



# Demands and Problems faced by Chinese tourists travelling in Thailand

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## Abstract

The research in this article aimed to investigate Chinese tourists' demands and the relationship of tourism marketing and tourist demands during visiting Thailand. Data was collected using a questionnaire given to Chinese tourists visiting Thailand (n= 400) and interviewing of 20 key informants (5 tourism businesses, 5 staff from tourism association and 10 local government agency). Data was analyzed using both content analysis and statistic such as percentage, Standard Deviation and Chi-square. It was found that most of the respondents were worried about communication when visiting Thailand. They also thought goods and food are expensive and some tourist attractions are severely degraded. Most of Chinese tourists needed sophisticated technology in their rooms and tourism programs in Chinese. Chinese respondents' comments on Thailand tourism service and customer relationship management were found to be in a moderate level. In addition, there were some relationship issues between tourism marketing and tourists' demands.

**Keywords:** Demands, problems, Chinese tourists, relationship, marketing factors.

## Introduction

Since tourism is one of the most important industries for the economic growth of many countries worldwide, governments in most of the countries continuously promote and develop tourism initiatives and quality. International tourist arrivals are forecast to reach 1.8 billion by 2030 and emerging economies will receive more international tourist arrivals than advanced economies. By 2030 the tourism market share of emerging economies countries is expected to reach 58%. Therefore, there will be increases in the global market shares of Asia and the Pacific from 22% in 2010 to 30% in 2030, the Middle East from 6% to 8% and Africa from 5% to 7%. There will be further declines in the shares of Europe from 51% to 41% and the Americas from 16% to 14% mostly due to the slower growth of North America. By 2030, North East Asia will be the most visited sub region in the world, representing 16% of total arrivals and taking over from Southern and Mediterranean Europe, with a 15% share in 2030 (UNWTO, 2011). International tourist arrivals to Thailand are also forecast to reach 67 million by 2030 (Department of Tourism, Thailand, 2015).

With a huge 1.4 billion population, China offers one of the major segments in the international tourism market. In 2016 there were 120 million Chinese tourists travelling worldwide. The top ten destinations for Chinese international tourists in the year 2016 were the U.S.A., Thailand, Japan, Hong Kong, Taiwan, Australia, South Korea, France, Italy and the U.K. Although Chinese tourists recognized that Thailand is a number one destination in Asia (Kasikorn Research Center, 2017), recent research has shown that Chinese tourists' demands and behaviors have been continuously changing, and they have better English skills and are more concerned about the value of money when choosing a destination to visit (Chinese International Travel Monitor, 2017). In order to maintain the



Chinese market share, tourism related businesses and all developers have to keep up and provide tailor made programs for a more sophisticated Chinese market.

Most Chinese tourists arrive via Bangkok and then travel in Bangkok and also to the North of Thailand for nature and cultural sightseeing. Others tend to go to southern Thailand for beach-based holidays at superb resorts. Some tourists will travel directly to the international airports at Chiang Mai in the north and Phuket in the south (Walsh & Tachavimol, 2007).

Tourism in Thailand is endorsed both domestically and internationally by the TAT, which is financially supported by government of Thailand “and includes, in addition to its promotional duties, the requirement to conduct research and provide input into overall marketing strategy. Overall marketing strategy has led to the creation of a number of public sector and public-private partnership tertiary education programs aiming to provide training for Thais in areas” (Walsh & Tachavimol, 2007).

Sotiriadis and Apostolakis (2015) found that visitors of Chinese origin are likely to be more influenced from culture-specific, as opposed to destination-specific factors. The authors concluded that this is an important finding for every destination aiming to attract Chinese tourists.

Untong et al., (2015) assert that: “The number of Chinese tourists in Thailand has been increasing for two decades but since 2009 the trend has been particularly dramatic, with a 56.84% annual growth rate. The study found an increase of seasonality, but arrivals showed the same yearly pattern. Income elasticity indicates that Thailand will continue to benefit from China's economic growth. In addition, Chinese tourists respond less to a change in Thailand's prices than to changes in competitors' prices. In 2017, Chinese arrivals are forecast to reach 7.9 million with an annual growth rate of 19.98% since 2013. Therefore, Thailand should focus on capacity preparation for this market growth while monitoring the policies of its major competitors in the China outbound market.”

A study by Xi Yu Leung, Lan Xue, & Billy Bai, (2015), gathered 331 internet marketing-related articles published in the top eight hospitality and tourism journals from 1996-2013 as this is a critical field and requires careful analysis.

### **Objectives of the study**

This research aimed to investigate Chinese tourists' demands and the relationship of tourism marketing and tourist demands during their visits to Thailand.

### **Methodology**

Data collection used was by both quantitative and qualitative approaches. The quantitative data were collected using self-addressed questionnaires completed by Chinese tourists visiting Thailand during their visits to four cities. (n=400) The four cities were Bangkok (n = 100), Chiangmai (n = 100), Phuket (n = 100), and Pattaya (n = 100). According to the statistics of the Tourism Authority of Thailand, these four provinces were the most preferred destinations in Thailand for Chinese tourists. They were chosen for data collection because of their attractions to and preferences of Chinese tourists.

The questionnaires were distributed face to face after ethical issues were attended to, and at convenience of the Chinese tourists in each city and collected by a team of trained students as field workers, in March and April, 2018. The collected data were analyzed using SPSS program to study means, standard deviations, and Chi-squares. The qualitative data were gathered by using depth interviews of 20 key informants (5



businesspeople, 5 persons from the tourism association and 10 persons from local government agencies). The data from the interviews were analyzed using a content analysis method.

### **The role of marketing in strategic planning**

The major challenge facing today's tourism related businesses is recognizing how to gain and maintain healthy business in the dynamic marketplace and frenetic business environment. The consulting firm of Arthur D. Little (cited in Kotler & Bowen, 2014) proposed a model with the characteristics of a high-performance that consisted of 4 factors including stakeholders, process, resources and organization. These factors ideally support in setting the foundations of an appropriate marketing strategy (Kotler & Bowen, 2014).

Stakeholders in tourism development include developers (public and private sectors), the communities where the tourists visit, employees, suppliers and tourists. A dynamic relationship connects the stakeholder groups. The advanced company creates a high level of employee satisfaction that leads to continuous improvement of performance as well as creating greater innovation. The satisfied employees in return create satisfied customers (tourists). Profit from satisfied customers will come back to a fair wages issue for employees. The satisfaction level is continuously lifted when employees are dealing with happy customers they know from previous visits. This ultimately creates even more customer satisfaction and the cycle continues constantly.

High-performance companies are increasingly refocusing their attention on the need to manage processes rather than traditionally carrying on by departmental functions. They are studying how a task passes from department to department as well as the impediments to innovative outputs. They are now building cross-functional teams that manage core business processes as a matter of course.

To carry out processes, companies need resources such as effective manpower, materials, machines and information. Traditionally, companies sought to own and control most of the resources that entered the business. Recently, more companies have decided to outsource less critical resources. Smart companies are identifying their core competencies and using them as the basis for their strategic planning.

The organizational side of the company consists of structure, policies and a culture, all of which tend to become dysfunctional in a dynamic changing company milieu. Companies have to work hard to integrate the organization's structure, policies and culture to the changing requirement of business strategy or they simply cannot survive.

### **Marketing strategy and the marketing mix**

The strategic plan defines the company's overall mission and objectives. Figure 1 shows the marketing roles and activities in managing a customer-driven marketing strategy and the marketing mix.

Customers stand at the center. The goal is to create value for customers and build profitable customer relationships that endure. Marketing strategy is the logical way by which the company hopes to create this customer value and achieve a profitable and sustainable relationship. Framed by the marketing strategy, the company designs and integrates a marketing mix – product, price, place, promotion, physical evident, process, programing and partnership, so as to enhance business.

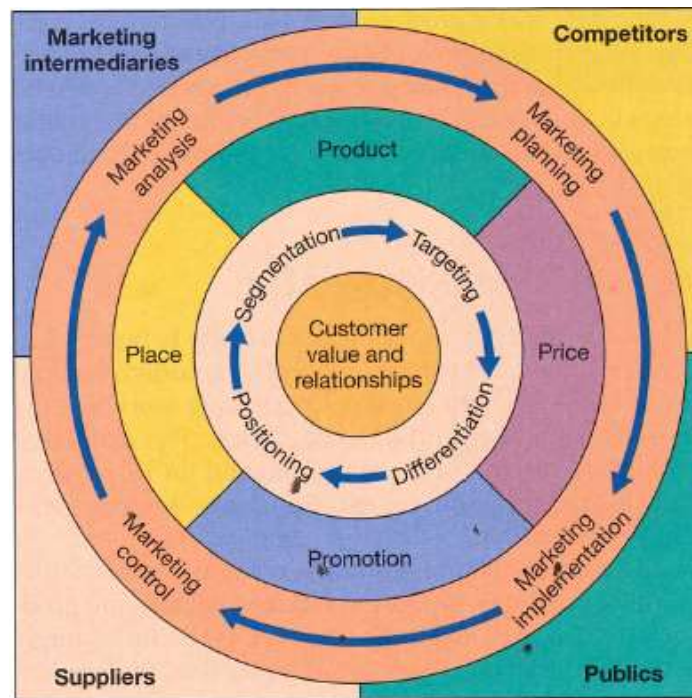


Figure 1. Managing Marketing strategy and the marketing mix Source: Kotler & Armstrong, p47

To find the best marketing strategy and mix, the company engages in marketing analysis, planning, implementation and control. Through these activities, the company watches and adapts to the actors and forces in the marketing environment (Kotler and Bowen, 2014). In 1988, Kotler pronounced the marketing definition as “the business function that identifies current unfulfilled needs and wants, defines and measure their magnitude, determines which target the organization can best serve and programs to serve these markets”. Kotler (1999) defined ‘human need’ as a feeling of lacking. Some scholars argue that this need has to be created if marketing is to be successful at all. Human wants are then “the form taken by human needs as they are shaped by culture and individual personality” (Kotler, 1999: 13).

## Findings

Findings are reported in 2 parts – the finding from questionnaire and the finding from the in-depth interview.

### Part 1 Findings from the tourist questionnaire

The majority of respondents were female (53.5%). The majority of the respondents was in the 18-30 year old bracket (57.3%) and were mainly business owners with a bachelor degree. They visited Thailand for leisure and chose Thailand as their destination because of its natural beauty and the warm Thai hospitality. The majority of them stated they would revisit Thailand (87.3%). During their visit they worried about communication (51.5%) and security of the destination (46.3%). Tourists tend to emanate from an extensive range of cities and regions in China, thus showing the level to which the middle class of the country is now characterized nationally and there is now greater need to circulate information far more widely than previously requiring excellent marketing drives (see also Walsh & Tachavimol, 2007).

The majority of the respondents visited Thailand for the first time (48.8%) and travelled with their partners (44.0%). They joined an agency tour program (51.5%). The destination



they would like to visit the most was Chiangmai (41.5%) and they chose to stay at a hotel (37.3%) rather than in other accommodation. Additionally, they preferred buying souvenirs that were made form cloth such as bags.

The marketing mix factors affected their decision to travel shown in Table 1

**Table 1 Level of marketing mix strategy effecting decision to travel**

<b>Marketing Factors</b>	<b>Mean</b>	<b>S.D.</b>
Price	3.60	.56
Product	3.52	.46
Programing	3.45	.42
Promotion	3.38	.36
Physical evident	3.35	.56
Place	3.32	.44
Partnership	3.15	.42
Process	3.09	.28
	<b>3.36</b>	<b>.25</b>

Table 1 shows the eight marketing factor effecting respondents' decision to travel and the most was price (mean = 3.60) and the second running up factor effecting their decision was product (mean = 3.52). and programming (3.45) respectively. The average level of the factors is 3.36.

Table 2 showed the Customer Relationship Management (CRM) factors that respondents were primarily concerned about.

**Table 2 Customer Relationship Management (CRM) factor the respondents concerns**

<b>Customer Relationship Management (CRM)</b>	<b>Mean</b>	<b>S.D.</b>
Service personnel	3.92	.39
Given Information	3.90	.51
Vision	3.81	.52
Support Technology	3.81	.70
	<b>3.86</b>	<b>.34</b>

Table 2 showed that respondents were highly concerned with company CRM (average mean = 3.86), especially with the service personnel effectivity (mean = 3.92) and the information given by them to tourists (3.90).



**Table 3 Chinese tourists demand for tourism destination in Thailand**

Demand for destination	Percentage
Historical and cultural destinations	36.0
Natural destinations	37.0
Adventure tourism destinations	27.0
	<b>100.0</b>

Table 3 showed that the majority of Chinese tourists preferred historical and cultural destinations and natural destinations rather than adventure tourism destinations.

This study also tested the relationship of tourism marketing factors and tourists' demands for tourism destinations in Thailand (Table 4).

**Table 4 Relationship of marketing mix factors and tourists' demands**

Marketing mix	Chi-square	Sig	Relationship
Product	17.396	.002*	Yes
Price	.392	.822	No
Place	1.174	.556	No
Promotion	.230	.891	No
Physical evident	6.235	.182	No
Process	10.316	.035*	Yes
Programing	1.450	.484	No
Partnership	1.532	.821	No
	<b>1.295</b>	<b>.523</b>	

Table 4 Showed marketing mix factors that had a strong relationship with tourists' demands were products and processes.

## **Part 2 Brief Summary of in-depth interview**

From the interview of suppliers and developers it can be concluded that communities and travel agencies mostly provide tourism activities relating to cultural events and local lifestyle for tourists and include *inter alia* things such as such boat sightseeing, visiting floating markets and buying local products, Thai cooking classes, and indulging in local organic farming initiatives. In addition, wellness tourism activities such as massage and spa are also provided. The seasonal promotion special price is one of the motivating strategies that suppliers use to enhance tourist visitations to the various destinations in Thailand.



## Conclusion

Marketing efforts with to Chinese tourists in mind can be extremely difficult, when one tries to reach out to people who don't speak the same language and have an entirely different set of needs, wants and desires when compared to, for instance, Greek or French tourists. A solution to building a brand is understanding the Chinese target market customers and then striving to satisfying their needs, wants and desires. One thus needs to ascertain what drives them to travel a particular destination. For one, Chinese free and independent tourists (FITs) travel to more and more destinations, and allow for further exploration and deviation from the typical tourist destinations (Lam, 2017).

The findings from both the demand and supply sides support the role of the marketing mix in strategic planning initiatives Thailand is rich in natural, historical and cultural resources and thus the development of tourism should be concerned about the sustainability of the tourism resources coupled with local communities economic and social sustainability. The Marketing mix factors that affected Chinese tourists' decision to choose a particular destination the most were found to be price and product. Therefore, tourism businesses should adapt tourism programs that satisfy tourists needs and wants from a financial perspective and also with added value for all tourism products and activities that are undertaken.

The Chinese respondents were highly concerned with the notion of company CRM and especially with service personnel efficiency and effectiveness. Tourism personnel represent companies and Thailand as a whole and thus need to be excellent in what they undertake. Training and development is required to enhance service personnel skills and performance. Fair wages and employee welfare should be applied to satisfy all employees' needs. Smart companies should be concerned about processes that deliver quality services to tourists by analyzing and implementing tourists' demands into the processes followed.

COTRI's (2017) forecast on Chinese nationals travelling abroad in 2017 was 145 million and the numbers this year (2018) will be about 154 million. This represents a year-on-year increase of 6.3%. 86 million tourists will arrive at destinations across the globe (a growth of 10% against 2017). Chinese nationals making trips to tourist destinations across the globe have thus doubled year-on-year offering opportunities for Thai tourism.

While diverse groups of tourists have some overlap in needs, wants and desires, they also differ in many ways. Marketing strategies which are targeted towards South American tourists, will not necessarily succeed in grabbing the attention of Chinese travelers. If you want to attract Chinese tourists to your business, you need to pay close attention to these differences which will determine how effective you are at attracting and retaining members from both groups. Therefore, there is a need to research the changing tourists' demands and this is a vital necessity.

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