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**A study of image of China as perceived by U.S. tour operators**

Xiao, Franklin Zhiyuan, M.S.

University of Nevada, Las Vegas, 1993

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A STUDY OF IMAGE OF CHINA AS PERCEIVED BY U.S. TOUR  
OPERATORS

By  
Franklin Zhiyuan Xiao

A thesis submitted in partial fulfillment  
of the requirements for the degree of

Master of Science

in

Hotel Administration  
William F. Harrah College of Hotel Administration

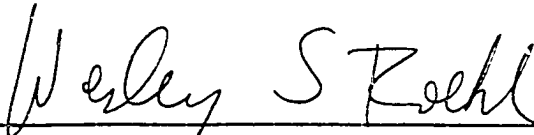
University of Nevada, Las Vegas  
April, 1993

The Thesis of Franklin Zhiyuan Xiao for the degree of Master of Science in Hotel Administration is approved.



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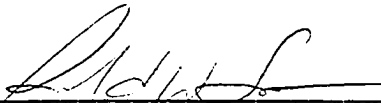
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## ABSTRACT

The purpose of this study was to analyze the relationship between China's image as perceived by U.S. tour operators and tour operators' actions in developing package tours to China.

The data for this study was obtained through a questionnaire survey of 300 U.S. tour operators on 22 China's tourism attributes. Two research hypothesis were established. The results indicated that there were no significant differences in the perception of China as a tourist destination between tour operators who had visited China and those who had not. There were also no significant differences in the perception of China as a tourist destination between tour operators who had business relationship with China and those who had not.

The strengths and weaknesses of China as a tourist destination were identified by Importance-Performance Analysis. The implication for the marketing strategies are discussed, along with suggestions for future research.

## ACKNOWLEDGMENTS

I wish to express my sincere gratitude to many people who have contributed to this study.

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Finally, I would like to dedicate this thesis to my wife, Shao-Dan Wei, and my parents, whose love and support has cherished me throughout my academic endeavor.



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## CHAPTER I

### INTRODUCTION

#### INTRODUCTION

In 1978, the People's Republic of China adopted an open door policy to develop its economy. Upon discovering that tourism is a fast and easy way to earn badly needed foreign exchange, the government of China took a series of steps to develop tourism.

The development of tourism in China is statistically successful considering the relatively short history of tourism in China. The total number of visitors to China in 1990 was 4.8 times of the number in 1980. The year 1988 was the most prosperous year for China's tourism industry, which reaped 4.5 times more tourists than in 1980. These statistics indicate the fast growth of China's tourism industry within the past 10 years (Table 1).

Since the very beginning of China's effort to develop tourism, the United States has been regarded as a major target market. In order to increase the number of visitors from the United States, China began to operate two tourist offices in the United States in the early 1980's and to attend many trade shows in the United States, for promoting travel to China. Despite such efforts, the number of U.S. visitors to China has not reached a satisfactory level. China's tourism industry took extra steps to develop business relationships with their American counterparts.

**TABLE 1**  
**TOTAL VISITORS ARRIVALS TO CHINA FROM 1980 TO 1990**

<u>YEAR</u>	<u>TOTAL VISITORS</u>	<u>INDICES</u> <u>(1980=100)</u>
1980	5,700,000	100
1981	7,770,000	136
1982	7,920,000	139
1983	9,480,000	166
1984	12,852,000	225
1985	17,833,000	313
1986	22,819,000	400
1987	26,902,000	472
1988	31,694,000	556
1989	24,500,000	430
1990	27,462,000	482

SOURCE: CHINA NATIONAL TOURISM ADMINISTRATION

The United States represents a large piece of the world's tourism market due to its vast population and prosperity. Every year, the United States generates a significant number of travelers to East Asia. According to Travel Industry World Yearbook: The Big Picture (1989), 1,948,000 U.S. citizens traveled to Asia in 1987, and 2,069,190 traveled to Asia in 1988. In The Identification Of Potential Tourism Markets (1988), the World Tourism Organization indicated that travel to Asia/Pacific destinations for U.S. travelers had increased in popularity over the past five years, and that the number of travelers to these destinations had

increased at a faster rate than travelers to other parts of the world. The United States travelers spend more money on international tourism than travelers from any other countries. The United States ranked number one in the list of World Top Tourism Spenders of International Tourism Expenditures (1990), prepared by the World Tourism Organization. Visitors from the United States are known as high yield travelers.

The United States is the second largest foreign market for China's tourism industry, while Japan is the largest (EIU, 1990), not considering tourists from Hong Kong, Macau and Taiwan. Actually, the three areas hold the largest share of Chinese international tourism market (Table 2). Ever since 1980, travelers from Hong Kong, Macau and Taiwan constitute more than 90% of total arrivals to China each year. But travelers from these three areas are different from other international travelers. Originally, these three areas were part of China. Because of historical reasons, they were separated from Mainland China. Hong Kong and Macau will be reunified with China at the end of this century. Travelers from these three areas have very close connections with China: they share the same language, have the same cultural background and have close business relationships. According to International Tourism Report (EIU, 1990), most of the travelers from these three areas are low yield travelers visiting friends and relatives and cross-border traffic from Hong Kong and Macau. Marketing strategies aimed at these areas are different from marketing strategies aimed at the United States or Japan. Therefore, it will be misleading to count these three areas together with other foreign countries.

The United States accounted for 14.7 percent of foreign arrivals to China in 1989, and 13.5 percent in 1990. From 1982 to 1990, U.S.



tourist arrivals to China fluctuated significantly (Table 3) , increasing annually from 1982 to 1987. The highest number of U.S. tourists to China ever recorded was in 1987, with 315,332 U.S. arrivals. In 1980, China began to loosen its restrictions of issuing visas for foreign tourists. As a result, more U.S. citizens could travel to China. U.S. arrivals and total foreign arrivals to China continued to increase in the early 1980's. Because travel to China had been restricted for so long, one could expect the early years of the open door policy to be characterized by explosive growth rates (Choy, 1987).

**TABLE 2**  
**VISITORS ARRIVALS TO CHINA BY THREE CATEGORIES**

YEAR	TOTAL	100 %	FOREIGNERS	% OF	OVERSEA	% OF	HK/MACAU	% OF
				TOTAL	CHINESE	TOTAL	TAIWAN	TOTAL
1980	5,702,536	100 %	529,124	9.28 %	34,413	0.60 %	5,138,999	90.12 %
1981	7,767,096	100 %	675,123	8.69 %	38,856	0.50 %	7,053,087	90.81 %
1982	7,924,261	100 %	764,497	9.56 %	42,724	0.54 %	7,117,019	89.81 %
1983	9,477,005	100 %	872,511	9.21 %	40,352	0.43 %	8,564,142	90.37 %
1984	12,852,185	100 %	1,134,267	8.83 %	47,498	0.37 %	11,670,420	90.80 %
1985	17,833,097	100 %	1,370,462	7.68 %	84,827	0.48 %	16,377,808	91.84 %
1986	22,819,450	100 %	1,482,267	6.50 %	68,133	0.30 %	21,269,041	93.21 %
1987	26,902,267	100 %	1,727,821	6.42 %	87,031	0.32 %	25,087,415	93.25 %
1988	31,694,804	100 %	1,842,206	5.81 %	79,348	0.25 %	29,773,250	93.94 %
1989	24,501,394	100 %	1,460,970	5.96 %	68,556	0.28 %	22,971,868	93.76 %
1990	27,461,821	100 %	1,747,315	6.36 %	91,090	0.33 %	25,623,416	93.31 %

SOURCE: CHINA NATIONAL TOURISM ADMINISTRATION

After the mid 1980's, China's tourism industry became more established and more mature than in the early 1980's. The country saw

more and more travel agencies starting international business. One could expect that U.S. arrivals to China would continue to increase. But the fact was that the United States arrivals to China declined annually from 1987 to 1989, improving only slightly in 1990. The U.S. market share of China decreased annually from 1987 to 1989. Why did the number of U.S. travelers to China start to decrease while it was expected to increase? This is one problem. Another problem might be found by comparing U.S. arrivals to China with U.S arrivals to the neighboring countries around China.

**TABLE 3**

**THE TREND OF U.S. VISITOR ARRIVALS TO CHINA 1983-1990**

<u>YEAR</u>	<u>U.S. ARRIVALS</u>	<u>MARKET SHARE</u>
1983	168,298	19.30 %
1984	211,337	18.70 %
1985	239,557	17.40 %
1986	291,779	19.70 %
1987	315,332	18.20 %
1988	300,900	16.50 %
1989	214,956	14.70 %
1990	233,193	13.50 %

SOURCE: CHINA NATIONAL TOURISM ADMINISTRATION

Among four neighboring countries in East Asia (China, Japan, Korea, and Hong Kong), China received the least number of U.S. travelers (Table 4). Hong Kong attracted two and half times as many U.S. tourists as did China, Japan almost twice as many, and Korea attracted slightly

more U.S. travelers than did China. The percentage of U.S. travelers to China of the total U.S. arrivals to four East Asia countries decreased from 16% in 1987 to 13% in 1989. In 1989, U.S. arrivals to China numbered 214,956; to Japan, 531,625; to Hong Kong, 624,400; and to Korea, 317,133. The year 1989 was unique, because the Tiananmen Square incident had a substantially negative impact on China's tourism industry, and U.S. arrivals to China decreased by huge amounts. Even without the Tiananmen Square incident, the trend of decline in U.S. arrivals to China was still expected. From the above figures, one can see that many U.S. tourists traveled to East Asia but bypassed China. This situation might indicate that China needs to improve its marketing strategies and techniques to attract U.S. travelers. The United States is a major foreign market for all East Asian countries (WTO, 1990) , and China needs to be more aggressive in competing with its neighbors for U.S. travelers.

For a long time, both tourism industry officials and the general public of China have considered China to be the most attractive country in the world. Chinese media always proudly claim that China is one of the most beautiful countries in the world and that China has the richest tourist attractions. But why were there fewer U.S. travelers to China than to neighboring countries? There are two possibilities:(1) China is not attractive to U.S. tourists; or (2) China is attractive but not well-promoted.

**TABLE 4**  
**U.S. ARRIVALS TO CHINA, KOREA, JAPAN & HONG KONG**

<u>COUNTRY</u>	<u>1987</u>	<u>% OF</u>	<u>1988</u>	<u>% OF</u>	<u>1989</u>	<u>% OF</u>
		<u>TOTAL</u>		<u>TOTAL</u>		<u>TOTAL</u>
CHINA	315,332	16	300,900	15	214,956	13
JAPAN	516,259	26	550,261	28	552,182	32
KOREA	326,330	17	347,281	18	317,133	19
HONG KONG	793,341	41	749,224	39	624,400	36
TOTAL	1,951,262	100	1,947,686	100	1,708,671	100

SOURCE: CHINA NATIONAL TOURISM ADMINISTRATION

In discussing the decline of U.S. arrivals to China, the Tiananmen Square incident must be mentioned as a very influential factors in the decline of visitor arrivals in 1989. Because the Tiananmen Square incident had great negative impacts on the Chinese tourism industry, it pushed the already declining United States market for Chinese tourism into a much worse situation. Due to China's negative image created by the Tiananmen Square incident in the eyes of U.S. population and outrage by U.S. travel agencies (Roehl, 1990), China's tourism lost considerable business from the United States in 1989. U.S. arrivals to China increased slightly from 214,956 in 1989 to 233,193 in 1990. It was a sign of slow recovery, but this increase was not very meaningful because of the base for comparison--the number of U.S. arrivals in 1989 was abnormal.

The Identification of Potential Tourism Markets, a publication of the World Tourism Organization (1988), states that most U.S. travelers to Asia are group tourists. This indicates that most tours to Asia are arranged by tour operators. Tour operators wield considerable influence in consumer's choice of long-haul overseas destinations (Mill and Morrison, 1986). Through the inter-personal sales relationship, tour operators play a critical role as travel experts, providing information that facilitates travel and strongly influences consumer's choice of destinations. Tour operators have the ability to direct large numbers of tourists to particular destinations. In order to promote package tours, China must attract sufficient numbers of tour operators and obtain their help and cooperation. It is even more true to sell overseas destinations in a country like America, since most travelers consult with travel intermediaries before they make any decision on overseas travel. In the United States market, an Asia destination probably needs the support of the tour operators to be successful. Therefore, tour operators play an important role in deciding whether to include China in their overseas bookings.

#### STATEMENT OF THE PROBLEM

Based on the above discussion, some critical questions are raised. What are the reasons for the decline in U.S. travelers to China? Why did a significant number of U.S. travelers travel to East Asia but bypassed China? What are the major factors that might influence U.S. tour operators' actions concerning package tours to China?

It is not possible to answer these questions without investigating the image of China as a destination perceived by U.S. tour operators. In fact, the image of China as perceived by tour operators is the source of these questions for two reasons: First, U.S. tour operators play an important role in directing tourist flow to overseas destinations. Second, image of a destination in the eyes of tour operators has been proved as a very influential factor in the operator's decision to develop package tours (Reimer, 1990; Kim, 1987). Several previous studies have investigated travel agents' attitudes toward China after the Tiananmen Square incident and its impact on China's tourism image. In the investigation of U.S. travel agents, Roehl (1990) studied the shifts in travel agents' attitudes toward China after Tiananmen Square incident. Gartnar and Shen (1992) investigated the change of image before and after the Tiananmen Square incident as perceived by some United States citizens who were thought to be a prime target market by China. These two studies provided insights about the United States market of China's tourism, but they did not investigate tour operators' attitude toward China as a destination.

The tour operator industry, as an important element of international tourism, has likewise received little attention in tourism research. Research and analysis about package tours is even more scarce. Moreover, studies are rare on the role played by the image of a destination in developing package tours. This study helps to fill these gaps.

This study examines and analyzes the image of China as a destination as perceived by U.S. tour operators. Results of the analysis

should provide suggestions to improve marketing strategies in dealing with U.S. tour operators.

#### OBJECTIVES OF THE STUDY

The objective of this study is to:

Analyze the relationship between China's image as perceived by U.S. tour operators and tour operators' actions in developing package tours to China.

Additionally, this study is to:

1. Identify and analyze the strengths and weaknesses of China as a tourist destination as perceived by U.S. tour operators, and
2. Provide recommendations for improving marketing strategies that may motivate U.S. tour operators to act more positively in doing business with China.

#### RESEARCH HYPOTHESES

Specific research hypotheses related to the above objective are advanced and presented below.

Hypothesis 1:

It is hypothesized that there is a significant difference in the perception of China as a tourist destination between China packagers and non-China packagers.

Hypothesis 2:

It is hypothesized that significant differences exist in the perceptions of China as a tourist destination between visiting operators and non-visiting operators.

#### DEFINITION OF TERMS

Tour operator: The travel intermediary which puts together a tour and its components and sells the tour through his or her own company, through retail outlets, and/or through approved retail travel agencies (McIntosh and Goeldner, 1986). The terms packager, wholesale tour operator, tour operator, tour wholesaler, and wholesaler are often used interchangeably (Metelka, 1990).

Package tour: A round trip or circle tour performed in whole or part by air, organized by a tour organizer and offered to the public at a comprehensive published price including, besides air transport, accommodation for the duration of the trip, surface transport and, where appropriate, other amenities. A package tour is normally paid for before departure, is for a pre-determined period, and is to an announced destination or destinations (Pearce, 1989).

Image: The set of meanings by which an object is known and through which people describe, remember and relate to it (Chon 1990).

China packager: A U.S. tour operator who is doing tour business with China.

Non-China packager: A U.S. tour operator who is not doing business with China.

Visiting operator: A U.S. tour operator who has visited China.



Non-visiting operator: A U.S. tour operator who has not visited China.

#### DELIMITATIONS

This study will be delimited to tour operators as the survey sample. This study will not consider the general population in the United States. This study does not intend to analyze the tour operators' business in terms of profit and loss and the number of travelers handled. This study does not attempt to forecast the future flow of U.S. arrivals to China handled by U.S. tour operators.

## CHAPTER II

### LITERATURE REVIEW

#### INTRODUCTION

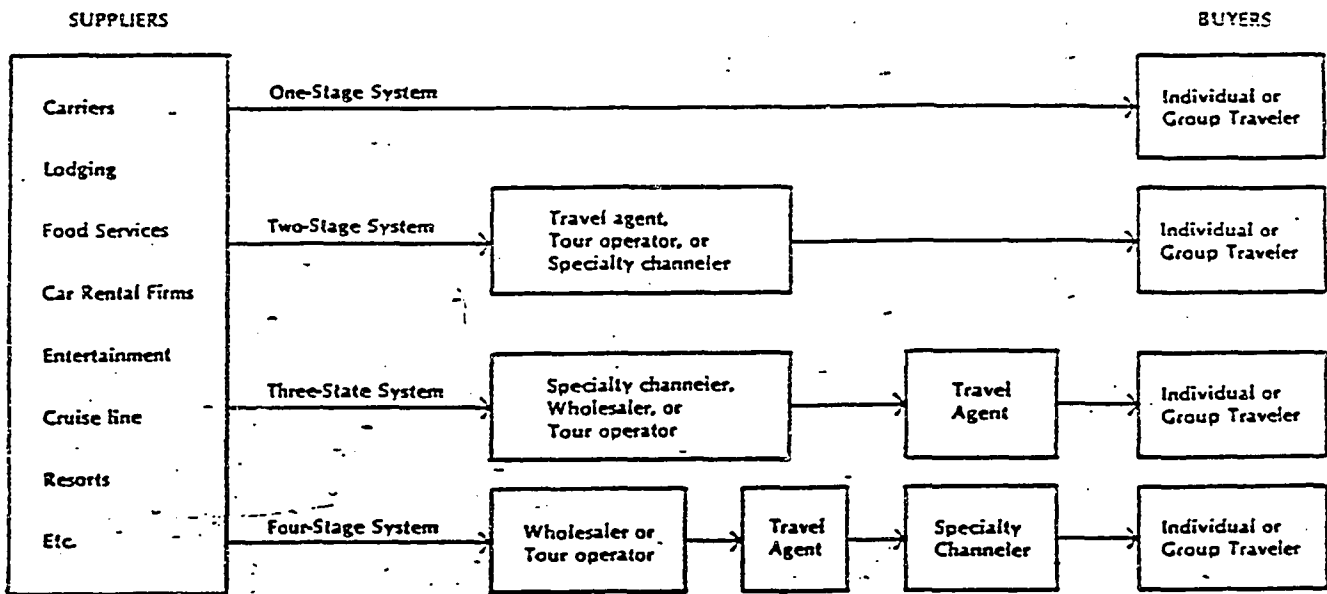
This chapter provides a review of the literature pertaining to the role of tour operators in overseas travel market, the importance of a destination image in operators' consideration in developing package tours, and China's current position in the United States tour market.

#### THE IMPORTANCE OF TOUR OPERATORS

One commonly accepted definition of "marketing" is "the process of moving goods and services from producers to consumers" (Gee, Choy & Makens, 1984). Like other basic industries, such as agriculture or manufacturing, the travel industry has its own system of distribution, that is the process of moving travel products and services from suppliers to ultimate consumers.

In The Travel Industry, Gee, Choy & Makens (1984) state that there are four types of travel sales distribution systems: one-stage distribution system, two-stage distribution system, three-stage distribution system, and four-stage distribution system (Figure 1). One-stage distribution system provides direct sales from primary suppliers of travel services to the travelers. Two-stage distribution system, three-stage distribution system, and four-stage distribution

FIGURE 1  
TRAVEL DISTRIBUTION SYSTEM



SOURCE: THE TRAVEL INDUSTRY (GEE, CHOY & MAKENS)

system involves travel intermediaries. The travel intermediaries distribute the travel products to the ultimate consumers. It should be noted that tour operators play critical roles in all three types of indirect distribution systems. Tour operators are especially a key link in three-stage and four-stage distribution system, because travel suppliers sell their products directly to tour operators, then tour operators distribute travel products to consumers through their retail outlets.

Burke and Resnick (1991), in their Marketing & Selling The Travel Product, state that travel products reach customers through travel distribution systems. The travel industry employs two basic systems for distribution travel products to consumers: direct distribution and indirect distribution. Direct distribution is the same as the one-stage distribution system discussed earlier. Indirect distribution is a combination of the two-stage, three-stage, and four-stage distribution system. Indirect distribution systems are the mainstay of the travel and tourism industry. Tour operators occupy an important position in indirect distribution. They can yield tremendous influence on the flow of travel products from the supplier to the consumer.

Mill and Morrison (1986) illustrate the importance and influence of tour operators in their The Tourism System. They contend that tour operators have a great deal of influence over destinations and have the ability to direct large number of tourists to particular destinations. This argument is supported by Burkart and Medlik (1989), who state that tour operators have shown themselves to be capable of generating very large volumes of tourist traffic.

Mill and Morrison (1986) further illustrate that if a country has made a decision to develop mass tourism, and if it has consequently built

the infrastructure and facilities to service these tourists, it must attract sufficient numbers of visitors to utilize and pay for the facilities. This type of country can become dependent on large tour operators who have the ability to sharply influence where the masses will vacation.

The San Francisco based Field Research Corporation (1985), cited by Kim (1987), reports in The Study of Potential U.S. Vacation Travelers to the Asia/Pacific Area that travel agents/tour operators see themselves as highly influential in the ultimate destination decision and that even when travelers have a specific destination in mind, they often discuss other alternatives. This study also reports that American people traveling to the Asia and Pacific destination are more likely to take group tours than they would otherwise.

Many countries operate tourist offices in major tourist generating countries in an effort to increase visitation. Mill and Morrison (1986) state that the roles of the tourist office abroad have changed in many ways over the past several decades. In the past a major function of a national tourist office was to distribute literature to potential tourists. As tour operators have grown in size and power and vertically integrated systems of distributions have been set up, tourist destinations have grown increasingly dependent on organized flows of tourists. This growing dependence on the travel trade has forced tourist offices to shift their marketing emphasis from appealing to independent travelers to promoting cooperation with the travel trade. Kim (1987) contends that most of tourist offices' promotional efforts are focused on tour operators to help them sell more package tours to their own countries because they recognize the important role of travel agents/tour operators in

influencing travelers, especially vacation travelers, in selecting their destinations.

## FACTORS CONSIDERED BY TOUR OPERATORS WHEN PACKAGING TOURS

There are many factors need to be considered when tour operators plan or design a package tour. Relly (1991) describes many factors considered by tour operators when developing package tours. These factors include: client preference, weather, special events, cost, accessibility, distance and geography, shopping, location and accommodations. Souto (1985) argues that flights, sightseeing, social activities, and special meals must be considered when packaging tours.

However, other researchers have explored additional factors that need to be considered in packaging tours. Reimer (1990) investigated Canada's tour operators who design, wholesale, and operate package tours out of Canada. In his study, he investigated the role of the Canadian tour packaging industry in the marketing of culturally derived images which motivated Canadians to travel abroad. Tour operators market a vacation image selected from an array of cultural concepts and attitudes of travel held by the tourist. Tour operators are characteristically profit-oriented communicators who relay information from the supplier-host to the consumer-guest. They are in control of the design of the final package. They design and modify their product according to the dreams they perceive consumers to have. To advertise a package holiday as a dream, tour operators select images from a set of alternatives established by a network of cultural categories and

principles involving, for example, time, space, and social status.

Operators package the image of trip and market it as a single basket--full of leisure experience. Image of different trips must be matched with each different social status, in order to satisfy traveler's needs. An individual may consume travel as one technique by which to demonstrate a particular, perhaps superior, lifestyle. Particular destinations and types of travel serve to distinguish between positions of status. Images of trips or destinations is a vital consideration when the operators package tours.

Kim (1987) completed an analysis of factors influencing U.S. tour operators to develop and sell package tours to Korea. He surveyed 241 U.S. tour operators for both motivating factors and discouraging factors. Those factors include profitability, customer demand, information availability, image of Korea, commissions, accessibility, cost, and accommodation. However, negative images of Korea was the most influential factor in discouraging the development of package tours to Korea. Once again, images of destinations as perceived by tour operators were proved to be a vital factor in developing package tours.

Images of destinations as perceived by tour operators not only influence operators' actions toward developing package tours, but are, in fact, a prerequisite of developing package tours. Evidence has shown that tour operators would not develop package tours to destinations with negative images, because operators think that their clients will share the same viewpoint. Comparing tourist destination' image as perceived by tourists with that of travel agents, Perry (1978) found no significant differences in attitude toward attributes considered important planning a foreign trip. In spite of the major differences in opinions, tourists and travel agents were found to have similar image of tourist destinations.

Images of a destination influence both the tourist who is deciding where to visit and the tour operator/travel agent who is making and recommending itineraries for clients.

#### THE ROLE OF DESTINATION IMAGE IN TRAVEL PURCHASING BEHAVIOR

Chon (1990) explains that an image is the set of meanings by which an object is known and through which people describe, remember, and relate to it. Crompton (1978) defines a destination image as the aggregate sum of beliefs, ideas, impressions, and expectations that a tourist has about a tourist destination area.

Gunn (1989) states that a destination image evolves at two levels. The first is called the organic image level and the second is called the induced image level. The organic images are the result of readers assimilation of material from newspaper, periodicals, geography books, and history books. The induced images are derived from a conscious effort to develop, promote, and advertise, such as magazine articles, guidebooks, travel tour packages, and television promotion. Gunn suggests that promotion has much to do with modification of an induced image rather than an organic image.

Mayo (1973) and Hunt (1975) were among the first to assert that a positive image will result in increased visitation. Mayo (1973) states that travelers generally do not have a great deal of knowledge about any area they have not previously visited. Nevertheless, in their minds they hold image of alternative destination areas. Comparing these images to the image of an "ideal" destination area--whether or not he thinks are really exists--leads the travelers to choose one destination that promise to

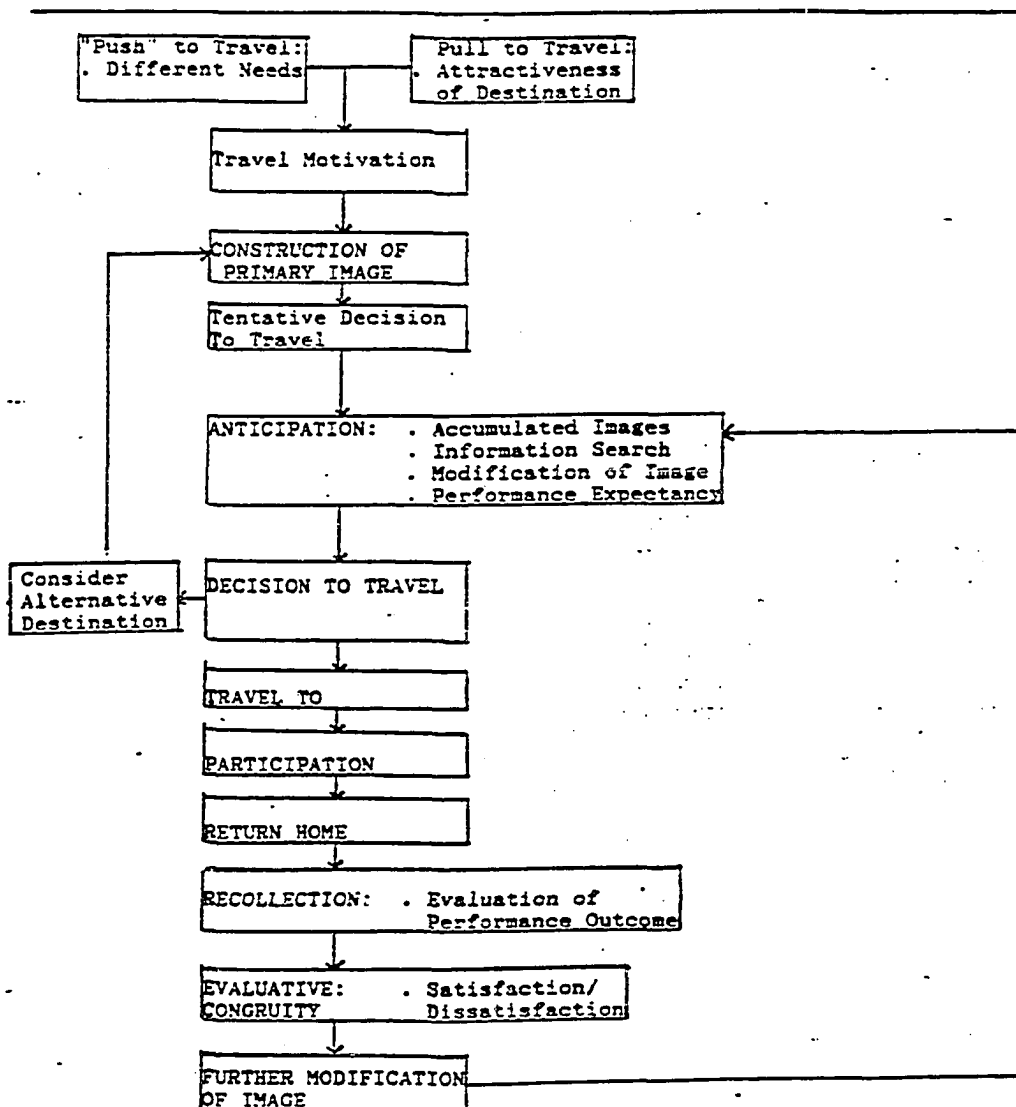


provide him with greatest amount of want--satisfaction. Hunt (1975) further argues that the images, beliefs, and promotions which individuals in the market have about a destination may have as much to do with an area's tourist development success as more tangible recreation and tourist resources. He rationalizes that this occurs because the decision maker, having very limited personal experience with the destination, acts upon his images, beliefs, and perceptions of destination rather than objective reality.

Gunn (1972) rationalizes a seven-step process of image involvement: 1.) accumulation; 2.) modification; 3.) decision; 4.) travel to attraction; 5.) participation; 6.) return travel; and 7.) new accumulation. The first step is to accumulate of mental images about a great number of vacation experiences. The second step is to modify those images by further information. Depending upon the strength of the original accumulation, these new impacts may alter or have no effect upon the image. The third step is to make a decision to travel. He suggests that these three steps are most important in one's travel purchasing process. He also states that man's image is generally very resistant to change once it is constructed.

Chon (1990) developed an integrated model of the relationship between destination image and traveler buying process (Figure 2). By using Maslow's "push" and "pull" theory, he explains that "push" factors of travel motivation are related to different needs to travel and "pull" factors of travel motivation are related to attractiveness of destination. Then he argues that a primary image of the destination is constructed at the point when the push and pull factors co-exist. The individual traveler's initial decision to travel to destination, which is a sum of two

FIGURE 2  
 RELATIONSHIP OF  
 DESTINATION IMAGE AND TRAVELER BUYING BEHAVIOR



SOURCE: THE ROLE OF DESTINATION IMAGE IN TOURISM: A REVIEW  
 AND DISCUSSION (CHON)

components: the traveler's perception of the attractiveness of outcomes related to his/her travel objectives; and the perceived beliefs and likelihood of accomplishing his/her needs and wants. Then traveler further modifies his/her accumulated images of destination through an information search process. The goodness or badness of the modified image of a destination will help determine his/her performance expectancy of the destination. Through these steps, individual traveler will make decision whether to travel to a particular destination.

A sufficient amount of tourism research have addressed the important role of destination image in travel buying behavior. These studies indicate that any destination wishing to develop mass tourism must consider the factor of image.

Chon (1987) analyzes the image change of Korea in the eyes of American travelers in conjunction with using Gunn's seven-step traveler behavior model. Gunn suggests that a tourist destination image changes over each of the seven steps of his model. In this study, the image perceived by travelers who have not been to Korea and travelers who had visited Korea was investigated. The findings reveal that significant differences exist in the perceptions of Korea as a tourist destination between U.S. travelers who have actually traveled in Korea and those who have not. Chon's study indicated that image can be changed as a result of visitation. This especially applies to international tourism, partly because travelers lack of information about remote destinations with different culture.

The extent to which tourists' perceptions of a destination change after a visit was investigated by Wee, Hakam and Ong (1985). They found that tourists form much more favorable impressions of a place after a

visit. Thus, previous experience is an important variable in understanding a destination tourism image.

Overall, destination image plays a very important role in travel purchasing behavior. But most literatures focus on analyzing destination image from the perspective of tour operators rather than tourists. As an important connection between destination and tourists, tour operators should be paid more attention on their perception of destination image, because they could yield a great deal influence on tourists' choices.

#### CHINA'S POSITION IN THE UNITED STATES TOUR MARKET

Gartner and Shen (1992) investigated the image change of China as a tourist destination before and after the Tiananmen Square incident. Their investigation concentrated on two major image components: attraction attributes and service-related attributes. Attraction attributes were divided into five categories: natural resources, historical, cultural, people, and man-made. The analysis of attraction attributes revealed that the mean score of almost all the 23 attraction attributes in 1990 was below those recorded in the 1989 study. However, only seven of the attraction attributes had significantly lower mean scores. This study indicated that China's most attractive tourism resource as perceived by respondents was historical attraction, while the least attractive was man-made attraction. Finally, this study revealed that overall image of attraction attributes held by respondents was still favorable.

The same analysis was conducted for the image of the 10 service-related attributes. The trend was negative, as the mean scores of all 10

service-related attributes were lower in 1990 than those recorded in 1989. Safety and security, Pleasant attitudes of service personnel, receptiveness of local people to tourists, and cleanliness of environment were all down significantly, indicating that respondents felt the China was less likely, after the Tiananmen Square incident, to provide the hospitality needed for a enjoyable visit.

Tisdell and Wen (1991) argued that the range and variety of tourist attractions in China might be less than in competing nearby countries. The mainstay of China's foreign tourism is its historical and natural resource attractions as well as its culture attractions, for some visitors. While it has significant attractions in these regards, nearby countries may offer a significant attractions in these regards, nearby countries may offer a similar range of attractions as well as night life, greater scope for outdoor recreation. Most tourists visit China to sightsee rather than to participate in recreational activities. Thus, it is less likely to generate repeat visits.

Roehl (1990) in a study on travel agents' attitudes toward China after Tiananmen Square incident, illustrated that most travel agents opposed boycotting travel to China. Instead, these agents expressed the opinion that travelers should be allowed to make an informed choice concerning travel to China. A majority of agents opposed breaking diplomatic relations with China, restricting travel or trade with China or cancelling social, cultural, and scientific programs with China. This study revealed travel industry's opinion toward China after Tiananmen Square incident.

These studies analyzed China's image from different perspectives, but none of them examined the image of China as a tourist destination

as perceived by tour operators. This indicated that the topic of tour operators' perception about China's image was under-researched.

## SUMMARY

This chapter has provided the review of literature on the role of U.S. tour operators in overseas travel market. This included the review of tourism product distribution system models of Gee, Choy and Maken (1984), Burke and Resnick (1991). These models of tourism product distribution system sufficiently indicate the importance of tour operators in travel sales distribution system. Related to these models, a review was made on the literature focusing on the importance of tour operators in international travel business (Mill and Morrison 1986, Burkert and Medlik 1989, Kim 1987). A review was made on literature which addresses the role of the destination image as a consideration of the tour operator in developing package tours (Reimer 1990, Kim 1987). Relatedly, a review was made on the role of destination image in travel purchasing behavior. This included a review on models of the relationship between destination image and travel buying behavior (Chon 1990, Gunn 1972). The review further focused on the destination image change as a result of visitation (Chon 1987, Wee, Hakam and Ong 1992). Finally, a review was made on the literature focusing on China's image as a tourist destination.

A review of the literature in tourism studies indicates that the topic of tour operators has been under-researched. Little research has been conducted to analyzed the destination image from the perspective of tour operators. Some empirical research studies which related to image were

conducted from perspectives of tour operators, but these studies did not concentrate on image as perceived by tour operators, since the image was only a part of their studies. For example, Kim (1987) investigated many factors which could influence U.S. tour operators' action concerning package tours to Korea, and image was only one of these factors.

The literature review poses some additional questions for future research. One of these questions is related to the relationship between destination image as perceived by tour operators and tour operators' actions concerning package tours. As reviewed in this chapter, destination image plays a critical role in travelers buying behavior. However, it is even more true that destination image influences both the tourist who is deciding where to visit and the tour operator who is making and recommending itineraries for clients.

Another question is about the destination image as perceived by tour operators. As reviewed in this chapter, significant differences exist in the image of a destination as perceived by tourists who have visited and those who have not visited that destination. Although this phenomenon applies to tourists, does the same phenomenon apply to tour operators?

Related to the above questions, research hypotheses are advanced and further discussed in the following chapter. A proposed research design is also discussed in the following chapter.

## CHAPTER III

### METHODOLOGY

#### INTRODUCTION

This chapter presents research framework, define research questions, and advance research hypotheses. Further, the research design, data collection methods and statistical analysis methods are discussed.

#### RESEARCH FRAMEWORK

This study is designed to explore China's image as a tourist destination as perceived by U.S. tour operators. Furthermore, it explores how China's image impacts U.S. tour operators' considerations in developing package tours to China. Specific question which this research is looking to answer is:

Is there a relationship of China's image as perceived by tour operators and tour operators' actions in developing package tours to China?

Additionally, this study seeks to:

1. Identify and analyze the strengths and weaknesses of China as a tourist destination as perceived by U.S. tour operators, and
2. Provide recommendations for improving marketing strategies that may motivate U.S. tour operators to act more positively in doing business with China.



Specific research hypotheses related to the above objectives are advanced and presented in the following section.

## RESEARCH HYPOTHESES

### Hypothesis 1:

It is hypothesized that there is a significant difference in the perception of China as a tourist destination between China packagers and non-China packagers.

This hypothesis is based on the belief that a tourist destination's image must be positive for a tour operator who packages the tour to that destination. If tour operators in the United States perceive China as a destination with a positive image, they will be willing to consider or to act positively to develop package tours to China because they think that public travelers will have the same perception. Most tour operators believe that they are highly influential in traveler's destination decision. If they think that China's image is positive, the prospect of developing package tour to China will be more optimistic.

### Hypothesis 2:

It is hypothesized that significant differences exist in the perceptions of China as a tourist destination between visiting operators and non-visiting operators.

This hypothesis is based on the previous literature review that significant differences exist in the image of a destination as perceived by tourists who have visited and those who have not visited that destination.

Image change as a result of visitation should apply to tour operators as well.

## RESEARCH DESIGN

This study was conducted using a descriptive research design. Descriptive research differs from exploratory research in that descriptive research tests defined hypotheses (Churchill 1983). The hypotheses which were advanced were tested by using a descriptive research design. The empirical testing of the hypotheses were implemented based on the research objectives through a survey research technique.

## SAMPLE DESIGN

There is no statistic for the number of tour operators in the United States. In a previous study, Kim (1987) found that there was no single organization embracing all of U.S. tour operators as its members. Tour operators were affiliated with several different travel trade or regional associations, such as the American Society of Travel Agents, United States Tour Operators Association, Pacific Asia Travel Association, etc. Kim further stated that the only way to obtain names and addresses was through industry directories.

Based on Kim's experience, this study followed the method of selecting survey sample used by Kim (1987). The names and addresses of tour operators who are selected as research population in this research were obtained from World Travel Directory (1992). There are two reasons of using World Travel Directory. First, it is the most convenient and

updated industry directory which researcher could obtain. Second, it lists around 1,950 U.S. tour operators who are engaged in international travel business. After comparing with other industry directories which researcher can reach, researcher believe that World Travel Directory would provide the most updated information and the largest list of tour operators.

This study used a stratified sampling technology. The key feature of stratified sampling is: 1) The parent population is divided into mutually exclusive and exhaustive subsets, and 2) A simple random sample of elements is chosen independently from each group or subset (Churchill, 1979).

The research population composed of the tour operators (1) who have no travel business relationship with China; (2) who have travel business relationship with China. In research population, 150 operators were selected from 450 tour operators who currently have travel business relationship with China. Another 150 operators were selected from remaining 1500 tour operators who have no travel business relationship with China. They were randomly selected by taking every  $n$  th operator in the list.

## SURVEY DESIGN

The mail survey questionnaire method was employed to collect data for this study from tour operators. In January 1993, mail-in questionnaire surveys were sent to 300 tour operators in the United States. A post-paid, self-addressed envelop was included in a packet with a cover letter explaining the nature of the study and asking for

cooperation in the study. One week after the initial mailing, a postcard reminder was mailed to them. Ten days after the reminder, a second mailing was sent to all those nonrespondents in order to increase response rate.

## THE QUESTIONNAIRE

The questionnaire consists of three parts. Part I focuses on the aspect of the respondent's perception toward China. The questionnaire items in this part are designed to measure the tour operator's perceived importance and performance in terms of 22-item functional attributes of China's tourism features. A five-point scale is used. These 22-item functional attributes of China's tourism features were selected based on a study by Gartner and Shen in 1992 (Table 5). There are two main image assessment sections. The first consists of five major attraction categories with a total of 12 attraction attributes. The five major attraction categories are natural, historical, cultural, people, and man-made resources. The second image-related section consists of 10 service-related attributes in China.

Part II of the questionnaire inquires general information concerning the respondents. Among items asked in part II, experience of visiting China and business relationship with China were used to test research hypotheses, business volume in term of annual revenue and the number of years of travel business

**TABLE 5****ATTRIBUTES OF CHINA'S TOURISM USED IN THE SURVEY**

- |                                 |   |
|---------------------------------|---|
| 1. Waters                       | 23. Convenient accommodations                 |
| 2. Mountains                    | 24. Quality of restaurants                    |
| 3. Gardens                      | 25. Cleanliness of environment                |
| 4. Parks                        | 26. Inland transportation                     |
| 5. Coastlines                   | 27. Reliability of reservation system         |
| 6. Ancient tombs                | 28. On time arrivals and departures           |
| 7. Ancient buildings            | 29. Pleasant attitudes of service personnel   |
| 8. Ancient temples              | 30. Receptiveness of local people to tourists |
| 9. Historical cities            | 31. Opportunity for rest and relaxation       |
| 10. Handicraft                  | 32. Safety and security                       |
| 11. Martial arts                |   |
| 12. Drama                       |   |
| 13. Food drink                  |   |
| 14. Traditional music and dance |   |
| 15. Way of living               |   |
| 16. Ethnic groups               |   |
| 17. Customs                     |   |
| 18. Rural countryside life      |   |
| 19. Museums                     |   |
| 20. Shopping                    |   |
| 21. Modern cityscape            |   |
| 22. Night life                  |   |

**SOURCE: THE IMPACT OF TIANANMEN SQUARE ON CHINA'S TOURISM  
IMAGE (GARTNER & SHEN)**

relationship with China were used for statistical analysis which could provide further insights about China's tourism. Part III is about cooperation needed to develop and sell package tours to China. This is an open-ended question.

#### PRE-TEST

A pre-test was conducted in several steps. The first draft of the questionnaire was circulated to 10 graduate students in the College of Hotel Administration at the University of Nevada, Las Vegas. The test provided an opportunity for face-to-face discussion relating to the clarity of directions, organizational format of the questionnaire, wording, and suggestions for change. Based on the feedback received from the above source, the questionnaire was revised. In addition, the revised questionnaire was sent to five faculty member in the same college. Based on the feedback from all of the above sources, the questionnaire was further modified. Finally, revisions were made in consultation with professors supervising this thesis.

#### NON-RESPONSE BIAS

In order to address possible non-response bias, the responses of the earlier respondents were compared with the responses of the later respondents. Armstrong and Overton (1977) suggest comparing late responses to those received earlier because late respondents are similar to non-respondents.

## DATA ANALYSIS

The data obtained from the questionnaires were numerically transcribed for statistical analysis. All analysis were conducted by means of the SPSS (Statistical Package for Social Sciences ) software package.

First, all the data gathered from the questionnaires were descriptively summarized and tabulated to characterize the response. Second, Importance-Performance Analysis was employed to identify the strengths and weaknesses of China as a tourist destination as perceived by U.S. tour operators. IPA considers both the perceived importance of China's attributes and performance on those attributes. The resulting data for each attribute was plotted on coordinate axes according to two mean scores: one for importance and one for performance . Third, for the testing of hypotheses 1 and 2, Chi- square tests were performed using the composite score of importance and performance measures as dependant variable. The significant level is set at the level of 0.05.

Finally, an open-ended question was used to obtain other comments or opinions on China's image as a destination. These were qualitatively summarized.

## SUMMARY

In this chapter the research framework was defined, and specific research hypotheses were described. Further, the research design, data collection methods, and statistical analysis methods were discussed. The results are presented in the following chapter.



## CHAPTER IV

### RESULTS AND DISCUSSION

#### INTRODUCTION

In the previous chapter, the methodology used to investigate the research questions was elaborated. In this chapter, the results of the research with regard to the data collected, statistical analyses, and hypotheses testing are presented. Finally, important findings related to research questions are presented.

#### DATA COLLECTED

As discussed in Chapter Three, the sample population in this study consisted of U.S. tour operators (1) who currently have travel business relationships with China; and (2) who do not have travel business relationships with China. A questionnaire was mailed to 300 tour operators. Additionally, a postcard reminder and a second mailing of the questionnaire was sent out to increase responses.

Of the 300 questionnaires mailed, 52 usable questionnaires and 19 undelivered questionnaires were returned during the period of 17 days after the first mailing. thirty-eight additional questionnaires were returned with 5 more undelivered questionnaire returns during the subsequent two weeks.

Overall, a total of 90 usable questionnaires were collected and 24 undelivered questionnaires were returned. This represents a response rate of 33% (Table 6).

**TABLE 6**  
**EFFECTIVE QUESTIONNAIRES DISTRIBUTION AND RETURN**

	<u>Number</u>	<u>Percent</u>
Total Population	300	100.0
less non-delivered	24	8.0
Total population	276	100.0
Total usable response	90	33.0

#### NON-RESPONSE BIAS

In the previous literature, the comparison between the responses of the earlier respondents and the responses of the later respondents was recommended for the purpose of addressing possible non-response bias (Armstrong and Overton, 1977). A total of 52 usable responses were returned within 17 days of the initial mailing. After the return of the first 52 responses, there was an interval of approximately seven days that the researcher did not receive any returned questionnaires probably because the second mailing had not reached respondents. The number of usable responses received after that interval was 38, thus making it convenient to compare the responses in two groups for a non-response test.

Person's Chi-square analysis was the statistic used for the test of non-response bias. A frequency table was generated for all of the measurement variables for the testing of variance. When the responses of the first 52 respondents were compared with those of the second 38

respondents on each of the variables measured, a significant difference (at  $p < 0.05$ ) was noted only on the three variables summarized in Table 7.

**Table 7**  
**DIFFERENCES BETWEEN EARLY RESPONDENTS AND LATE**  
**RESPONDENTS**

<u>Questionnaire item with different results</u>	<u>Chi-</u> <u>square</u>	<u>P</u>
Part I Performance of "water" in China	9.77	0.04*
Part I Performance of "reliability of reservation system" in China	11.25	0.02*
Part I Performance of "safety and security" in China	14.57	0.005*

Note: \* significant at 0.05 level.

Chi-square statistics do not provide a directional relationship as associated with significant differences. When the frequency tables were examined, it was apparent that:

Regarding the difference with respect to performance on "waters," 65.8 percent of the second group said "good" or "very good" while 18.4 percent said "average," and 50 percent of first group said "good" or "very good" while 46.2 percent said "average." The mean score of second group (3.84) was higher than that (3.70) of the first group. The second group generally showed a more favorable response.

Regarding the difference with respect to performance of "reliability of reservation system," 55.8 percent of the first group said "poor" or "very

poor" while 25 percent said "average." Thirty nine point five percent of the second group said "poor" or "very poor" while 36.8 percent said "average." The mean score (2.76) of second group was higher than that (2.54) of the first group. The second group generally showed a more favorable responses.

Regarding the difference with respect to performance on "safety and security," 19.2 percent of the first group said "poor" or "very poor" while 26.9 percent said "average." Only 13.2 percent of the second group said "poor" or "very poor" while 34.2 percent said "average." The mean score (3.62) of second group was higher than that (3.48) of the first group. The second group showed a more favorable response.

Because a significant difference was noted on only three of total 44 variables, it could be said that there were no non-response bias in this study.

## RESPONDENTS PROFILE

### 1. Visiting experience to China

To the question regarding if a respondent had visited China, 60 respondents, or 66.7 percent, of those who returned the questionnaire reported that they had visited China, while 30 respondents, or 33.3 percent, reported that they had not visited China (Table 8).

**TABLE 8**  
**DISTRIBUTION OF TOUR OPERATORS' VISITING EXPERIENCE**

	<u>Frequency</u>	<u>Percent</u>
Had visited China	60	66.7
Had not visited China	30	33.3
Total	90	100.0

Of the 60 respondents who had visited China, 39, or 65 percent, were making package tours to China, while 21, or 35 percent were not making package tours to China. Of the 30 respondents who had not visited China, 11, or 36.7 percent, replied that they were making package tours to China, while 19, or 63.3 percent, replied that they were not (Table 9). Through testing by Person's Chi-square test, one can find that there is a significant relationship between visiting experience and business relationship. It is important to note that more visitations were reported among respondents who were doing business with China and fewer visitation, among respondents who were not doing business with China.

**TABLE 9**  
**RELATIONSHIP BETWEEN VISITING EXPERIENCE AND BUSINESS RELATIONSHIP**  
**WITH CHINA**

<u>Business</u> <u>relationship</u>	<u>Visiting</u> <u>experience</u>		<u>No</u>	
	<u>Yes</u>	<u>No</u>	<u>Number</u>	<u>Percent</u>
<u>Yes</u>	39	65.0 %	11	36.7 %
<u>No</u>	21	35.0 %	19	63.3 %
<u>Total</u>	60	100.0 %	30	100.0 %
<u>Chi-square</u>	6.50			
<u>P</u>	0.01*			

Note: \* significant at 0.01 level.

## 2. The year of respondents' last visit to China

The year of respondents' last visit to China ranged from 1980 to 1993. Fifteen respondents visited China in 1992, only one respondent visited in 1980. None reported that he/she had visited China before 1980. This was probably because China did not make much effort to develop the tourism industry before 1980. Of the 60 respondents who had visited China, 42, or 70 percent, visited China between 1987 and 1993; 18, or 30 percent, visited China between 1980 and 1986 (Table 10). It is interesting to note that U.S. arrivals to China declined annually from 1987. As discussed in Chapter I, most U.S. tourists to Asia were group travelers. Thus, the number of U.S. arrivals to China had a close connection with efforts made by U.S. tour operators. With the increased

visits to China by U.S. tour operators, why did the U.S. tourist arrivals to China decline?

**TABLE 10**  
**DISTRIBUTION OF YEAR OF VISIT**

<u>Year</u>	<u>Frequency</u>	<u>Percent</u>
1980	1	1.67 %
1981	2	3.33 %
1982	2	3.33 %
1984	4	6.67 %
1985	7	11.66 %
1986	2	3.33 %
1987	6	10.00 %
1988	5	8.33 %
1989	5	8.33 %
1990	5	8.33 %
1991	4	6.67 %
1992	15	25.00 %
1993	2	3.33 %
Total	60	100.00 %

### 3. Business relationship with China

To the question regarding if a respondent was making package tours to China, 50, or 55.6 percent of those who returned the questionnaire replied that they were making package tours to China, while 40, or 44.4 percent reported that they were not (Table 11).

**TABLE 11**  
**DISTRIBUTION OF TOUR OPERATORS' BUSINESS RELATIONSHIP**

	<u>Frequency</u>	<u>Percent</u>
<u>Have business with China</u>	50	55.6 %
<u>Have no business with China</u>	40	44.4 %
<u>Total</u>	90	100.0 %

Of the 50 respondents who were making package tours to China, 39, or 78 percent had visited China, while 11, or 22 percent had not visited China. Of the 40 respondents who are not making package tour to China, 11, or 27.5 percent, reported that they had visited China, while 29, or 72.5 percent reported that they had not (Table 12).

**TABLE 12**

**RELATIONSHIP BETWEEN BUSINESS RELATIONSHIP WITH CHINA AND VISITING EXPERIENCE**

<u>Business relationship</u>	<u>Visiting experience</u>		<u>No</u>		<u>Total</u>	
	<u>Yes</u>	<u>No</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Yes</u>	39	78.0 %	11	22.0 %	50	100.0%
<u>No</u>	11	27.5%	29	72.5 %	40	100.0%
<u>Chi-Square</u>	22.95					
<u>P</u>	0.000*					

Note: \* significant at 0.001 level.

The result of Chi-square test on this relationship indicates that there is a significant relationship between business relationship with China and visiting experience. It is interesting to note that more tour operators among respondents who had visited China maintained business relationship with China. Fewer tour operators among respondents who had not visited China maintained business relationship.

#### 4. Years of business with China

Of the 50 respondents who were making package tours to China, 27, or 54 percent, replied that they had maintained business relationship with China for more than 10 years. Thirteen, or 26 percent replied that



they had business relationship for more than five years but less than 10 years. Seven, or 14 percent of respondents replied that they had business relationship with China more than two years but less than five years (Table 13). Respondents who reported that they had maintained business relationship with China less than two years numbered three, or six percent. More than half had business relationship with China for more than ten years. It indicated that newcomers did not find it easy to establish business with China and that China did not successfully attract more U.S. tour operators to do business with her.

**TABLE 13**

**DISTRIBUTION OF YEARS OF BUSINESS WITH CHINA**

	<u>Frequency</u>	<u>Percent</u>
<u>Less than 2 years</u>	3	6 %
<u>More than 2 but less than 5 years</u>	7	14 %
<u>More than 5 but less than 10 years</u>	13	26 %
<u>More than 10 years</u>	27	54 %
<u>Total</u>	50	100 %

#### 5. Sales volume

Thirty-eight, or 42.2 percent of the 90 respondents who returned the questionnaire, reported that their total revenue in 1991 was under 3 million, while 28, or 31.1 percent, replied 3-7 million. The respondents who reported that their total revenue in 1991 was over 7 million numbered 24, or 26.7 percent of total respondents (Table 14).

**TABLE 14**  
**DISTRIBUTION OF SALES VOLUME**

	<u>Frequency</u>	<u>Percent</u>
<u>Less than 3 millions</u>	38	42.2%
<u>3-7 millions</u>	28	31.1%
<u>More than 7 millions</u>	24	26.7%
<u>Total</u>	90	100.0%

Of the 38 tour operators whose total revenue in 1991 was under three million, 20, or 52.6 percent, had business relationship with China. Of the 28 tour operators whose total revenue in 1991 was three to seven million, 16 or 57.1 percent, had business relationship with China. Of the 24 tour operators whose total revenue in 1991 was over seven million, 14 or 58.3 percent, had business relationship with China (Table 15). The result of Chi-square test indicates that there is no significant relationship between sales volume and business relationship with China.

**TABLE 15**  
**RELATIONSHIP BETWEEN SALES VOLUME AND BUSINESS RELATIONSHIP WITH**  
**CHINA**

<u>Business</u> <u>relation</u>	<u>Yes</u>		<u>No</u>		<u>Total</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
<u>Less than 3 millions</u>	20	52.6	18	47.4	38	100.0
<u>3-7 millions</u>	16	57.1	12	42.9	28	100.0
<u>More than 7 millions</u>	14	58.3	10	41.7	24	100.0
<u>Chi-square</u>	0.24					
<u>P</u>	0.89					

## IMPORTANCE AND PERFORMANCE ANALYSIS

Table 16 shows mean scores of the importance and the performance of 22 China's tourism attributes. The five most important attributes for the respondents were safety and security, pleasant attitudes of service personnel, reliability of reservation system, cleanliness of environment, and receptiveness of local people to tourists. The five most important attributes were service-related attributes. It indicated that tour operators put great emphasis on service. The five least important features were martial arts, drama, opportunity for rest relaxation, shopping, and traditional music and dance. Four of the five least important attributes were attraction attributes.

The attributes on which China had the highest perceived performance ratings were ancient tombs, ancient buildings, traditional music and dance, mountains, and waters. The five highest performance attributes were attraction attributes. The five attributes with the lowest performance ratings were reliability of reservation system, on time arrivals and departures, inland transportation, cleanliness of environment, and pleasant attitudes of service personnel. The five lowest performance attributes were service-related attributes. It is important to note that all the five

**TABLE 16**  
**MEAN SCORE OF THE IMPORTANCE AND PERFORMANCE OF CHINA'S TOURISM**  
**ATTRIBUTES**

<u>China's tourism attributes</u>	<u>Importance</u>	<u>Performance</u>
1. Ancient tombs	4.03	4.04
2. Ancient buildings	4.16	4.01
3. Martial arts	2.62	3.47
4. Drama	3.00	3.51
5. Chinese cuisine	3.83	3.60
6. Traditional music and dance	3.81	3.84
7. Waters	3.87	3.75
8. Mountains	4.03	3.80
9. Museums	3.94	3.74
10. Shopping	3.73	3.51
11. Way of living	4.26	3.50
12. Customs	4.30	3.66
13. Convenient accommodation	4.46	3.52
14. Quality of restaurant	4.50	3.16
15. Cleanliness of environment	4.67	2.89
16. Inland transportation	4.47	2.82
17. Reliability of reservation system	4.68	2.63
18. Pleasant attitude of service personnel	4.72	3.14
19. Receptiveness of local people to tourists	4.52	3.53
20. Opportunity for rest and relaxation	3.71	3.23
21. Safety and security	4.73	3.54
22. On time arrivals and departures	4.41	2.74

Note:

Respondents rated importance attributes on a Likert scale of "5-Very Important" to "1-Not at all important" and performance attributes on a scale of "5-Very Good" to "1-Very Poor."

most important attributes do not have the highest performance and all the five least important attributes do not have the lowest performance. It is more illuminating to view the results on the IPA grid, as shown in Exhibit 1. Because the median scores represent the middle point of responses, it is reasonable to use the median as the cut-off point for the four quadrants on the IPA grid. Therefore, the median score for the overall importance scale (4.21) and the overall performance scale (3.59) is used as the cut-off points for the IPA grid.

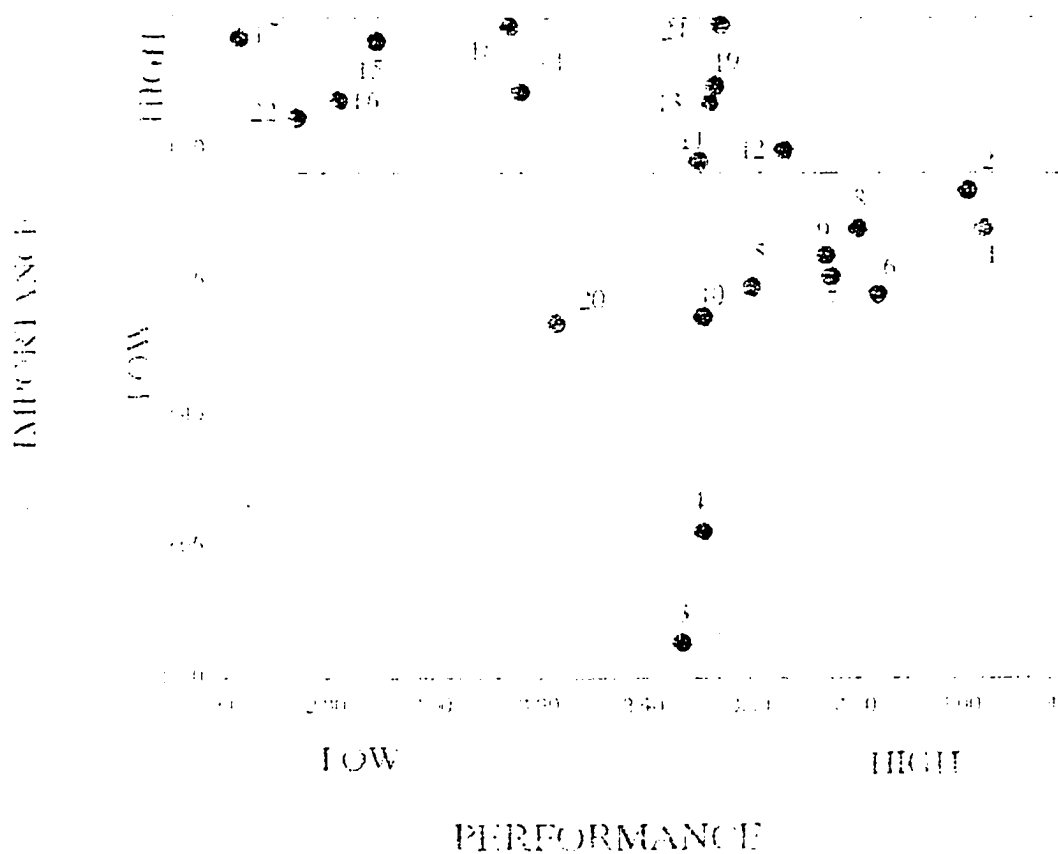
Of the 22 China tourism attributes, only one, "customs" of China, is located firmly in quadrant II, indicating high priority and high performance. Two attributes of high importance --"safety and security" and "receptiveness of local people to tourist,"--also fall on quadrant II and in the location of indifferent performance, on the border of quadrant I and II.

Tourism attributes falling into quadrant II are perceived to be very important to the tour operators. At the same time, the performance levels are very high from tour operators' perception. It indicates that China should keep up the good work, stress and emphasize these attributes in its marketing strategy.

Having 5,000 years civilization history and 56 ethnic groups, the customs of China are very rich and diversified. Many of customs have never been seen and thought by Western tourists. Due to cultural difference, those customs have great attractions to U.S. tourists. In recent years, China have been holding several minority ethnic group festivals which emphasized their particular and interesting customs to international travelers. China should continue

## EXHIBIT 1

## IMPORTANCE AND PERFORMANCE ANALYSIS GRID



## Note:

## CHINA TOURISM ATTRIBUTES KEY

1. Ancient tombs 2. Ancient buildings 3. Martial arts 4. Drama

5. Chinese cuisine 6. Traditional music and dance 7. Waters

8. Mountains 9. Museums 10. Shopping 11. Way of living

12. Customs 13. Convenient accommodations 14. Quality of restaurant 15.

Cleanliness of environment 16. Inland transportation

17. Reliability of reservation system 18. Pleasant attitude of service personnel 19.

Receptiveness of local people to tourists

20. Opportunity for rest relaxation 21. safety and security

22. On time arrivals and departures

Respondents rated importance attributes on a Likert scale of "5-Very Important" to "1-Not at all Important" and performance attributes on a scale of "5-Very Good" to "1-Very Poor."

efforts to advertise the highly diversified customs in order to assist tour operators to promote travel to China.

Safety and security was a serious problem for U.S. tour operators after the Tiananmen Square incident. Tour operators were not willing to arrange trips to an unsafe destination. Safety and security is an important consideration for both tour operators and tourists. The results of this survey indicate that the performance level of safety and security is high. Tour operators do not worry about safety and security in China. Within a short time after the Tiananmen Square incident, China tourism authority invited many foreign tour operators to China to inspect the tourism environment. China guaranteed that China was a safe place for foreign travelers to travel. This action did generate a positive influence. This reflects that image can be changed based on China's hard work. The high performance of "receptiveness of local people to tourist" indicates that Chinese people are friendly to foreign tourists. China should design advertisements emphasizing friendly local people while showing its attractions. These three tourism attributes were the strengths of the China's tourism.

Eight attributes are located in quadrant I-(1) "way of living;" (2) "convenient accommodations;" (3) "quality of restaurants;"(4) "cleanliness of environment;" (5) "inland transportation;" (6) "reliability of reservation system;" (7) "pleasant attitudes of service personnel;" and (8) "on time arrivals and departures." Tourism attributes falling into quadrant I are perceived to be very important to the tour operators, but performance level are perceived to be very low. This quadrant identifies the weakness of China's tourism.



Tour operators perceive that the way of living of Chinese people is important to see, because the lifestyle of orientals is very different from the lifestyle of occidentals. People in developed Western countries like the United States and people in developing oriental countries like China live very differently. People in United States probably would not be excited upon seeing super-high modern buildings like Sears Tower or crossed freeway bridges in any major city, but they would feel excited and curious when they see the daily life of Tibetan herdsman or peasants in China's remote areas. Today, travel is no longer restricted to scenery sightseeing only. To see a different way of living has become a great motivation to travel. The low performance on this attribute is probably because China does not realize the importance of "way of living" as an attraction.

Zhao (1989) stated that hotels are overbuilt in major tourist cities in China, but tour operators do not perceive that accommodation in China is convenient. Lack of middle-priced clean hotels is one reason. Too many luxury, business hotels have been built by China and international hotel chains like Sheraton, Hyatt etc. However, not everybody is willing to or can afford to stay in luxury business hotels.

Another reason for the low performance on convenient accommodation could be the indifferent service provided by hotel service personnel. Due to the short history of hotel operation in China, the customer service concept was not well understood and service personnel were not well trained. Although this situation has improved in recent years, tour operators still are not satisfied.

The low performance of restaurants is probably because of the low quality of restaurants outside hotels. Some respondents wrote complaints about restaurants outside hotels in part III of this survey.

Usually group travelers in China were arranged having lunches and dinners in restaurants outside hotels because of convenience and low cost. Those restaurants were not as clean as restaurants in hotels, and their service personal can not communicate with guests in English as well as their counterparts in restaurants inside hotels.

With the increasing concerns of people in United States about environmental protection, the unclean environment of China will become a drawback to the development of China's tourism. China is getting more polluted because more manufacturing factories is establishing. No matter how beautiful China is, or how good the service is, tourists can not have a enjoyable visit without a clean environment, .

Inland transportation has been greatly improved in conjunction with the tourism boom in China (Zhang, 1989), but it still can not match the development of tourism. Aircraft is one of the major inland transportation tools for international travelers. Complaints about domestic airline's frequent delays, cancellations and rude attitude of crews appear frequently in newspaper. During peak periods, it is very difficult for tour operators to book an airline ticket. If this problem is not solved, tour operators will not be encouraged to promote travel to China.

Except for properties of some international hotel chains which use their chain's reservation systems, most hotels in China make reservations independently. Overbooking always happens during peak periods. It is difficult for U.S. tour operators to deal with each individual hotel in the different cities. Thus, the performance on "reliability of reservation system" is low. A national hotel reservation system has been utilized in many other countries for several years. Foreign tour operators consider this a convenient way to make reservations. Without this

cooperation, it is hard to ask tour operators to sell package tours to China.

Service personnel is the most important element of the tourism industry. No machine will ever be able to replace a cheery smile and a sincere "May I help you?" Professional training plays a very important role in generating pleasant attitudes of service personnel. The low performance on "pleasant attitudes of service personnel" indicates that the professional training of China's service personnel is not adequate. Sometimes, service attitude is even more important than service skill.

China needs to allocate more budget for and concentrate more efforts to improve these weaknesses in order for better cooperation with U.S. tour operators to promote travel to China.

Four attributes are located in quadrant III: (1) "opportunity for rest and relaxation;" (2) "shopping;" (3) "drama;" and (4) "martial arts." Tourism attributes falling into this quadrant are perceived by tour operators to be both low in importance and low in performance. "Martial arts" received the lowest score in importance, indicating that tour operators did not care how good Chinese martial arts was. Since Hong Kong has been well known as "paradise of shopping" for a long time, it is understandable that both the importance and performance of "shopping" are low. China's drama is difficult for foreigners to understand because of culture and language differences. Tour operators do not perceive that U.S. tourists travel to China in search of opportunities for rest and China can provide opportunities for rest. Although performance are low in these attributes, China should not overly concerned because these attributes are not perceived to be important. China should limit the resources expended on these low priority attributes. In advertising campaigns,

these attributes should be eliminated so that the budget saved by that elimination can be shifted to enhance strengths and overcome weaknesses.

Six attributes fall into quadrant IV: (1) "ancient tombs;" (2) "ancient buildings;"(3) "Chinese cuisine;" (4) "traditional dance and music;" (5) "waters;" and (6) "mountains." Attributes falling into this quadrant are perceived to be low in importance to tour operators, but high in performance level. Spectacular size and excellent workmanship of ancient tombs and buildings, delicious and colorful Chinese cuisine, interesting traditional dance and music, and beautiful waters are not perceived by tour operators to be very important. China might consider shifting some effort in order to prevent possible overkill. Budget maybe reallocated from attributes in quadrant IV to those in quadrant I.

## EXAMINING SEGMENTS

An examination of four different segments of U.S. tour operators in this study uncovered some differences in the perceptions of importance and performance (Table 17). These four segments are: 1) China packagers; 2) non-China packagers; 3) visiting packagers; and 4) non-visiting packagers. As shown by Exhibit 2, the differences were examined quadrant by quadrant.

As explained earlier, attributes falling into quadrant I of IPA grid are important to the respondents, but performance levels are fairly low. Respondents from all four segments placed six attributes in this quadrant-namely, 1) "quality of restaurants;" 2) "cleanliness of environment;" 3) "inland transportation;" 4) "reliability of reservation

system;" 5) "pleasant attitudes of service personnel;" and 6) "on time arrivals and departures." For three of the segments (China packagers, Non- China packagers, and visiting packagers), "way of living" was another attribute in this quadrant. China packagers and visiting packagers, also put "receptiveness of local people to tourists" into this quadrant. Non-China packagers and non-visiting packagers added "convenient accommodations" to the quadrant I, while non-visiting packagers also placed "safety and security" in quadrant I.

The respondents from the four segments disagreed considerably on the important attributes on which China performs well, found in quadrant II. "Customs" was the only attribute placed in quadrant II by respondents from all four segments. Visiting packagers, non-visiting packagers, and non-China packagers put "receptiveness of local people to tourists" in this quadrant, while "safety and security" was added to quadrant II by China packagers, non-China packagers, and visiting packagers. China packagers agreed with visiting packagers on "convenient accommodations," while non-China packagers had a similar perception to non-visiting packagers on "ancient buildings."

**TABLE 17**  
**MEAN SCORES OF THE IMPORTANCE AND PERFORMANCE OF CHINA'S TOURISM**  
**ATTRIBUTES BY FOUR SEGMENTS**

<u>China's tourism attributes</u>	<u>IMPORTANCE</u>			
	<u>Seg1</u>	<u>Seg2</u>	<u>Seg3</u>	<u>Seg4</u>
1. Ancient tombs	4.00	4.08	4.08	3.93
2. Ancient buildings	4.06	4.27	4.13	4.20
3. Martial arts	2.82	2.38	2.78	2.30
4. Drama	3.06	2.92	2.98	3.03
5. Chinese cuisine	3.94	3.70	3.98	3.53
6. Traditional music and dance	3.92	3.68	3.85	3.73
7. Waters	3.94	3.78	3.90	3.80
8. Mountains	4.12	3.93	4.10	3.90
9. Museums	3.98	3.90	4.00	3.83
10. Shopping	3.82	3.63	3.83	3.53
11. Way of living	4.20	4.33	4.39	4.00
12. Customs	4.22	4.38	4.39	4.10
13. Convenient accommodation	4.35	4.60	4.49	4.40
14. Quality of restaurant	4.36	4.68	4.47	4.57
15. Cleanliness of environment	4.56	4.82	4.65	4.70
16. Inland transportation	4.44	4.54	4.48	4.43
17. Reliability of reservation system	4.66	4.70	4.68	4.67
18. Pleasant attitude of service personnel	4.72	4.73	4.70	4.77
19. Receptiveness of local people to tourists	4.44	4.63	4.47	4.63
20. Opportunity for rest and relaxation	3.72	3.70	3.63	3.86
21. Safety and security	4.66	4.82	4.72	4.77
22. On time arrivals and departures	4.44	4.37	4.47	4.30

Note:

Seg1: China packagers

Seg2: Non-China packagers

Seg3: Visiting packagers

Seg4: Non-visiting packagers

Respondents rated importance attributes on a Likert scale of "5-Very Important" to "1-Not at all Important" and performance attributes on a scale of "5-Very Good" to "1-Very Poor."

<u>China's tourism attributes</u>	<u>PERFORMANCE</u>			
	<u>Seg1</u>	<u>Seg2</u>	<u>Seg3</u>	<u>Seg4</u>
1. Ancient tombs	3.96	4.15	4.00	4.13
2. Ancient buildings	3.90	4.15	3.93	4.17
3. Martial arts	3.56	3.35	3.57	3.27
4. Drama	3.46	3.58	3.45	3.63
5. Chinese cuisine	3.48	3.74	3.58	3.62
6. Traditional music and dance	3.82	3.87	3.88	3.76
7. Waters	3.68	3.82	3.68	3.86
8. Mountains	3.68	3.97	3.81	3.79
9. Museums	3.60	3.92	3.68	3.86
10. Shopping	3.46	3.58	3.45	3.64
11. Way of living	3.50	3.48	3.52	3.43
12. Customs	3.62	3.70	3.67	3.63
13. Convenient accommodation	3.60	3.41	3.60	3.34
14. Quality of restaurant	3.02	3.33	3.11	3.24
15. Cleanliness of environment	3.20	3.03	2.82	3.04
16. Inland transportation	2.78	2.89	2.81	2.82
17. Reliability of reservation system	2.36	2.97	2.53	2.83
18. Pleasant attitude of service personnel	2.96	3.36	3.03	3.34
19. Receptiveness of local people to tourists	3.52	3.53	3.55	3.48
20. Opportunity for rest and relaxation	3.28	3.15	3.25	3.17
21. Safety and security	3.56	3.51	3.68	3.24
22. On time arrivals and departures	2.42	3.15	2.63	2.96

Note:

Seg1: China packagers

Seg2: Non-China packagers

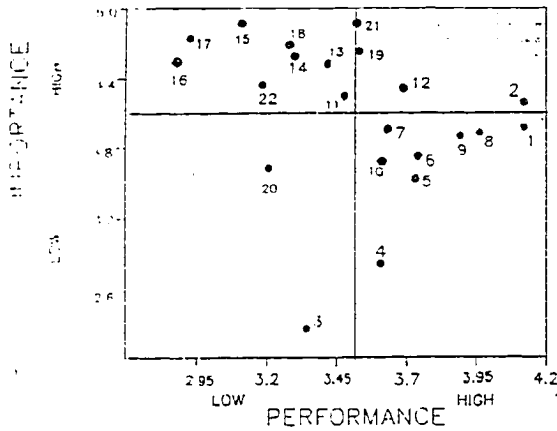
Seg3: Visiting packagers

Seg4: Non-visiting packagers

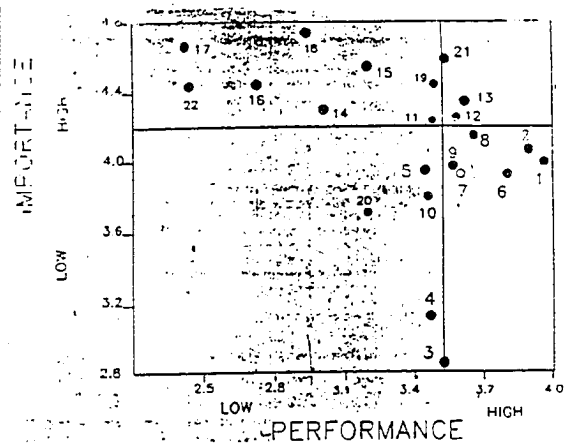
Respondents rated importance attributes on a Likert scale of "5-Very Important" to "1-Not at all Important" and performance attributes on a scale of "5-Very Good" to "1-Very Poor."

**EXHIBIT 2  
IMPORTANCE AND PERFORMANCE ANALYSIS GRID II**

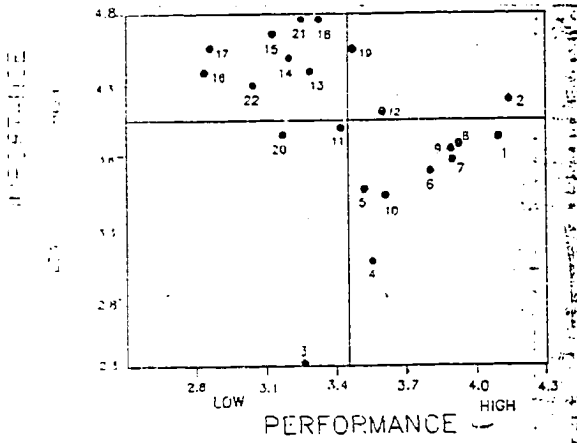
**Non-China packagers**



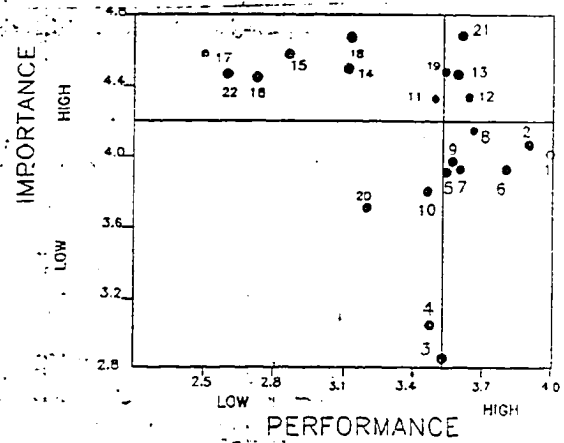
**China packagers**



**Non-visiting operators**



**Visiting operators**



Note:

**CHINA TOURISM ATTRIBUTES KEY**

- 1. Ancient tombs 2. Ancient buildings 3. Martial arts 4. Drama
- 5. Chinese cuisine 6. Traditional music and dance 7. Waters
- 8. Mountains 9. Museums 10. Shopping 11. Way of living
- 12. Customs 13. Convenient accommodations 14. Quality of restaurant 15. Cleanliness of environment 16. Inland transportation
- 17. Reliability of reservation system 18. Pleasant attitude of service personnel 19. Receptiveness of local people to tourists
- 20. Opportunity for rest relaxation 21. safety and security
- 22. On time arrivals and departures



If all respondents agreed on the attributes located in quadrant III, they might easily be forgotten. Differences in this part of the analysis, involved attributes having low performance and low importance. Only one attribute, "opportunity for rest and relaxation," was on every one's list of unimportant attributes that China performs poorly. In the near future, China will not be a place which can provide its visitors an opportunity for relaxation, but its visitors will not looking for this there. Except for respondents of China packagers, the respondents of the other three segments agreed that "martial arts" had low importance and "drama." China packagers also added "Chinese cuisine" to the quadrant III attributes. "Way of living" was placed in this quadrant by non-visiting packagers.

Few items fell into quadrant IV, which is where the attributes of low importance and high performance reside. Respondents in all four segments placed five attributes in this quadrant-namely, 1) "ancient tombs;" 2) "traditional music and dance;" 3) "waters;" 4) "mountains;" and 5) "museums." Except for China packagers, "Chinese cuisine" appeared on everyone's list of unimportant attribute which China performed well. Non-China packagers and non-visiting packagers had exactly same list in this quadrant, both of them added "drama" and "shopping" to quadrant IV. China packagers agreed with visiting packagers on "ancient buildings," but instead of "Chinese cuisine," China packagers put "martial arts" in quadrant IV.

The results of this survey indicate that tour operators see China as being strong in customs, receptiveness of local people to tourists, and safety and security. But the results of analysis by different segments of

U.S. tour operators showed some differences in their perception about China. China should pay attention to these differences. Consequently, China should use different marketing and promotional strategies for each of the four segments in order to maximize the effectiveness of the marketing activities.

#### HYPOTHESES TESTING

Hypothesis 1: It is hypothesized that there is a significant difference in the perception of China as a tourist destination between China packagers and non-China packagers.

With respect to the testing of the above research hypothesis, a Chi-square test was employed to test whether there is a significant difference between the two groups divided by certain criteria.

As Table 18 shown, among tour operators' perception on importance of 22 China's tourism attributes, a significant difference (at  $p < 0.05$ ) is found on two attributes--"waters" and "cleanliness of environment"-- between China packagers and non-China packagers.

China packagers perceived the importance of "waters" significantly different from non-China packagers. It is noted that the mean score (3.90) of perception toward this attribute of China packagers is higher than that (3.73) of non-China packagers. China packager generally showed more concerns about this attribute. This might be because "waters" like the Yantze River is one sightseeing item in tours arranged by China packagers.

A significant difference exists in perception of the importance of "cleanliness of environment" between China packagers and non-China

packagers. The mean score (4.54) of perception of China packagers is lower than it (4.83), of non-China packagers, indicating that non-China packagers perceive "cleanliness of environment" as a more important attribute.

**Table 18**

**DIFFERENCES BETWEEN CHINA PACKAGERS AND NON-CHINA PACKAGERS**

<u>Questionnaire item with different results</u>	<u>Chi-square</u>	<u>P</u>
Part I Importance of "water" in China	10.941	0.02*
Part I Importance of "cleanliness of environment" in China	7.985	0.01*
Part I Performance of "on time arrivals and departures" in China	10.376	0.03*

Note: \* significant at 0.05 level.

Among tour operators' perception of performance of 22 of China's tourism attributes, a significant difference (at  $p < 0.05$ ) is noted only on one attribute ("on time arrivals and departures") between China-packagers and non-China packagers. The mean score (2.40) of the perceptions of China packagers is lower than that (3.07) of non-China packagers. It indicates that the performance of "on time arrivals and departures" perceived by China packagers is poorer than perceived by non-China packagers. This is understandable because non-China packagers do not arrange tours to China and they do not really meet the problem of on time arrivals and departures.

Of the 44 attributes used for testing hypothesis 1, only three of them are noted with a significant difference in perception between China packagers and non-China packagers. Therefore the hypothesis 1 is not

supported. Generally, China-packagers do not have a more positive image of China as a destination than non-China packagers. On some individual tourism attributes non-China packagers even have more favorable perception.

Hypothesis 2: It is hypothesized that significant differences exist in the perceptions of China as a tourist destination between visiting operators and non-visiting operators.

A significant difference (at  $p < 0.05$ ) was noted on perception of performance on two of China's tourism attributes between visiting operators and non-visiting operators (Table 19). These two attributes are "pleasant attitudes of service personnel" and "safety and security."

**Table 19**

**DIFFERENCES BETWEEN VISITING OPERATORS AND NON-VISITING OPERATORS**

<u>Questionnaire item with different results</u>	<u>Chi-square</u>	<u>P</u>
Part I Importance of "safety and security" in China	10.404	0.03*
Part I Performance of "pleasant attitude of service personnel" in China	10.980	0.02*

Note: \* significant at 0.05 level.

The mean score (3.03) of performance on "pleasant attitudes of service personnel" rated by visiting operators is lower than that (3.34) by non-visiting operators. It is reasonable to assume that visiting operators had experienced unpleasant attitudes of service personnel when they

traveled in China. Therefore, performance on this attribute was perceived by visiting operators as being poorer than by non-visiting operators.

The hypothesis 2 is not supported because only two attributes are found with significantly different perception among the 44 attributes tested by Chi-square test. No significant differences exist in overall perceptions of China as a tourist destination between visiting operators and non-visiting operators.

As previously mentioned, safety and security was a big problem for tour operators after the Tiananmen Square incident in 1989. Then, China tourism authority took actions to overcome the negative image. The perception of performance on "safety and security" in China by both visiting operators and non-visiting operators indicates that China's actions did work. Among 60 visiting operators, more than half (51.6 percent ) of them reported that their last visit was after 1989. The mean score (3.52) of visiting operators' perception of "safety and security" is higher than that (3.20) of non-visiting operators.

## OTHER COMMENTS ON CHINA' TOURISM

The following is a summary of comments made by 58 respondents including 47 currently engaged in travel business with China about what China needs to do :

- (1) Make the process for visas and such easier to obtain.
- (2) Invite more tour operators for more familiarization trips.
- (3) Have seminars for tour operators selling tours to China.
- (4) National Tourism Office in USA needs much more financial support to promote and advertise China as a destination.
- (5) Set up national hotel reservation system.
- (6) Teach tour guides correct attitudes toward tips.
- (7) Develop ways to bring tourists and local people together.
- (8) Provide a reliable transportation system.
- (9) Make copies in English in museums.
- (10) Need more inexpensive clean hotels.
- (11) Stop overcharging to foreigners.
- (12) Need more advertising and public relations.
- (13) Upgrade toilet facilities at visitor's attraction site.
- (14) Improve language and communication abilities for guides.
- (15) Make marketing and advertising products available to tour operators.
- (16) Keep the fixed published rates of flights within China.
- (17) Get the political situation corrected.
- (18) Keep rivers clean.

Generally, all those comments concentrated on two aspects: 1) China's cooperation in advertising and promotion, and 2) travel related

services. Once again, those comments reflected tour operators' great concern about improving travel services. Enhancing advertising is one thing that China needs to do immediately, because most tour operators are not financially strong enough to advertise travel to China individually. Without this cooperation, China can hardly expect more tour operators to sell tours to China.

## SUMMARY

This chapter has presented a summary of all the data and the results of statistical analysis of the relationship among the variables.

Hypothesis 1 is not supported. Tour operators who are making package tours to China do not have a significantly different perception about China as a tourist destination from those who are not making package tours. Hypothesis 2 is not supported. Tour operators who have visited China do not perceive China's image as a tourist destination significantly positive than those who have not visited China. Importance and Performance Analysis was used to identify the strengths and weaknesses of China as a tourist destination. The strengths are basically attraction attributes, while the weaknesses are generally service-related attributes. Finally, the summarized comments were presented to show the tour operators' opinions.

The next chapter will present a conclusion of this study.

## CHAPTER V

### CONCLUSION

#### INTRODUCTION

In the previous chapter the results of the analysis conducted on the data collected for this study were presented. In this chapter, these findings will be discussed and recommendations for improving marketing strategies will be provided.

#### SUMMARY OF FINDINGS

This study was designed to analyze the relationship between China's image as a tourist destination as perceived by U.S. tour operators and tour operators' actions in developing package tours to China. Research hypotheses related to this objective were tested.

The hypothesis 1 tested the relationship between China's image as perceived by tour operators and tour operators' business relationship with China. The results indicate that there is no significant difference in the perceptions of China as a tourist destination between tour operators who are making package tours to China and those who are not making package tours to China.

This research tested the hypothesis 2 that tour operators who have visited China have significantly different perceptions of China as a tourist destination from those who have not visited China. The results indicate that no significant difference exists in the perception of China as



a tourist destination between tour operators who have visited China and who have not visited China.

The findings of this study are different from the findings of previous studies (Kim, 1987; Chon, 1990). There is no significantly different perception about China as a tourist destination between China packagers and non-China packagers. There is no significantly different perception about China as a tourist destination between visiting operators and non-visiting operators too. Therefore, there could be some other reasons other than China's image that discourage more U.S. tour operators to develop or sell package tours to China.

#### IMPORTANCE OF CHINA'S TOURISM ATTRIBUTES

In this study, the five most important attributes are: (1) "safety and security;" (2) "pleasant attitudes of service personnel;" (3) "reliability of reservation system;" (4) "cleanliness of environment;" and (5) "receptiveness of local people to tourists." The findings indicate that service-related attributes play the most important role in attracting tourism to China because all the five most important attributes are service-related attributes. Generally, service-related attributes are perceived to be more important than attraction attributes for tour operators to promote travel to China.

#### PERFORMANCE OF CHINA'S TOURISM ATTRIBUTES

The attributes on which China had the highest perceived performance ratings are: (1) "ancient tombs;" (2) "ancient buildings;" (3)

"traditional music and dance;" (4) "mountains;" and (5) "waters." All these five highest performance attributes are attraction attributes. The five attributes with lowest ratings are: (1) "reliability of reservation system;" (2) "on time arrivals and departures;" (3) "inland transportations;" (4) "cleanliness of environment;" and (5) "pleasant attitudes of service personnel." The five lowest performance attributes are service-related attributes.

Generally, attraction attributes are perceived to be higher in performance level than service-related attributes. It could be a serious problem for China that most attributes which are important to attract tourism performed poorly. China should pay more attention to this problem and work it out. Otherwise, the prospect of China's tourism will not be optimism.

Overall, the importance of most attributes is higher than the performance of them, indicating that China needs to work to improve its overall performance of tourism attributes. The better the performance of China's tourism attributes, the more tourists she will get.

The analysis of four segments of U. S. tour operators in this study shows some differences in their perceptions about China. Those differences should be paid attention to and used to design different marketing and promotional strategies.

## RECOMMENDATIONS FOR MARKETING STRATEGIES

One of the objectives of this study was to provide recommendations for improving promotional marketing strategies that would encourage U.S. tour operators to participate more positively in trading with China. It

is hoped that the recommendations based on the findings and implications of this study will be beneficial not only to China tourism authorities but also to U.S. tour operators.

The findings of the study clearly indicate that China's service-related attributes, including safety and security, pleasant attitudes of service personnel, reliability of reservation system, cleanliness of environment, and receptiveness of local people to tourists are major concerns by tour operators. But the performance of most service-related attributes are poor. This finding strongly suggests to China that it will not be feasible to expect U.S. tour operators to participate positively in developing and selling package tours to China unless the overall travel services are improved.

It is recommended that China begin to work on this problem immediately. In order to accomplish the task of changing the poor performance on service-related attributes, strategies should be considered with three directions: (1) setting higher standards in the areas of accommodations, restaurants, transportation, reservation, service personnel, safety and security for licensing local tour operators, hotels and transportation companies who apply for engaging in international tourism business; (2) enhancing professional training of all service personnel related to international travel business and stressing customer service concept; (3) inviting tour operators for more familiarization trips and showing them the weaknesses have been overcome in order to motivate U.S. tour operators to act more positively in doing business with China.

Based on comments written by tour operators, one important recommendation is made, that China should allocate more budget to

advertisements and more public relations. This would make the public more familiar with China and increase customers demand of traveling to China. Related to advertisements, one recommendation is made based on the results of IPA analysis. It is recommended that in designing promotional advertisements aimed at the United States market should stress attributes that received both high importance and high performance ratings by tour operators. New advertisements should stress China's highly diversified customs, safety and security, and receptiveness of local people to tourists while showing its scenic beauty. China frequently shows its symbols like the Great Wall and the Forbidden City in its advertisements. It is suggested that China change the theme of its advertisements. For example, the new theme of advertisement could be designed like "one billion people, one billion smiling faces" which stress the receptiveness of local people to tourists, or "China is the land of many things you never could imagine" which stress the diversified customs.

Some low importance and low performance attributes such as shopping, drama, martial arts, and opportunity for relaxation should not be taken into consideration when establishing promotional strategies.

Another recommendation is made based on examining segments of tour operators by using IPA. It is recommended that China design its marketing and promotional strategies differently for each segment of U.S. tour operators. For instance, when dealing with non-visiting packagers, China should stress the safety of China as a destination and provide more familiarization trips to them in order to overcome their negative perception on this attribute.

## LIMITATIONS

One limitation of this study is the sample size. This study involved only 15 percent of total tour operators in the United States and 30 percent of returns was not enough to generalize the results to the whole population. Therefore, the analysis of this study should be treated as a limited analysis based on the perceptions of a limited number of U.S. tour operators.

Another limitation of this study is that this study did not consider the process of the tour operators' comparison of their perceptions of China to their perceptions of China's competitors. A tour operator' prior experience with similar destinations could have affected his/her perception with China in this study.

## RECOMMENDATION FOR FUTURE RESEARCH

This study investigated the perceptions of China as a tourist destination by U.S. tour operators. A similar study is suggested for different countries which are target markets of China's tourism. Because different nations have their own culture and lifestyle, there should be some differences among the perceptions of China's tourism.

It is suggested that future researchers investigate the perceptions of China as a tourist destination by retail travel agents. Retail travel agents are also important in promoting travel to China because they are in good positions to directly contact customers and influence them to travel to China.

A study which investigate factors other than China's image that may discourage U.S. tour operators to develop or sell package tours to China is suggested. Another suggestion for future research efforts involves overcoming the limitations of this study presented above. A study is suggested with multiple comparison of similar tourist destinations.

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**APPENDIX A**  
**SURVEY QUESTIONNAIRE AND COVER LETTER**

## DIRECTIONS

There is no right or wrong answer. WE ARE INTERESTED IN YOUR PERSONAL OPINIONS, so please answer each question openly. This information will be used for statistical purposes only and it will be kept confidential.

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### PART I

The purpose of this part is to obtain your perceptions regarding China as a tourist destination. Please express your TRUE feelings in response to the following questions.

#### IMPORTANCE

A. We would like to obtain your opinions regarding the relative importance of various tourist attracting features of China. Please circle the number you agree most.

USE THE FOLLOWING SCALE:

---

1	2	3	4	5
Not	Slightly	Average	Moderately	very
Important	Important	Important	Important	Important
(NI)	(SI)	(AI)	(MI)	(VI)

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#### ATTRATIONS IN CHINA:

##### HISTORICAL ATTRACTIONS

	NI	SI	AI	MI	VI
a. Ancient tombs	1	2	3	4	5
b. Ancient buildings	1	2	3	4	5

##### CULTURAL ATTRACTIONS

c. Martial arts	1	2	3	4	5
d. Drama	1	2	3	4	5
e. Chinese cuisine	1	2	3	4	5
f. Traditional music and dance	1	2	3	4	5

##### NATURAL ATTRACTIONS

g. Waters	1	2	3	4	5
h. Mountains	1	2	3	4	5

USE THE FOLLOWING SCALE:

1	2	3	4	5
Not Important (NI)	Slightly Important (SI)	Average Important (AI)	Moderately Important (MI)	Very Important (VI)

MAN-MADE ATTRACTIONS

i. Museums	1	2	3	4	5
j. Shopping	1	2	3	4	5

PEOPLE

k. Way of living	1	2	3	4	5
l. Customs	1	2	3	4	5

TRAVEL SERVICES IN CHINA:

m. Convenient accommodations	1	2	3	4	5
n. Quality of restaurants	1	2	3	4	5
p. Cleanliness of environment	1	2	3	4	5
q. Inland transportation	1	2	3	4	5
r. Reliability of reservation system	1	2	3	4	5
s. Pleasant attitudes of service personnel	1	2	3	4	5
t. Receptiveness of local people to tourists	1	2	3	4	5
u. Opportunity for rest and relaxation	1	2	3	4	5
v. Safety and security	1	2	3	4	5
w. On time arrivals and departures	1	2	3	4	5



USE THE FOLLOWING SCALE:

	1 Very poor (VP)	2 Poor (P)	3 Average (A)	4 Good (G)	5 Very good (VG)
<b>TRAVEL SERVICES IN CHINA:</b>	VP	P	A	G	VG
m. Convenient accommodations	1	2	3	4	5
o. Quality of restaurants	1	2	3	4	5
p. Cleanliness of environment	1	2	3	4	5
q. Inland transportation	1	2	3	4	5
r. reliability of reservation system	1	2	3	4	5
s. Pleasant attitudes of service personal	1	2	3	4	5
t. Receptiveness of local people to tourists	1	2	3	4	5
u. Opportunity for rest and relaxation	1	2	3	4	5
v. Safety and security	1	2	3	4	5
w. On time arrivals and departures	1	2	3	4	5

## PART II

Please provide us with some information about yourself and/or your company by circling the response that best describes yourself and/or your company.

1. Have you ever visited China?

\_\_\_\_\_ 1) Yes

\_\_\_\_\_ 2) No (please go to question 3)

2. If your answer was YES, write in below the year of your last visit to

China:\_\_\_\_\_.

3. Are you currently making package tour to China?

\_\_\_\_\_ 1) You

\_\_\_\_\_ 2) No (Please go to question 5)



4. If you are doing business with China, how many years have you done?

- \_\_\_\_\_ 1) Less than 2 years
- \_\_\_\_\_ 2) More than 2 years but less than 5 years
- \_\_\_\_\_ 3) More than 5 years but less than 10 years
- \_\_\_\_\_ 4) More than 10 years

5. What was the total revenue of your company in 1991?

- \_\_\_\_\_ 1) Under \$3 millions
- \_\_\_\_\_ 2) \$3-\$7 millions
- \_\_\_\_\_ 3) Over \$7 millions

PART III

The purpose of this part is to obtain your opinion regarding what China should do to make her image more positive so that she can help you develop and sell package tour to China. Please use the space provide below.

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THANK YOU FOR COOPERATION!

INSTRUCTIONS: Please return the completed questionnaire by February 2nd, 1993 using the postage free envelop provided. Thank you very much!

## APPENDIX B

### Means and Standard Deviations in responses to section one of Questionnaire

<u>China's tourism attributes</u>	<u>Importance</u>	
	<u>Mean</u>	<u>SD</u>
1. Ancient tombs	4.03	1.09
2. Ancient buildings	4.16	1.00
3. Martial arts	2.62	1.18
4. Drama	3.00	1.02
5. Chinese cuisine	3.83	1.04
6. Traditional music and dance	3.81	0.95
7. Waters	3.87	0.93
8. Mountains	4.03	0.84
9. Museums	3.94	0.92
10. Shopping	3.73	1.15
11. Way of living	4.26	0.84
12. Customs	4.30	0.75
13. Convenient accommodation	4.46	0.72
14. Quality of restaurant	4.50	0.69
15. Cleanliness of environment	4.67	0.60
16. Inland transportation	4.47	0.84
17. Reliability of reservation system	4.68	0.63
18. Pleasant attitude of service personnel	4.72	0.49
19. Receptiveness of local people to tourists	4.52	0.72
20. Opportunity for rest and relaxation	3.71	0.91
21. Safety and security	4.73	0.53
22. On time arrivals and departures	4.41	0.82

Respondents rated importance attributes on a Likert scale of "5-Very Important" to "1-Not at all Important" and performance attributes on a scale of "5-Very Good" to "1-Very Poor."

<u>China's Tourism Attributes</u>	<u>Performance</u>	
	<u>Mean</u>	<u>SD</u>
1. Ancient tombs	4.04	0.84
2. Ancient buildings	4.01	0.88
3. Martial arts	3.47	0.82
4. Drama	3.51	0.81
5. Chinese cuisine	3.60	1.03
6. Traditional music and dance	3.84	0.82
7. Waters	3.75	0.99
8. Mountains	3.80	0.98
9. Museums	3.74	0.88
10. Shopping	3.51	0.89
11. Way of living	3.50	1.01
12. Customs	3.66	0.98
13. Convenient accommodation	3.52	0.93
14. Quality of restaurant	3.16	0.91
15. Cleanliness of environment	2.89	1.10
16. Inland transportation	2.82	1.05
17. Reliability of reservation system	2.63	1.16
18. Pleasant attitude of service personnel	3.14	1.06
19. Receptiveness of local people to tourists	3.53	1.01
20. Opportunity for rest and relaxation	3.23	0.93
21. Safety and security	3.54	1.07
22. On time arrivals and departures	2.74	1.23

Respondents rated importance attributes on a Likert scale of "5-Very Important" to "1-Not at all Important" and performance attributes on a scale of "5-Very Good" to "1-Very Poor."



January 2nd, 1992

Dear Mr./Mrs./Ms. (last Name ):

May I take the liberty of asking you for a few minutes of your precious time to complete the enclosed questionnaire for a research project on travel and tourism? I am a research assistant in the Hospitality Research and Development Center at University of Nevada, Las Vegas. This research project is sponsored by China National Tourism Administration. The following questionnaire was designed to let you express your opinions about China as a place to visit. In addition, There are questions concerning your company that will be useful in the study. The result of this study will help China's tourism authority to better serve your needs of developing package tours to China.

Your reply is extremely important to me because you are one of only 300 operators in the United States that has been sent this survey. You are one of a very few people who can provide the information I need. The written serial number on the last page is for survey management purpose only. All the information will be used for statistic only and kept confidential.

Once you have complete the questionnaire, please put it in the enclosed envelop and drop it in any mail box. The postage is prepaid

Thank you for your assistance and participation.

Sincerely yours,

Franklin Xiao  
Research Assistant  
William Harrah College  
Of Hotel Administration  
University of Nevada, Las Vegas