Generational perspective on consumer behavior: China's potential outbound tourist market

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ARTICLE INFO

ABSTRACT

This study represents a pioneering attempt to explore tourist consumer behaviors (motivations, information sources, destination choices, travel activity preferences and destination evaluation criteria) in China's potential outbound market from a generational perspective. Targeting all of China, we recruited a sample of 4047 respondents covering five generations: the Firm Communist Generation (FCG), the Lost Generation (LG), the Reform and Opening-up Generation (ROG), the Only-child Generation (OG), and the Globalist Generation (GG) to perform Chi-square, ANOVA tests and Correspondence Analysis. The results demonstrate significant differences and some similarities in tourist behaviors among generations. Through empirical investigation, this study supports and expands generation theory from an Eastern country perspective, and provides useful information for researchers and practitioners.

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1. Introduction

Chinese outbound tourists play a critical role in the world's development and prosperity. In 2015, they made 128 million trips and spent US$ 292 billion on international tourism, thus contributing 23.2% of the world's growth in tourism (UNWTO, 2016). Chairman Xi Jinping even predicted that the outbound travel from China would amount to over 0.5 billion between 2014 and 2018 (Dai & Li, 2014). Considering this enormous potential, an insight into the travel behaviors of potential mainland Chinese outbound tourists should be of interest to tourism managers and planners. However, it is very difficult to study Chinese tourists as a whole without proper segmentation.

Generational analysis is one of the most useful segmentation methods, because of the relative homogeneity within generations, and obvious heterogeneity across generations (Schewe & Noble, 2000). Furthermore, it can be used to forecast the needs and wants of groups, and drive advertising in consumer sectors (Pennington-Gray, Kerstetter, & Warnick, 2002; Rentz & Reynolds, 1991; Rentz, Reynolds, & Stout, 1983). Therefore, it is widely used in tourism to understand tourists' travel behaviors (Benckendorff, Moscardo, & Pendergast, 2010; Lehto, Jang, Achana, & O'Leary, 2008; Pennington-Gray, Fridgen, & Stynes, 2003). Despite the wide application of generational analysis in tourism in developed countries, few research has been conducted into Chinese outbound market from generational perspective. Based on tourism

consumption model theory, this study collected data from potential mainland Chinese outbound tourists to sketch their attitudes, beliefs and travel preferences. Therefore, our present study aims to: (i) develop a profile of each Chinese generation, and (ii) assess the similarities and differences in international travel behaviors among Chinese generations, thus (iii) expand generational theory to an Eastern country, and (iv) provide information for tourism researchers and practitioners.

2. Literature review

2.1. Generation theory

Generation theory was developed by Mannheim (Mannheim, 1952), and advanced by many other researchers (Eyerman & Turner, 1998; Howe & Strauss, 1997; Inglehart, 1997; Strauss & Howe, 1991). A generation is a cohort of people who were born in the same period, experienced and were influenced by the same significant life events in their formative time, thus acquired collective memory and developed peer personality of similar attitudes, values and behaviors for a lifetime. Furthermore, the defining properties of a generation are attributed to the collective memory, rather than their ages (Costanza, Badger, Fraser, Severt, & Gade, 2012). The collective memory arose from significant political, economic, cultural and technological events or environmental resources, especially those that were in short supply for each generation (Chauvel, 2010; Inglehart, 1997). However, the shared experience does not hit the point to the creation of a generation. Only a concrete bond with formative forces exists, can the external events transform

individuals into members of a generation as an actuality. As all living age groups may experience the same events, but could not be attributed to a single generation, the determining influence of early impression on the formulation of similar consciousness should be highlighted (Mannheim, 1952). This critical development stage is thought to be 14–24 years of age (Holbrook & Schindler, 1994; Inglehart, 1990; Meredith & Schewe, 1994; Rogler, 2002). Therefore, the experience of the formative time mold a generation's core values, which "do not change with one's year or stage of life" (Meredith & Schewe, 1994).

A generation is usually 18–22 years in length (Eriksen, 1950). This long span of a generation also contributes to individual differences within generations, however the generalizations of core values, attitudes of a generation do exist (N. Howe & Strauss, 1997; Strauss & Howe, 1991) and provide clues for behaviors (Schewe & Meredith, 2004; Schewe & Noble, 2000). Therefore, generation theory was widely discussed in public and social areas, hot issues including work-related values (D'Amato & Herzfeldt, 2008; To & Tam, 2014), learning orientation and education (Busari, 2013; D'Amato & Herzfeldt, 2008), voting (Tilley & Evans, 2014), etc. Research has suggested that values guide consumers' behaviors (Munson & Mcintyre, 1979), and generational difference in consumer behaviors has been intensively investigated in the domains of shopping (Parment, 2013), fashion (Pentecost & Andrews, 2010), wine consumption (Fountain & Lamb, 2011) and fair-trade consumption (Ma, Littrell, & Niehm, 2012). Similarly, generational analysis can also be useful for understanding tourists' attitudes, behaviors and preferences.

2.2. Generational analysis in tourism

As an easy and concise proxy for personality of a whole population, generational analysis can be served as a valuable segmentation technique for tourism, which goes beyond the description deeply to understand the roots of motivations. In view of the intrinsic differences among generations, tourism marketers can segment consumers, forecast their needs and wants, design new products, make and implement marketing strategies very well. Thus in recent years there has been increasing interest in this topic both in practice and in the academic area.

In practice, tourism marketing authorities in the United States, the United Kingdom and Australia, have adopted generational analysis as the proper segmentation (Gardiner, King, & Grace, 2013). For example, in the United States, the Silent Generation reports the largest preference for taking the longest trips out of state and region, while Baby Boomers travel and spend the most. Generation Xers are more likely to travel with children, whereas Generation Yers are more active travelers than other generations (as cited in Li, Li, & Hudson, 2013).

In the academic area, a diversity of research has been published on tourist consumer behavior from a generational perspective and significant generational differences were detected.

Pennington-Gray analyzed travel activity preference of various Canadian generational tourists (GI Generation, Silent Generation, Baby Boomer and Generation X) and found that travel activity differed by generation groups (Pennington-Gray et al., 2002). Lehto et al. (2008) addressed generational effects on tourism experience sought and activity participation of older North American tourists. Their results indicated that Silent Generation and Baby Boomer in North America differed with respect to travel motivation as well as travel activities. Baby Boomers were more similar to younger generations, and sought more energetic experiences such as physical excitement, adventure and family time away from home, while the Silent Generation behaved more traditionally and pursued more static experiences such as casinos, cuisine, history and culture. Similarly, Huang and Petrick (2010) compared the domestic travel behavior of three U.S. generations (Baby Boomer, Generation X, and Generation Y). They found travel information search, preferred activities and perception of destination characteristics were strongly dependent on generational membership. A recent study by Li et al. (2013) explored the international travel behavior of various U.S.

generations (Silent Generation, Baby Boomer, Generation X and Generation Y). Their results demonstrated more differences than similarities across four American generations in their international tourist behaviors.

Different from the researches above, Gardiner, Grace, and King (2014) investigated generational effects on travel decision-making process and the future travel beliefs, attitudes and intentions of three Australian generations (Baby Boomers, Generation X and Generation Y). The results demonstrated significant generational differences in travel decision-making process and future travel behavior. In addition, further analysis indicated significant effects of formative experience on future decision making.

In addition to the exploration in single country or single region, some researches intended to extend this analysis context to wider scope. Muller and Cleave integrated American, Canadian, Australian and New Zealand's Baby Boomer as a whole to address its travel behavior and thus put forward corresponding marketing plan and strategies (Cleaver, Green, & Muller, 2000; Muller & Cleaver, 2000). Similarly, Xola Consulting explored North America and Western European Generation Y's travel behaviors, and found this generation displayed similar demands for travel experiences with cultural exchange and environmental immersion (Consulting, 2006).

To distinguish generational effects from that of age, life cycle and period, longitudinal analysis was also employed in this area. Early examples include Oppermann's analysis on travel patterns and destination choice among German generational tourists (Oppermann, 1995) and You and O′Leary's examination of the travel behavior and travel philosophy of Japanese senior generations (You & O'lear, 2000). Both results showed that generational effects dominated age effects, and the travel behaviors maintained relative stability. Subsequent researches further supported the conclusion, indicating the validity of generational analysis in tourism (Beldona, 2005; Beldona, Nusair, & Demicco, 2009; Furr, Bonn, & Hausman, 2001).

To sum up, previous researches on generational travel behaviors have explored travel motivations (Cleaver et al., 2000), travel information searches and booking (Beldona et al., 2009), travel activity preferences (Pennington-Gray et al., 2002), destination perception (Huang & Petrick, 2010) and travel decision making (Gardiner et al., 2013; Gardiner et al., 2014). All living generation groups are discussed, especially for senior generations. In terms of sample country and travel occurrence area, domestic travel from developed countries are the mainstream, little endeavor was exerted to tourists from China and other developing countries, except Chung, Chen and Lin's generational analysis to understand the motivation and destination image of mainland Chinese tourists visiting Taiwan (Chung, Chen, & Lin, 2016). Lacking from the scholarly literature is empirical research on Chinese international travel behaviors from generation perspective. Therefore, this study aims to explore the attitudes and behaviors of Chinese five generations of potential outbound tourists.

2.3. Consumer behavior model in tourism

Travel consumer behavior is complex, as it involves the whole process from leaving home to returning home (Medlik & Middleton, 1973). To unravel the core determinants and integrate their interrelation, many different models have been presented. Despite of their differences, these models have collectively emphasized such mental activities before, during and after travel as motivation, information source, destination choice, travel activity preference and destination evaluation (Dunne, 2009).

Motivation is the internal psychologically derived "push" factor that impels people to travel (Moutinho, 1987). It is both the initiation for following behaviors, and the grounds for travel evaluations (Jamal & Lee, 2003), therefore it is accepted as the first variable for understanding the potential Chinese outbound market. Meanwhile, tourists are also motivated by the external environmental derived "pull" of attractions