

Behavior Study of Traveling Chinese Businesspersons

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Abstract. China's growing economy has contributed to the emergence of an expanding, thriving class of traveling businesspersons. This paper investigates which factors affect these businesspersons' consumer behavior, as well as the role that each factor plays in their decision-making. In order to obtain a better understanding of consumer behavior in travel and the importance of each factor, a study was conducted in China on a group of frequently traveling businesspersons. The survey revealed that five main factors influenced the choices these businesspersons made. Within these factors, the two major factors were Novelty Seeking and Bandwagon Effect. The results of this study can pave the way for designing innovative goods and services that will enhance the travel experience of the typical businesspersons.

Keywords: Consumer Behavior, Traveling Businesspersons, Business Travel Psychology, Novelty Seeking, China.

1 Introduction

China's economy has witnessed a substantial development in both commerce and business over the past decade. This development has been accompanied by the rise of an expanding, thriving class of traveling businesspersons. Apart from frequently traveling for business matters, these businesspersons are also very interested in traveling for personal enjoyment, whether it is visiting novel tourist attractions, purchasing designer products, etc.

With the growth of online booking and planning, modern businesspersons find it much easier to control the entirety of their trips to both domestic and foreign destinations. In addition, they are now more than ever faced with a wide variety of travel options, packages, and combinations. An important aspect in researching the consumer behavior of these traveling businesspersons is to investigate how these people make their purchase decisions when presented with so many choices.

We can also observe a change in the current lifestyles among businesspersons compared to the past. Our traditional image of businesspersons is conservative, and somber. They dress in dark, formal suits, carry a black briefcase, and diligently work in towering office buildings. From this austere image has evolved a new body of businesspersons who are considerate of their appearance and carriage, as well as being sociable and in the spotlight. Instead of being solely dedicated to their work, many

businesspersons are now leaning towards a more material lifestyle, as well as displaying more interest towards their lives and health. Accompanied with a rising income level, many businesspersons have become enthusiastic consumers of quality goods and services. Many factors influence these businesspersons' consumer behavior, such as ego involvement or advice from family and friends [1].

In order to obtain a better understanding of consumer behavior in travel and factors that affect consumer behavior, a study was conducted in China among traveling businesspersons. This analysis focuses on their behavior both while planning the travel beforehand and during the actual journey. What factors affect these frequent travelers' behavior? Which factor plays the most important role?

2 Background and Hypothesis

As seen in Figure 1, based on results from MGI, the percentages of families in Chinese cities that fall under upper-middle class and upper class have been steadily increasing. It has been projected that the proportion of these families will continue to rise into the future. Among these families are those of traveling businesspersons, who not only seek to travel on quality vacations to novel destinations but also desire to purchase luxury or brand-name goods and services.

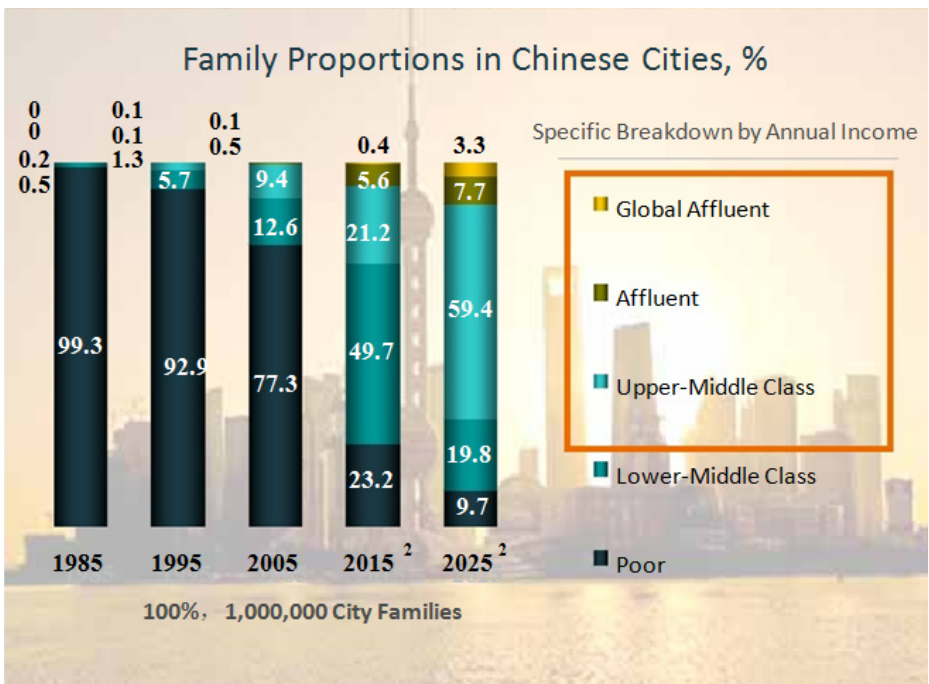


Fig. 1. % Breakdown of Families in Chinese Cities by Income Level [2]

In Figure 2 below, from CBES, we observe a decline in the percentages of businesspersons that were born during the 1950s and the 1960s (the 50's group and the 60's group on the graph), while the number of businesspersons in the 70's group remains steady. In comparison, the percentage of businesspersons born in the 1980s is steadily rising and has more than doubled over the span of four years, increasing from 11.8% to 24.5% in a span of three years. Overall, we observe a trend in which the population of Chinese businesspersons is becoming younger, Figure 1 shows the emergence of a growing class of businesspersons, while Figure 2 shows the increase of a younger age group within this class. On the basis of this research, we expect in conducting this study to find patterns of consumer behavior that reflect these observations. We hypothesize that the five main factors that may affect consumer behavior will be: Ego, Loyalty Programs and Benefits, Family and Friends, Bandwagon Effect, and Novelty Seeking. Out of these five factors, Novelty Seeking and Ego will likely play the most important role in consumers' decision making. The majority of businesspersons may desire to have greater control over their travels, while the growing group of younger businesspersons will likely seek the newest fashions and products.

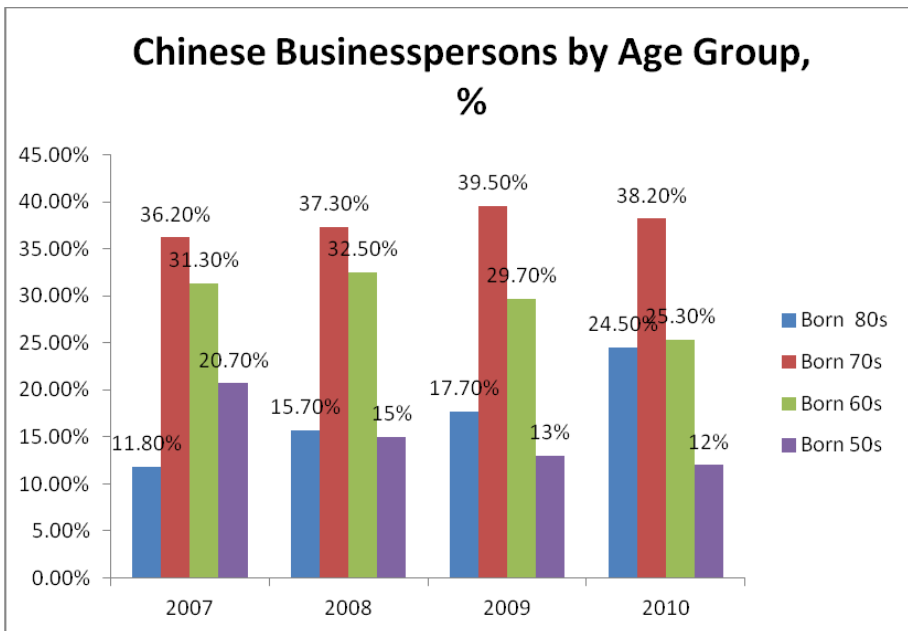


Fig. 2. % Breakdown of Chinese Businesspersons by Age Group [3]

3 Methodology

In this study, a web survey was designed and conducted to validate our research hypothesis. The survey included questions from each of the five main factors that affect consumer behavior: Ego, Loyalty Programs and Benefits, Family and Friends, Bandwagon Effect, and Novelty Seeking.

After designing the questionnaire, it was sent to a polling agency, where it was reviewed and proofread. The survey was then posted on a variety of different websites over the Internet. This was to ensure that we would sample a more random and diverse population. After prefixed, specific percentage ratios were recorded, the survey was closed. The results were compiled and data analysis was conducted.

For our survey, we chose a sample size of roughly 60 traveling businesspersons. In order to reduce bias, we strived to survey nearly equal numbers of males and females. We also tried to make sure each person surveyed was a frequent traveler, so he or she would answer from experience and ensure the validity of our results. We believe each of the responses should be independent because it is reasonable to assume that the answer of one respondent should not affect that of another respondent. We assume a sample population of sixty businesspersons should be a representative and large enough sample.

Table 1. Demographical Information of Respondents

| | Male | Female |
|-----------------------|------|--------|
| Northern China | 13 | 14 |
| Southern China | 17 | 15 |
| B.S. Degree or Above | 19 | 18 |
| High-Level Executives | 7 | 4 |
| Total | 30 | 29 |

As shown by the table above, the surveyed population consists of roughly equal number of traveling businessmen and businesswomen. There are a slightly few more businesspersons from Southern China, most likely due to the rapid growth of major cities such as Hong Kong and Shanghai, both of which are hotspots for businesses. It can be seen that over fifty percent of both the businessmen and businesswomen group are college graduates.

The table below summarizes the factors included in the survey and some of the sample questions that fall under each factor.

Table 2. The Five Main Factors and Sample Related Questions in Study

| Factors | Sample Related Questions |
|-------------------------------|---|
| Ego | <ol style="list-style-type: none"> 1. I believe that I am well informed and make smart choices when making purchases. 2. I believe that I am not easily tricked by businesses' marketing strategies compared to the average person. 3. I want to be in control of the planning of my vacation, which includes extensive research and comparison of different options. 4. I pride myself in being able to find the best deals and prices. 5. I am highly involved in deciding my travel plans and use online booking such as Travelocity, Expedia, etc. 6. I often rely on my own instincts when making decisions. |
| Loyalty Programs and Benefits | <ol style="list-style-type: none"> 1. I always choose the best deal and price rather than sticking with the same brand. 2. I am part of a traveling rewards program because I believe it will benefit me even more in the long run. 3. If there's a difference in price, I may still choose the more expensive option because it is included in my rewards program. 4. I like to shop with my reward program points. |
| Family and Friends | <ol style="list-style-type: none"> 1. I often travel with my family or with groups of friends. 2. I often ask my friends or relatives for advice when planning for vacations. 3. I often respect my children's opinion when deciding on specific travel locations. 4. It is important to me that the attractions I visit have something for my children to do as well. 5. I may decide to join a group of friends when traveling to a foreign location. 6. I like to ask friends and family for their opinion before making purchases. |
| Bandwagon Effect | <ol style="list-style-type: none"> 1. I enjoy being part of the mainstream. 2. I often check what products my peers own before making purchases. 3. I reference products I've seen through advertisements on TV and the Internet before making purchases. 4. I will not easily switch from certain brands that I'm used to. |
| Novelty Seeking | <ol style="list-style-type: none"> 1. I like to travel to places that I have never been before. 2. I think it is more exciting to travel somewhere further away from my home, preferably out of country. 3. I often research to find the most unique destinations and attractions. 4. I like to keep up with the newest styles and trends. 5. I enjoy owning the latest products and advanced gadgets. 6. I enjoy being the center of attention. 7. I own or plan to own one or more imported, high-end car. 8. I wear a watch but do not use it to keep track of time. |

4 Findings

The following findings are based on the compiled answers of the web survey. The figure below shows the order of which factor plays a more important role in businesspersons’ traveling behavior based on our final results. Among the five factors, the two major factors observed were Novelty Seeking and Bandwagon Effect.

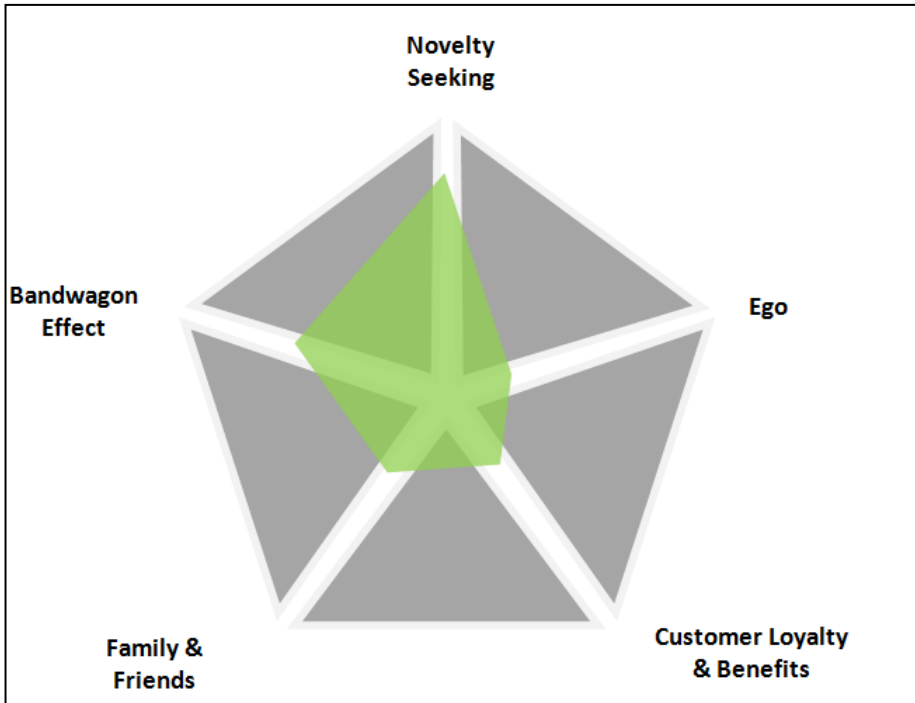


Fig. 3. Significance Proportion of Five Factors

In general, the respondents felt that the major factors that affected their decisions were Novelty Seeking and Bandwagon Effect. Within these factors, how does the factor specifically affect their choices?

4.1 Novelty Seeking

This factor refers to the search for new experiences, which is a key motivator for people who travel. These experiences can range from new regional landmarks of interest, entertainment, cultural activities, or shopping locations. In addition, people often spend more money when traveling to a foreign location than when visiting a place they have already been before. Even though they may not need to go new places for business, their willingness to travel to the new places is high.

Some of our results include:

- 91.5% of respondents like to travel to places they have never traveled to before
- 54.2% like to research unique destinations and tourist attractions before traveling
- 64.4% like to keep up with the newest style technology and trends
- 52.5% will reserve the latest products and advanced gadgets
- 59.3% own or plan to buy high-end/professional products, such as a Nikon camera
- 42.4% switch cell phones every two years or less
- 27.1% always use the newest style of cell phone
- 44.1% own an expensive watch, not to keep track of time but as a symbol of status
- 50.8% own or plan to own one or more imported/high-end car
- 49.2% enjoy being in the spotlight

4.2 Bandwagon Effect

The Bandwagon Effect factor is the tendency of businesspersons to follow the actions or beliefs of others they observe, usually those around them such as family and friends. They may also be persuaded by advertisements for products they see on the television or internet, or simply whatever product happened to be popular at the time.

Some of our results include:

- 62.7% of respondents enjoy being part of the mainstream.
- 66.1% purchase products after checking what their peers bought
- 83.1% refer to products on advertisements
- 30.5% will not easily switch from certain brands

4.3 Family and Friends

Advice and opinions from family members and friends are often an important influence in businesspersons' decision-making because of the trust. Their family or friends' suggestions will often be taken into heavy consideration. For example, if one of his friend had a prior bad experience with a certain product, that businessperson will also most likely refrain from buying the product.

Some of our results include:

- 45.8% of respondents often travel with family or groups of friends
- 61% ask family or friends for advice when deciding to travel
- 52.5% ask family or friends for opinion before buying a product
- 54.2% respect children's voice in deciding where to travel
- 62.7% will not purchase a product if someone they knew had a prior bad experience with said product

4.4 Customer Benefits and Loyalties

Many businesses related to travel offer reward programs for members, and this in turn influences whether consumers continue to choose one brand, agency, company, etc. Sometimes, two services are combined to further entice the consumer and garner loyalty, such as using one's credit card to accumulate mileage points for a specific airline. As such, some consumers may choose stick with a certain company, even if it is not the most economic choice, in the hopes of earning future benefits, such as exchanging reward points for a free airplane ticket.

Some of our results include:

- 44.1% of respondents are part of a traveling rewards program
- 45.8% like to shop with reward program points
- 32.2% choose the more expensive option when there's a difference in price because it is covered in the rewards program
- 78% prefer choosing the best deal and price rather than sticking with the same brand

4.5 Ego

In this case, the Ego factor refers to the current travelers' desire to show businesses that they are well informed, make intelligent decisions, and will not be fooled into buying unwanted products and services. The travelers want to research and compare all of their options, and then pick the best deal. They are active participants in planning their own travel experiences.

Some of our results include:

- 44.1% of respondents believe they are well informed and make smart choices when purchasing products
- 54.2% believe they won't fall into businesses' marketing traps
- 42.4% are highly involved in deciding their travel plans and will use online booking
- 39% want to be in complete control of travel plans, including research and comparison of different options, they would want some travel agency to take care.
- 42.4% pride themselves in finding the best deals or prices
- 40.7% sometimes rely on their own instincts when making decisions

5 Conclusion

Our results indicate that overall, the consumer behavior of Chinese traveling businesspersons is influenced by a combination of five main factors: Ego, Loyalty Programs and Benefits, Family and Friends, Bandwagon Effect, and Novelty Seeking. By observing our results, it can be observed that within these five factors, our

respondents have indicated that Novelty Seeking and Bandwagon Effect play the most important role in their decision making.

As indicated by our survey results, a majority of businesspersons like to keep up with the newest styles and trends, as well as being part of the mainstream. They seek to purchase or reserve the latest products, both because they seek the excitement of owning a novel product and because it is popular among their peers. These products range from the newest phone, a luxury watch, an imported car, to a quality Nikon camera for professionals. They also enjoy traveling and shopping at new or unique destinations, often out of country.

Our findings can be explained by several real-world observations. First of all, China has undergone a phase of rapid economic development. The standard of living has gone up, and many cities are experiencing a growth in the percentage of higher income families. With the growth of commerce and business, the income level of traveling businesspersons has also risen. The increase in available money to spend on consumer goods and desire to purchase these goods has altered the lifestyle of these businesspersons. There is now an emphasis towards consumerism and luxury spending, compared to an economic lifestyle that stressed the need to save money and compare prices. In addition, the overall population of traveling businesspersons in China is becoming younger. The group of businesspersons born in the 80's is steadily increasing. This group is more inclined towards following the most popular fashions and trends, as well as using the latest technology. They are less likely to present themselves in the traditional serious image of typical businesspersons; instead, they enjoy appearing sociable and being at the center of attention. They demonstrate more enthusiasm towards traveling to novel, exciting places and buying the most unique, innovative products.

To conclude, traveling businesspersons make up a unique consumer group with vast marketing potential. This study serves not only to investigate the actual psychology and factors behind consumer behavior, but also to pave the way for designing innovative goods and services that will enhance the travel experience of the typical businesspersons.

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