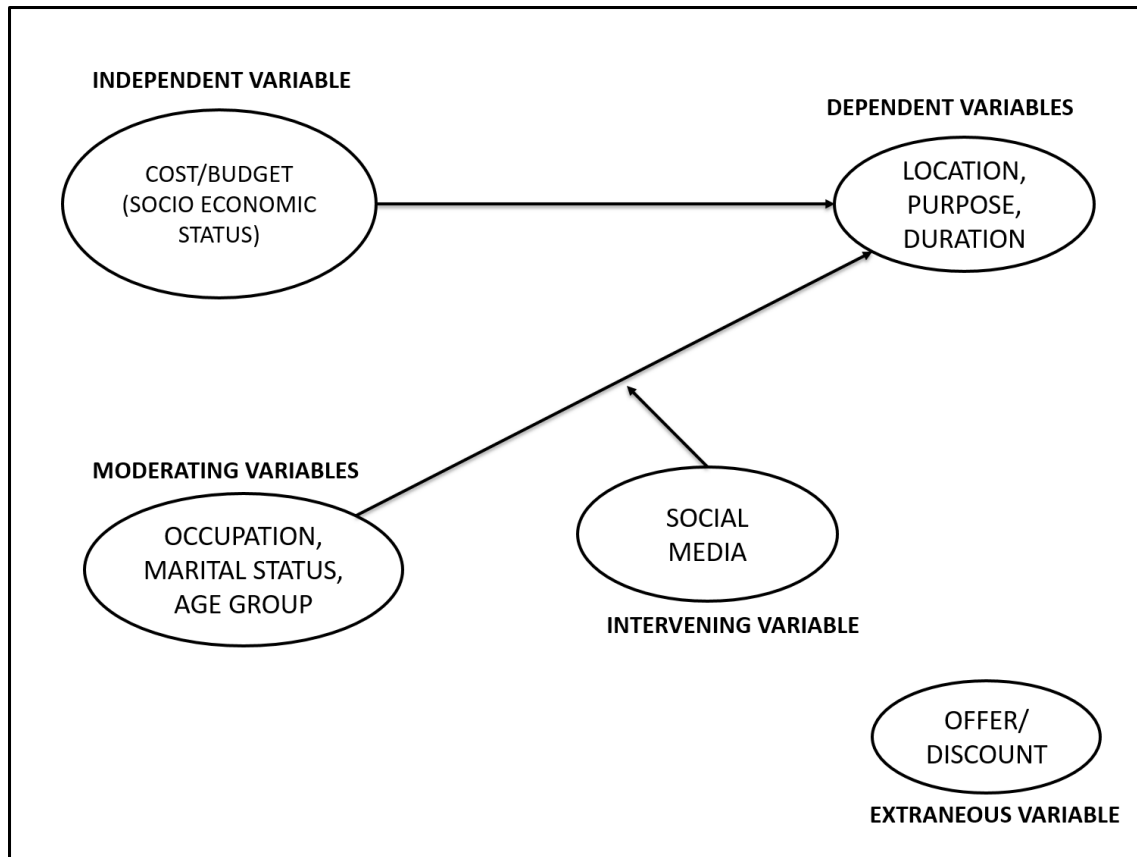
provides the strategy of travelers for vacation [10]. The Travel Trends report (2016) looks at the traveler's journey based on intent signals across online, mobile and video channels. Consumers increasingly turn now to mobile to get itinerary ideas, compare flight fares, or reserve experiences. The research also concluded that YouTube is now the new travel-hack hub wherein one gets tips for every stage of planning – from booking to packing [4].

1.1 Objectives of the study

- To study the vacation lifestyle and travel behaviour of people in India.
- To examine the travel patterns in terms of gender, purpose of travel, life cycle stages across various economic status groups.
- To study the factors and search behaviour involved in deciding a destination.
- To evaluate the impact of internet and social media on vacation planning.
- To examine the influence of and attitude towards user-generated content in making decisions.
- To gather data on the preferences of travelers on type of tours, modes of transport and booking.
- To gather data of the peak season for tourism in India.
- To analyze the major players in the tourism industry based on past experiences and expectations from travel companies.
- To conclude on the travel trends in India across various age groups.

Based on the objective theoretical framework has been formed as shown in figure 1

Figure 1: Theoretical Framework



2. Research Method

The sample size of the present study consists of 110 respondents. The population belongs to an Indian traditional family, wherein marital status is changed as per the age (usually equal to less than 35 years). Sampling Techniques used is Random Sampling technique. Primary data collected by conducting survey through designed questionnaire (Please refer attached in Appendix – A) and secondary data extracted from the references mentioned in Literature review & end of report. The data analysis techniques used are Chi square, Factor Analysis and Frequency distribution.

3. Results and Analysis

From the frequency distribution table (Please refer table 5 of attached Appendix - B), out of the total respondents, 46.5% of the respondents prefer booking by MakeMyTrip website. The second most preferred website for booking flight tickets is ClearTrip, with 17.2%. The least preferred website is Sky Scanner.

The following Graph 1 gives the details regarding the importance of five factors: Cost, Safety, Proximity, Culture, Customer ratings and reviews as rated by consumers on scale of 1 to 5 with 1 being least important and 5 being most important.

Analysis: From the graph, it is seen that the respondents have rated safety as very important criteria while travelling on a vacation. Customers have next preferred cost as very important. Culture has the least preference among all the criteria for travelling on a vacation.

Research hypothesis 1

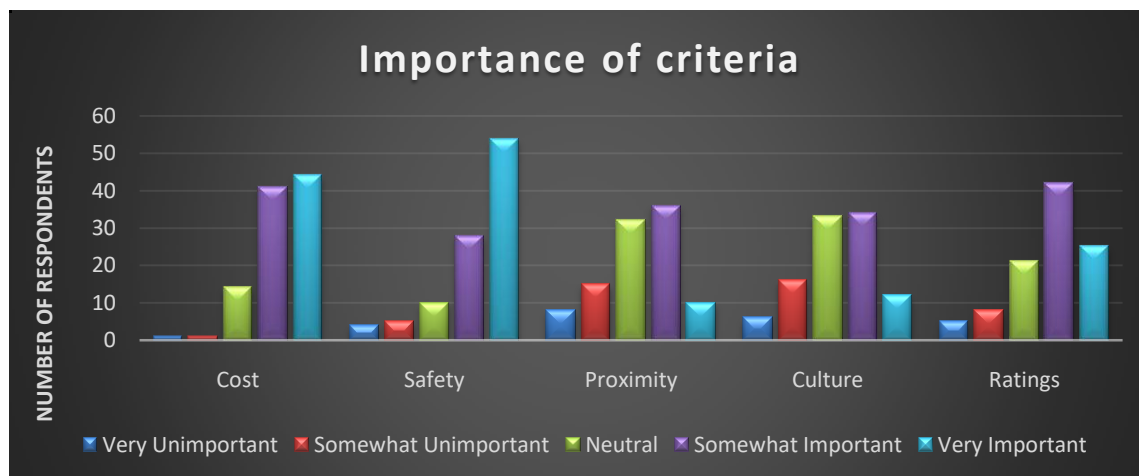
H0: There is no relationship between Occupation and Purpose of vacation

H1: There is a relationship between Occupation and Purpose of vacation

Analysis:

The significance value is 0.000. (Please refer table 1 of attached Appendix - B). Hence, H0 can be rejected at 1% alpha level. The alternative hypothesis (H1) is accepted and concluded that there is strong relationship between occupation of the population and the purpose of vacation.

Graph 1: Important Factors



Research Hypothesis2

H0: There is no relationship between marital status and Duration of vacation

H1: There is a relationship between marital status and Duration of vacation

Analysis:

The significance value is 0.283. The significance level is greater than 0.05. The null hypothesis (H0) is retained and accepted. There is no significant relationship between marital status of the population and the duration of vacation. Population chooses the duration of vacation based on other factors and not on marital status.

Factor Analysis results: In order to reduce and summarize the number of factors identified, factor analysis is used which generated the following results:

Sampling adequacy: KMO test decides the sampling adequacy of the given population. It tells us if the given sample size is sufficient enough to run factor analysis. Since Sampling Adequacy is greater than .5 i.e. 50 % therefore sampling size is adequate enough to run factor analysis.

Interdependence of variables: Barlett's test of sphericity is used to check if the variables are interdependent on each other or not. Since Sig. is 0.00. , the significance level is less than .05.

Analysis: The extraction value of the cost factor is 0.097, which is less than 0.4. The extraction value of all other factor is greater than 0.4. Hence, except the cost factor, we do not drop any factors in the end.

Table 3.1: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
				Loadings			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.829	36.586	36.586	1.829	36.586	36.586	1.506	30.130	30.130
2	1.131	22.620	59.205	1.131	22.620	59.205	1.454	29.076	59.205

3	.988	19.765	78.970					
4	.564	11.282	90.252					
5	.487	9.748	100.000					

Extraction Method: Principal Component Analysis.

The cumulative variance is 59.20%, which is greater than 50%, but slightly less than 60%. Thus, the cumulative variance is sufficient enough to run the factor analysis. Two main components are extracted in which we divide the factors.

Now, we come to the component matrix table for data summarisation. Thus, we consider the rotated components matrix table to get a clear idea of which factor is favouring which component.

Table 3.2: Rotated Component Matrixa

	Component	
	1	2
Culture	.830	.192
Cust_Review	.862	.066
Cost	.224	-.215
Safety	.111	.823
Distance	.108	.830

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

- a. Rotation converged in 3 iterations.

Thus, it is seen that safety and distance favour component 2, while culture and customer reviews and rating favour component 1. Safety and distance can be labelled as operational components, while culture and customer reviews can be labelled as customer preference components.

Conclusion:

Operational components: Safety, Distance

Customer preference components: Culture, customer reviews

4. Conclusion

Through our research and supporting research papers, we constructed the theoretical framework, where it was tested by 100 respondents to the questionnaire designed, specifically for Indian consumers. The outcomes were analyzed using Chi-square, Factor Analysis and Frequency Distribution.

Results converged to support the theoretical framework and its underlying proposition that the decision-making attributes of vacation planning is an outcome of a dynamic process in which there each trip differs as per the budget, age group, marital status, and occupation.

A close examination of the specific findings of the hypothesis tests provides rich insights for understanding, predicting the critical factors of tourist behavior.

The results show there exists a strong relationship marital status and duration of vacation. Considering our population of an Indian traditional family, we can conclude that the age contributes to the duration of vacation as well. Moreover, the Indian consumers' travel patterns are also explained by the occupation of the population. Various variables such as operational components (safety, distance) and customer preference components (culture, customer reviews and rating) are interdependent, and play an important role in the decision-making attributes of vacation planning. Cost plays an important factor, wherein the location, purpose of travel, mode of transport, and duration of visit are also dependent on it.

The behaviour of a tourist searching for information has changed considerably due to the rise of internet. Our study confirms that searching online is more prominent and used than offline modes, i.e. travel agent. There are several reasons for internet as the primary source of information, with the key reasons being convenience, ease of payment and offers/discounts available online. The ease of payment is due to online modes such as credit card, debit card, internet banking and e-wallets. The type of payment can be related to the age group of the

population, wherein the debit cards are preferred by the younger adults whereas credit cards are preferred by the elder age group.

There are several players in the market for booking flight and hotel bookings such as Trip Advisor, MakeMyTrip, GoBibo, Skyscanner, Clear Trip, Airbnb, Booking.com. MakeMyTrip and ClearTrip form the biggest players in the online tourist industry in India. Social media contributes significantly to the online search behaviour pattern. The attitude towards the user-generated content found online is positive. The customer ratings and reviews online are a critical factor in deciding the location of a destination. This study confirms the growing importance of social media in the online tourism domain. Tourism marketers can adopt these platforms to communicate to the relevant consumers.

Indian consumers prefer booking in advance, and not as a last-minute travel plan. The same is independent of the age group in which the population belongs. Safety is an important criteria while travelling on a vacation

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Appendix –A

(Questionnaire)

Exploring Decision-making attributes in Vacation Planning

Name: _____

Age :

- a. 21-25
- b. 25-30
- c. 30-35
- d. >35

Gender:

- a. Male
- b. Female

Marital Status:

- a. Single
- b. Married

Occupation: _____

1. What is the preferred type of destination?

- a) Hill Station
- b) Desert
- c) Beach
- d) Jungle
- e) Mountain
- f) City
- g) Pilgrimage
- h) No Preference

2. What is the purpose of your visit?

- a. Sightseeing/Leisure
- b. Adventure
- c. Combined with business
- d. Meeting relatives
- e. Religious reasons
- f. Romantic Getaway
- g. Other _____

3. Where do you prefer travelling to?

- a. Domestic destinations
- b. International destinations

4. If domestic destinations, which are the modes of transport you prefer?

- a. Roadways - Public transport
- b. Roadways – Personal transport
- c. Railways
- d. Waterways
- e. Airways

5. In which season do you like to travel?

- a. Summer
- b. Monsoon
- c. Autumn
- d. Winter

6. On average, how long is your vacation?

- a. Weekend
- b. 1-4 days
- c. 5-10
- d. 11-20
- e. Over 20 days

7. Who do you most prefer travelling with?

- a. Spouse only
- b. Spouse and children
- c. Relatives
- d. Siblings
- e. Friends
- f. Alone

8. What is the importance of the following criteria in your choice of travel destination?

	Very important (1)	Somewhat important	Neutral	Somewhat unimportant	Very unimportant (5)
Cost					
Safety					
Distance proximity					
Culture					
Customer					

Review Ratings	&					
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9. What is your most common trip budget?

- a. <10,000 (1)
- b. 10,000-30,000
- c. 30,000-80,000
- d. >80,000 (4)

10. Which is your preferred stay?

- a. Hotel/resort
- b. Camping – Tent
- c. Rented flat
- d. House exchange
- e. Hostel
- f. With relatives
- g. Other _____

11. When do you usually book your holidays?

- a. In advance-1
- b. At the last minute-2

12. How do you like your vacations?

Planned in detail (1)	Somewhat planned (2)	Neutral (3)	Somewhat unplanned (4)	Completely Unplanned (5)

13. Which of the below do you prefer?

- a. Travel+Hotel Packages
- b. Independent booking/Booked separately

14. How do you usually book your vacation?

- a. Travel agent
- b. Online booking
- c. Directly with holiday providers
- d. Other _____

15. Why do you like online booking?

- a. Convenience
- b. Ease of payment
- c. Offers/Discounts
- d. Other _____

16. Which websites do you use to book flight tickets?

- a. MakeMyTrip
- b. Cleartrip
- c. Goibibo
- d. Skyscanner
- e. Alibaba
- f. Yatra
- g. Others _____

17. Which websites do you use to book hotels?

- a. MakeMyTrip
- b. Cleartrip
- c. Goibibo
- d. Trip Advisor
- e. Airbnb
- f. Booking.com
- g. Others _____

18. What is your preferred mode of payment while booking online?

- a. Debit card
- b. Credit card
- c. Internet banking
- d. Cash
- e. Cheque
- f. e-Wallets

Appendix - B**Table 1: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	354.424 ^a	234	.000
Likelihood Ratio	131.588	234	1.000
N of Valid Cases	101		

a. 277 cells (98.9%) have expected count less than 5. The minimum expected count is .01.

Table 2: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.804 ^a	3	.283
Likelihood Ratio	3.794	3	.285
N of Valid Cases	101		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 1.25.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Adequacy.	Measure of Sampling	.575
Bartlett's Test of Sphericity	Approx. Chi-Square of df	56.161 10
	Sig.	.000

Table 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
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3	.988	19.765	78.970						
4	.564	11.282	90.252						
5	.487	9.748	100.000						

Extraction Method: Principal Component Analysis.

Table 5: \$MCQ Frequencies

	Responses		Percentage of Cases
	N	Percentage	
Q15.MakeMyTrip	73	46.5%	73.7%
Q15.Cleartrip	27	17.2%	27.3%
Q15.Goibibo	8	5.1%	8.1%
\$MC Q15.TripAdvisor	7	4.5%	7.1%
Q ^a Q15.Skyscanner	21	13.4%	21.2%
Q15.DirectlyWithAirlin e	15	9.6%	15.2%
Q15.Others	6	3.8%	6.1%
Total	157	100.0%	158.6%

a. Dichotomy group tabulated at value 1.