

A Model on Factors Affecting Customer behaviour in a tourism industry

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Abstract: Consumer behaviour has been always of great interest to any industry. Consumer behaviour refers to the mental and emotional process and the observable behaviour of consumers during searching, purchasing and post consumption of a product or service. Tourism is travel for leisure, recreational and business purpose. Tourists can be defined as people who travel to and stay in places outside their usual surroundings. There may be several factors that influence the consumer behaviour in tourism, which will be overlooked. Such factors need to be explored and focused so that the tourism industry can focus on these factors for the betterment. This research deals with finding out these factors. The factors were identified from literature reviews, market research. A questionnaire is prepared for the same and survey is conducted, analysis is performed by the help of IBM SPSS software. Finally model is created with the help of AMOS. The model establishes a causal relationship between the factors towards customer behaviour.

Keywords: Consumer behaviour; Tourism industry; Consumer behaviour model; influencing factors.

1. Introduction

Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy their needs and wants. It is also concerned with the social and economic impacts that purchasing and consumption behaviour has on both the individual consumer and on broader society. Consumer behaviour blends elements from psychology, sociology, social anthropology, marketing and economics, especially behavioural economics. It examines how emotions, attitudes and preferences affect buying behaviour. Characteristics of individual consumers such as demographics, personality lifestyles and behavioural variables such as usage rates, usage occasion, loyalty, brand advocacy, willingness to provide referrals, in an attempt to understand people's wants and consumption are all investigated in formal studies of consumer behaviour. The study of consumer behaviour also investigates the influences, on the consumer, from groups such as family, friends, sports, reference groups, and society in general and Tourism is travel for leisure, recreational and business purpose. Tourists can be defined as people who travel to and stay in places outside their usual surroundings. Tourism is a known affair in human life. It has been an industry of vast dimensions and eventually supports economic and social growth. The tourist buying decision presents some unique aspects. It is an investment with no tangible rate of return, and the purchase is often prepared and planned through savings made over a considerable period of time. That is, the vacation tourist will invest with no expectation of material and economic return on his or her purchase of an intangible satisfaction.

As travellers become more sophisticated in their vacationing behaviour, research must continue to become more sophisticated to explain this behaviour. There are many factors that influence an individual's behaviour. To take adequate actions in the area of tourism marketing, one must understand how people perceive such things as destination areas, air travel, travel distances and travel advertising; how they learn to consume and to travel; how they make travel decisions; and how personality affects those decisions. One must also analyse what motivations influence the individual's travel decisions; how attitudes are formed; and how various groups affect travel behaviour etc. This study aims at finding out these factors which makes the tourist to take decision for their destination. Study was conducted in the various tourist destination of Kerala state.

2. Literature Review

There "Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society [1]. Consumer behaviour has been always of great interest to marketers. The knowledge of consumer behaviour helps the marketer to understand how consumers

think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, the reference groups, family, and salespersons and so on. A consumer's buying behaviour is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behaviour of the consumers. Consumer is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires". In the marketing context, the term „consumer “ refers not only to the act of purchase itself, but also to patterns of aggregate buying which include pre-purchase and post-purchase activities. Pre-purchase activity might consist of the growing awareness of a need or want, and a search for and evaluation of information about the products and brands that might satisfy it. Post-purchase activities include the evaluation of the purchased item in use and the reduction of any anxiety which accompanies the purchase of expensive and infrequently-bought items. Each of these has implications for purchase and repurchase and they are amenable in differing degrees to marketer influence [2].

Consumer behaviour about decision making is difficult to define and is a system of short cuts and rule of thumb which is unpredictable. The short cuts in decision making vary from person to person and focusing on the past experience of consumers [3]. A central question in consumer behaviour research is how consumers make purchase decisions. Most discussions of purchase decision making assume a high-involvement, rational process, although several authors have distinguished a variety of other forms of purchase behaviour [4]. Intangibility is one of the most important characteristics of services, they do not have a physical dimension. Often services are described using tangible nouns but this obscures the fundamental nature of the service which remains intangible. The performance of most services is supported by tangibles the essence of what is purchased is a performance, therefore as it is the process of delivering a service which comprises the product. The implication of this argument is that consumers cannot see, touch, hear, taste or smell a service they can only experience the performance of it. The second characteristic of services is the inseparability of the production and consumption aspects of the transaction. The service is a performance, in real time, in which the consumer cooperates with the provider. The degree of this involvement is dependent upon the extent to which the service is people-based or equipment-based. The inference of this distinction is that people based services tend to be less standardized than equipment-based services or goods producing activities. Goods are produced, sold and then consumed, whereas services are sold and then produced and consumed simultaneously. The inseparability of the role of service provider and consumer also refers to the lack of standardization since the consumer can alter both the way in which the service is delivered, as well as what is delivered, which has important implications for the process of evaluation [5].

As tourism industry sectors concerned, consumer trust was largely examined in hospitality sectors, especially in hotels and restaurants. Consumer trust in tourism and hospitality was operated at micro level and even contended that consumer trust can only be operated through individual actions. Trust comes from individuals' perceptions of characteristics of organizations/people, and individuals hold the keys to understand factors influencing consumer trust in a mutual relationship. As such, consumer trust in the literature is called "reported" or "perceived" trust, since it measured by asking respondents to report the presence or absence of trust toward the certain object. However, it is worth noting that the development of customer trust varies according to the trusting targets, organizations or human beings [6]. Given the economic stimulation effects of the tourism industry and the social and environmental problems which emerge with tourism development, governments in different countries have become increasingly involved in tourism administration and have also assumed the roles of legislator, coordinator, planner, entrepreneur, promotion actor, researcher, and public interest protector. The macroeconomic and political environments were identified to be the main forces which have determined the roles and degree of involvement of government in the tourism sector. For example, noted that the more important tourism is to economic development or economic recovery, the more support government will give to the tourism industry [7].

Kerala has made admirable progress in tourism development in recent years. *God's own Country* has become a well-recognised tourism brand and the State has achieved impressive growth in foreign tourist arrivals in particular. The State's Tourism Vision 2025 envisages sustainable development of tourism with focus on backwaters, Ayurveda and eco-tourism. Also, a fairly detailed road map has been set out by way of:

- A large Tenth Five Year Plan outlay for tourism (over Rs.900 crores), including Rs.500 crores for general infrastructure such as connecting roads, water supply, solid waste disposal, etc., for tourist centres.
- Formulation and implementation of numerous tourism projects – big and small, through diverse funding mechanisms. Among the largest and most prestigious project proposals are a beach destination at Bekal, a hill station development at Wagon and integrated development of backwaters.
- Aggressive target of attracting substantial investments in the tourism sector through the Global Investors Meet.

• Proactive measures in tourism legislation, certification/grading of tourism products, incentive schemes for tourism projects and most importantly, effective marketing of the State as a tourism destination [8].

Foreign Tourist arrival to Kerala during the year 2015 is 977479. It shows an increase of 5.86% over the previous year's figure of 923366. Domestic Tourist arrival to Kerala during the year 2015 is 12465571. It shows an increase of 6.59 % over the previous year's figure 11695411. Foreign exchange earnings for the year 2015 is Rs: 6949.88 Crores which recorded an increase of 8.61 % over the previous year. Total Revenue (including direct & indirect) from Tourism during 2015 is Rs26689.63 Crores, showing an increase of 7.25% over the last year's figure [9].

The literature review can be summarized to the following factors that influence smart phone identification:

- Age group
- Reference groups (family, friends, colleagues)
- Religion
- Language
- Personality
- lifestyle
- Distance of travel
- Mode of transport
- Development of transportation system
- Health of the tourist
- Knowledge about destination
- Past experiences
- Attractions at the places
- Influence of trip planners
- Type of accommodation
- Culture of destination
- Safety of travel
- Awareness about the Government policies for tourism

3. Methodology

This study was conducted to know about the factors that affect consumer behaviour of smart tourism industry. Primary and secondary data were collected from appropriate sources of data. A structured questionnaire with five point scale was used to collect the opinions of respondents. To select the respondents, convenience sampling method was used. A total of 601 respondents were interviewed and their responses were analysed by using SPSS.

4. Analysis and Findings

A total of 601 responses were collected. The data collected from the sample has male domination with 58 per cent of total. 81 per cent of respondents were Indians while 10 per cent were foreigners. Destination analysis of respondents indicates that 32 per cent are for heritage tourism, 16 percent for beach tourism, 22 percent for forest and wild life, 19 percent for hill station and 11 percent for back water tourism.

An exploratory factor analysis is performed on the response in order to reduce number of variables and the following rotation matrix was obtained as shown in table 1 and the components are named logically.

Rotated Component Matrix				
	Component			
	1	2	3	4
	Personal factors	Impersonal factors	Travelling factors	Destination factors
Health	.761			
Personality	.752			
Life style	.690			
language	.701			
Religion	.659			
Income and expenditure		.798		
Reference group		.691		

Type of accommodation		.652		
Past experience		.579		
Safety of travel			.755	
Mode of transport			.684	
Influence of trip planners			.663	
Attractions				.790
Knowledge about destination				.745

Table 1: factor analysis

By using the table above a model is developed using SPSS AMOS. It is a confirmatory technique in order to understand exactness of exploratory factor analysis. The influence of each factor thus can be confirmed to finalize the results. The final measurement model thus obtained is shown below infig1. From the model shown above it is clear that the factors influencing consumer behaviour are health, Personality, income and expenditure, reference group, safety of travel, attractions etc. These factors show some predominance when compared to other factors.

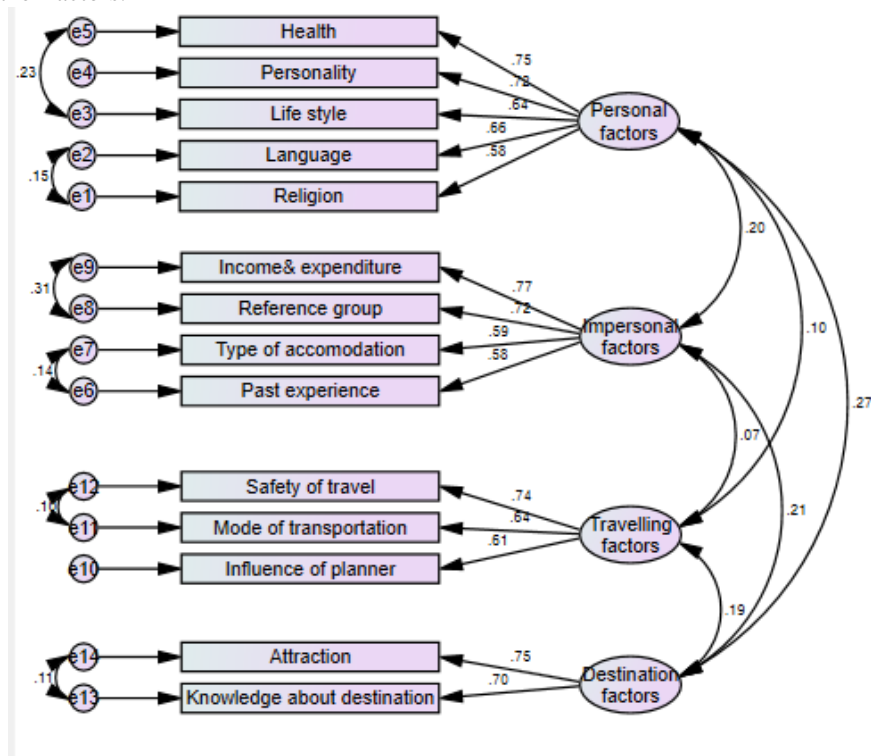


Figure 1.Measurement model

The structural equation model is developed from the measurement model in order to know the most influencing latent variable on customer's behaviour is shown in fig2. The most important latent variable is personal factor followed by impersonal then goes to destination factors. Travelling factors has been found to be least influencing one.

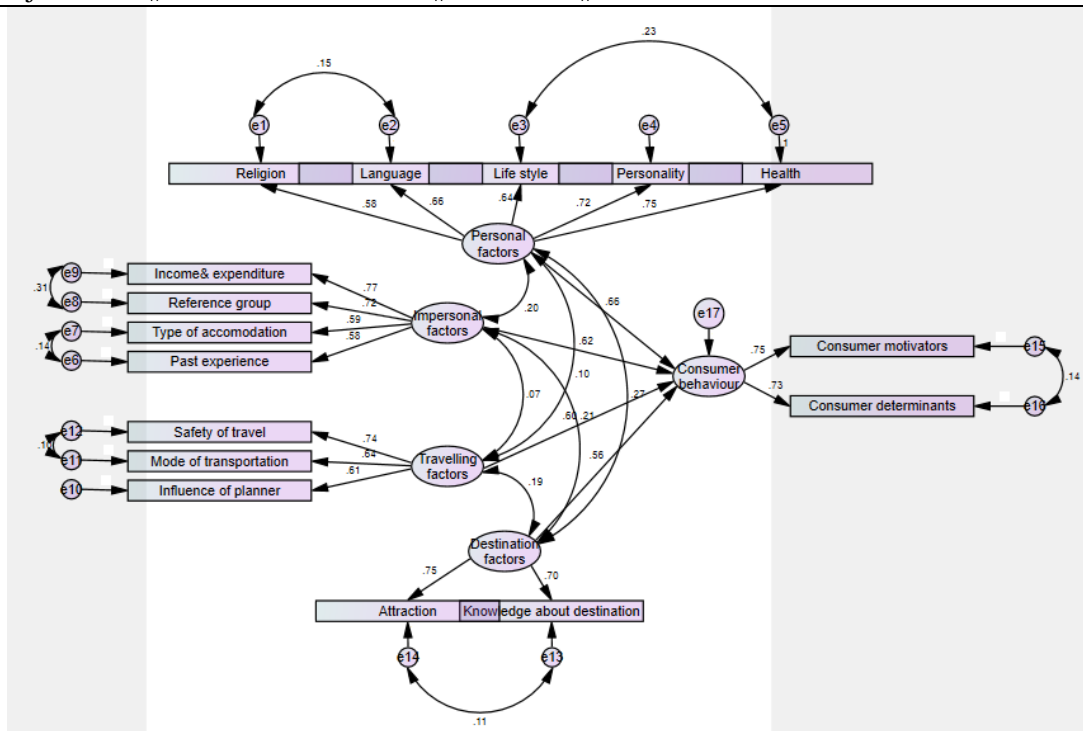


Figure 2. Structural model

5. Conclusion

The objective of the study was to find out the underlying factor that influence the consumer behaviour of a tourism industry. It has been seen from the study that there are lots of variables that affect the customer's behaviour. Some of the factors influence customers' decision greatly while others have comparatively low impact on the decision. The study has identified that many factors are deemed as selection for separate tourist destinations. Not necessarily all the variables influence a person in the same way and same extent. In case of consumers behaviour in tourism industry, mostly considered factors by customers include health, language, income and expenditure, safety of travel, attractions. But other factors are also considered. Also it is noted that religion, past experience and influence of trip planners are weakest. Personal and destination latent variable is found to be most influencing to the customers. This study can provide strategic suggestions in tourism marketing.

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