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Segmenting Chinese Outbound Tourists by Perceived Constraints

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Abstract: This study examines travel constraints experienced by Chinese outbound tourists. Four constraint factors are identified from visitor data collected in 2006: structural constraint, cultural constraint, information constraint, and knowledge constraint. Information constraint is identified as a factor unique to outbound tourists from China. Among the four constraint factors, structural constraint is the most dominant. Four clusters of visitors are therefore identified: culturally constrained, structurally constrained, absence of sufficient information, and knowledge constrained. The four clusters are distinct in terms of their destination loyalty. The characteristics of each segment are given, and the practical implications of the findings are discussed.

Keywords: travel constraint, market segmentation, Chinese outbound tourists
INTRODUCTION

Since 1979, at the time the country adopted the “open door policy,” China has been a major beneficiary of globalization. According to a report by Goldman Sachs, a leading global investment management firm, China will overtake the United States as the world’s biggest economy by 2050 (Goldman Sachs Global Economy, 2005). Globalization for China is not confined to opening the economy, but involves, more importantly, the opening of institutions. Today, China sends missions throughout the world, seeking and adopting best practices, foreign technology, and the Western concept of rule of law. China also sends elite youth abroad for education. The increased affluence of the Chinese, their enhanced exposure to the global culture, together with the great technological achievements in information, communication, and deregulation of movements (Wahab & Cooper, 2001), have laid important groundwork for international tourists from China.

China has achieved the most impressive development in the tourism industry in the past two decades. According to the United Nation World Tourism Organization (hereafter “UNWTO”), China now ranked fourth in terms of international tourist arrivals, and fifth with respect to international tourism receipts in 2009. In 2009, China received 50.9 million international tourists and generated USD 39.7 billion in international tourism receipts (UNWTO, 2010). In 2008, domestic tourism also exhibited a remarkable growth, with 1.6 billion people making trips within the country and accounting for USD 77.7 billion in tourism receipts. Most notably, the China outbound market has been considered the most attractive and promising by many destination countries. As one of the largest generators of outbound tourists, China generated 47.66 outbound
travelers in 2009, and the total expenditure on tourism shopping reached USD 42 billion, the highest in the world (China Tourism Academy, 2010). According to the UNWTO, outbound travel from China will grow to 100 million by 2020 (UNWTO, 2003). The global marketplace for tourism has witnessed a growing demand from consumers in China, and governments and businesses in many destination countries are eager to roll out welcoming mats.

However, ideological, psychological, social, and cultural barriers to accepting and embracing visitors from China are still seen among hosting communities (Cai, 2007). A review of existing studies on China outbound tourism from 20 top-ranked tourism and hospitality journals published outside China revealed that only 42 academic papers have been published as of 2011. The topics covered thus far include 1) market overview of the determinants, characteristics, and trends of China outbound tourism in general and to certain countries/areas in particular with qualitative data; 2) destination-specific discussion of the general characteristics of the Chinese outbound market to specific destinations, as well as the socioeconomic and trip-related characteristics with secondary data; and 3) specific aspects of the market that either discussed the psychological aspects of Chinese outbound tourists or shed light on a niche market segment using primary data.

To the extent that those studies are valuable in gaining an understanding of Chinese outbound market in general and the behavioral characteristics of tourists to particular destinations, the knowledge is largely limited to the description of the market as a homogenous one. The influential factors in the decision-making process remain severely under-studied. The
psychology of Chinese outbound tourists, unlike their counterparts in mature markets, is marked
by contradictions between the millennia-old dynastic and Confucian culture of China and the
drive to create a great modern nation. As a result, the Chinese psyche is always torn between the
polarities of ambition and caution (Doctoroff, 2005). Outbound travel is a recent phenomenon to
many; thus, the mindset of the Chinese outbound tourists paradoxically blends an aggressive
hunger for novelty with political, financial, and cultural fetters. The study of factors that prohibit
Chinese people from traveling abroad will enhance the understanding of this market and provide
marketing implications. Thus, the current study aims to achieve the following research objectives:
1) to explore the constraints experienced by Chinese outbound tourists; 2) to examine the
influence of socio-demographic factors on these travel constraints; and 3) to segment the market
based on major constraints they encountered in the decision-making process using data collected
from a consumer survey conducted in 2006.

LITERATURE REVIEW

Travel constraints, as discussed by Kerstetter, Yen, and Yarnal (2005), are the key factors
that keep people from initiating or continuing to travel. According to extant literature, travel
constraints refer to factors that inhibit continued travel, cause inability to begin travel, result in
the inability to maintain or increase frequency of travel, and/or lead to negative effects on the
quality of travel (Hung & Petrick, 2010). Perceived constraints to travel have been extensively
studied in the field of leisure since 1960s. These constraints can be considered as factors that
“limit the formation of leisure preferences and …inhibit or prohibit participation and enjoyment
in leisure” (Jackson, 1991: 279). Studies in general marketing have also noted that the salient
conclusion to prognostications regarding actual purchases is likely to be enhanced by consideration of situational constraints (Belk, 1975; Hansen, 1976; Park, 1978; Tybout & Hauser, 1981).

Although barriers to travel have been documented in the tourism literature since the 1980s, only a few articles have applied the concept of leisure constraints to tourism (Hung & Petrick, 2010; Nyaupane & Andereck, 2008). In recognition of the lack of understanding regarding travel constraints, Blazey, Crompton, and Lansing and Blood documented that lack of money, time, family support or interest, and poor health are the primary constraints perceived to influence the decision of an individual of whether to travel (Blazey, 1987; Crompton, 1977; Lansing & Blood, 1964). Later, Um and Crompton (1990) proposed three attribute dimensions of perceived facilitators and inhibitors based on the pleasure travel destination choice process: need satisfaction, social agreement, and travel ability. The need satisfaction dimension incorporates a set of motivations for travel, such as novelty, challenge, relaxation, learning, and curiosity. The social agreement dimension reflects potential tourists’ inclinations to act in accordance with the opinions of their social groups. The travel ability dimension describes the propensity of an individual to travel to a place in terms of money, time, skill, and health. Tourist attitudes have been operationalized as the difference between the magnitude of perceived facilitators and the magnitude of perceived inhibitors. Following operationalization, perceived constraint should be negatively related to tourism attitude (Um & Crompton, 1990). However, this presumption still needs to be corroborated by further empirical data. The results of the study of Um et al. (1990)
might be biased because the sample it used was composed only of students.

Various authors (Backman, 1991; Backman & Wright, 1990; Jackson & Dunn, 1987; McGuire, 1984) have indicated that travel constraints are interrelated and should be evaluated in the context of underlying dimensions. Jackson, building on this contention, identified six dimensions of perceived constraints that appear to be common across settings: 1) social isolation, meaning characteristics that involve interaction between/among people; 2) accessibility, meaning the lack of or limited access to transportation; 3) personal reasons, which represent the abilities or motivations of an individual; 4) cost—experience , which covers costs or cost of equipment; 5) time, which refers to levels and intensity of participation, and 6) facility, which refers to crowding and maintenance (Jackson, 1993).

Tian, Crompton, and Witt assessed constraints that inhibited museum-goers from visiting museums in Texas. Six dimensions of constraints were documented: cost, time, difficulty of access, repetition, product failings, and lack of interest (Tian, Crompton, & Witt, 1996). Crawford, Jackson and Godbey proposed a sequential model of negotiating constraints beginning with intrapersonal constraints (e.g., fear, anxiety, sickness, or stage of life), to interpersonal constraints (e.g., not being able to consummate plans for a family vacation because of the family members cannot join the vacation at the last minute), and then finishing with structural constraints (Crawford, Jackson, & Godbey, 1991). Crawford and Godbey identified structural constraints as economic barriers, availability of time, access, and opportunity (Crawford & Godbey, 1987). Pennington-Gary and Kerstetter (2002) used a measurement model to
consolidate the three dimensions of situational constraint suggested by Crawford et al. in the context of nature based tourism. The model was supported by the empirical data. Individual constraints to nature-based tourism were also found to be perceived as similar to those associated with traditional leisure activities. Money and time were found to be more important than other constraints. They concluded that traveling costs money and required people to spend time doing something outside of their routines. This finding is consistent with those documented by Haukeland (1990) and Norman (1995). Jun, Kyle, and Mowen (2009) explored the constraints perceived by visitors to a metro park, and identified four constraints, containing other priorities, setting elements, access, and social factors. The respondents were clustered into three segments based on these four factors: other priorities, highly constrained and least constrained.

The travel constraint experienced by Chinese tourists has only been dealt with by a handful of studies. Zhou, King, and Turner evaluated the key constraints and opportunities of the China outbound market. Their study confirmed that the difficulty of obtaining entry visas to other countries is the major constraint to market growth. In addition, the ease of booking procedures appears to be the most significant factor determining destination choice, although price and familiarity also appear to be important determinants. The study suggested that destination countries wishing to tap into the China market should simplify their procedures with particular reference to visa issuance (Zhou, King, & Turner, 1998).

Hsu and Lam identified the top five barriers that inhibit Chinese residents from visiting Hong Kong. Those barriers were expensiveness, lack of travel agencies, short holiday, difficulty
in obtaining travel documents, and safety (Hsu & Lam, 2003). These findings were partly confirmed by a later study conducted by Huang and Hsu through a focused group interview. According to Huang and Hsu, the top five inhibitors to visiting Hong Kong are lack of money, lack of time, language barrier, difficulty in getting travel documents, and lack of reliable travel information (Huang & Hsu, 2005). Using a fuzzy logic model, Teng compared risks perceived by visitors of three foreign destinations: Singapore, Malaysia, and Thailand. The study of Teng revealed that Singapore was perceived as the safest city, followed by Malaysia and Thailand (Teng, 2005). Based on data collected with potential Chinese outbound tourists residing in Shanghai, Sparks and Pan (2009) investigated respondents’ values in terms of destination attributes, as well as attitude towards international travel to Australia. Two underlying constraints were identified. They were external factors (exchange rate, flight time, cost, language barriers, visa regulation, relationship between China and Australia) and safety factors (risk and safety). Huang and Hsu (2009) conducted an empirical study investigating the structural relationships among motivation, past experience, perceived constraint, attitude and visit intention of Chinese tourists for Hong Kong. For the perceived constraint, three underlying dimensions have been identified. They are structural, interpersonal, and disinterest. The final analysis results indicate that only the disinterest factor has significantly negative impact on tourists’ visit intention.

Although contributing enormously to the body of knowledge in travel constraints, most extant studies have treated the tourists as a homogeneous group, making these studies ineffective in helping destination marketing organizations access information on viable segments of the
market. Segmentation needs to be implemented to classify the market into distinct groups with similar perceived constraints that respond to unique product offerings and marketing mixes (Plog, 1987; Vanhove, 1995; Weber, 1995). Tourist markets can be segmented or subdivided in many different ways. Geographic location (e.g., Cai & Li, 2009), activity (e.g., Yan, So, Morrison, & Sun, 2007), expectation (e.g., Juwaheer, 2006), travel expenditure (e.g., Laesser & Crouch, 2006), lifestyle and social values (e.g., Blamey & Braithwaite, 1997), and motivation (e.g., Li, Huang, & Cai, 2009) are some of the most commonly used segmentation techniques in recent tourism literature. Each segmentation variable has pros and cons. For example, demographic segments are easily measured and classified, but may be somewhat outdated and blurred, whereas psychographic segments combine the virtues of demographics with the way people live, think, and behave in their everyday lives, but are questionable with regard to identifiability, validity, and stability (Shoemaker & Shaw, 2008). Most practitioners require more than one market segment and most likely have many segments and segmentation strategies. The selection of segmentation variables depends on the measurability, accessibility, substantiality, and actionability of the resultant segments (Kotler, Bowen, & Makens, 2006). In the context of China outbound tourism market, only a small number of segmentation studies can be identified, and the most commonly used segmentation variables are tourists’ motivation (e.g., Kau & Lim, 2005) and tourists’ trip experience (Hsu & Crotts, 2006). Tourists’ perceived constraint has yet to be employed as a segmentation variable to differentiate tourist market in any market.
METHODOLOGY

The data used in this study were collected from a self-administered survey of Chinese outbound package tourists. To eliminate the possible impact from the destination, only visitors to Australia were included in this study. A judgmental sampling method was adopted to select feasible and representative research sample. The survey was decided to be conducted in Beijing, Shanghai, Guangzhou, and Hangzhou as these cities generated a large number of outbound tourists. A two-stage sampling frame was used to select survey interviewees. At the first stage, travel agencies were selected based on convenience within the four cities. According to available information from local tourist associations, 20 authorized travel agencies are operating outbound tourism business in the four selected cities including nine in Beijing, five in Shanghai, three in Guangzhou and three in Hangzhou. The travel agencies were contacted for their willingness to participate. Those travel agencies who agreed to participate in the research were briefed regarding the research objectives and administrative procedures before carrying out data collection. During the data-collection process, the tour escorts from the travel agencies helped explain the research objectives, distribute questionnaires to the group tourists, and collected the questionnaires before and after the trip. At the second stage, a systematic probability sampling technique was used in the questionnaire survey to enhance the randomness of the survey sample. Every group tourist was assigned a number in the list held by a tour escort. Tourists with odd numbers were chosen for this survey. The self-administered questionnaire was handed out and collected by tour escorts from the assigned travel agencies. The data collection started on the 1st of June, 2006 and completed on the 31st of November, 2006. As a result, 457 usable
questionnaires were collected.

The survey instrument inquired into the travel and trip characteristics of the respondents, their motivation of taking overseas pleasure trip, their perception of the destination country, travel constraints, destination preference, satisfaction with the destination, as well as loyalty to the destination. Respondents’ demographic information was also collected. The questions used in the current study included travel constraints, loyalty, and respondents’ demographic and socioeconomic characteristics. Loyalty was measured using the scale developed by Zeithaml, Berry, and Parasurama (1996). Five items were included: I will recommend the destination to others, I will tell positive things about the destination to others, I will encourage others to travel the destination, I will consider the destination again while traveling abroad for holiday, and I will visit the destination again within the next two years.

Measurement of travel constraints was identified from a literature review (e.g., Hsu & Lam, 2003; Huang & Hsu, 2005; Peterson & Lambert, 2003), personal interview, and focus group discussion. Six personal interviews were conducted on convenient samples chosen from a group of Mainland Chinese outbound tourists at Shanghai International Airport, and three focus group interviews were arranged with the assistance by travel agencies in Shanghai in April 2006. A semi-structured questionnaire with open-ended questions was used to assist the interviews. The participants were asked “Based on your own experience, what are the constraints that you’ve perceived as a Mainland Chinese tourist visiting foreign destinations?” Through content analysis of these interviews, 12 items were generated (Table 1). The most frequently mentioned constraint
was time, followed by language, and travel cost/obtaining travel document. These 12 items, together with four items from previous studies were used to measure travel inhibitor on a 7-point Likert scale ranging from (1) totally disagree to (7) totally agree, designated to test the respondents’ evaluation of travel inhibitors in an interval way.

A progressive procedure of statistical analyses was carried out. First, frequency analysis was conducted to examine the profile of the respondents. Descriptive analysis was then conducted to summarize travel constraints for traveling overseas, which was followed by exploratory factor analysis (EFA) with varimax rotation to identify the underlying inhibitor constructs. Items exhibiting low factor loadings (< .40), high cross-loadings (> .40), or low communalities (< .50) were candidates for deletion (Hair, Black, Babin, Anderson, & Tatham, 2006). Cronbach’s alpha test was then employed to verify the reliability of the variables generated by EFA. Finally, a two-step cluster analysis was conducted to split the sample into different segments using the constraint factor scores. The segments resulting from the above-mentioned procedure were then described and validated using one-way ANOVA. Destination loyalty was employed as the validating variable.

MAJOR FINDINGS

Sample Profile

The socio-demographic characteristics of the sample are shown in Table 2. Among the 457 respondents, there were slightly more male tourists (56%) than female tourists (39%). The
majority of the respondents were between the ages of 25 and 54, which represented 78% of the total respondents. The age of these respondents were almost evenly distributed among the age groups of 25–34 (24%), 35–44 (28%), and 45–54 (26%). As to marital status, the married respondents accounted for 77% of the sample, whereas the unmarried respondents for 15.5%. More than half (69%) of the respondents were either executive/managers (36%) or company employees (33%). The retired, professionals, and teachers each accounted for 5–6% of the respondents. Of the respondents, 70% had received tertiary education, with 46% of them receiving their highest education at undergraduate level and 24% receiving non-degree tertiary education. The personal annual incomes varied a lot. The lowest incomes were under RMB 1,000 (6%) and the highest were over RMB 100,000 (7%).

[Insert Table 2 here]

Constraint Constructs

Descriptive analysis of travel constraints (Table 3) detected that language (m=4.81) was perceived as the biggest barrier encountered by the Chinese outbound tourists, followed by travel distance (m=4.70) and travel document issues (m=4.63). Other important constraints included travel cost (m=4.63), time (m=4.49), and travel arrangement (m=4.33).

[Insert Table 3 here]

The results from the exploratory factor analysis are shown in Table 4, with the reliability test for each factor. Two rounds of factor analysis were conducted, and the constraint item “the destination is unattractive to me” was deleted because of high cross-loading on two factors. This process resulted in a four-factor solution explaining 65.32% of the total variance. The reliability
coefficients ranged from 0.667 to 0.848, indicating a satisfactory level of internal consistency. The factors were labeled as *structural constraint, cultural constraint, information constraint,* and *knowledge constraint.*

[Insert Table 4 here]

The first factor, explaining 19.005% of the total variance, includes five items. Since all the items loaded on this dimension are related to material or physical conditions making their trip difficult, this factor was named as Structural Constraint. Four items were loaded on the second factor, which accounts for 15.93% of the total variance. All the indicators reflect the difficulties caused by the cultural differences between the destination and China, therefore this factor was labeled as Cultural Constraint. The third dimension, which explains 15.542% of the construct variance, consists of three items. This dimension is related to the tourists’ limited understanding or misunderstanding of the destination due to lack of information exposure, so this factor was called as Information Constraint. The last factor, which only contains two observed items, explains 9.774% variance of this construct. Items loaded on this dimension are concerned with travel difficulties caused by limited knowledge about language and documentation application procedure. Therefore, the last factor was formulated as Knowledge Constraint.

*Socio-demographic Influences*

The travel constraints experienced by the respondents were examined in relation to their socio-demographic characteristics (Table 5). With few exceptions, the four constraint factors were common across gender, age, marital status, occupation, education, and income groups. Regarding gender, there was no significant difference between the constraints to travel.
experienced by male and female tourists. Two life cycle related factors, age and marital status, were found to be significantly related to travel constraints. Age was a significant indicator of the structural, cultural, and knowledge constraints experienced by tourists, and marital status was significantly related to knowledge constraints. A further scrutiny of the statistic results revealed that visitors aged 16–24 deemed the three types of constraints more prominent than did other age groups, and knowledge constraint was perceived as more important for unmarried respondents than for married ones. This may because that people of earlier life cycle stages have less travel experience and therefore feel more difficult to overcome those constraints. Another possible explanation might be that younger people prefer travel individually with more freedom and more access to the destination, therefore perceive more difficulties in arranging travel document and communications. Significant difference among occupation groups was only found in terms of their structural constraints. It is reasonable to infer that different occupation means various workloads, income levels and so on, so structural constraints will cause variance cross different occupation groups. The perception by respondents of cultural, information, and knowledge constraints was found to be significantly different among visitors with different education levels. Respondents with a postgraduate degree considered the cultural factor more important than did other educational groups. With higher education experience, they might be more sensitive to the cultural difference of the destination from Chinese culture. For respondents who reached only the primary school education level, the information and knowledge constraints were more important than the other constraints. From Table 5, income was a significant indicator of the cultural and knowledge constraints experienced by tourists. Both factors were more important for respondents
with an annual income of RMB 20,000–30,000 than for tourists in other income groups.

[Insert Table 5 here]

Cluster Analysis

A combination of hierarchical and nonhierarchical methods was used, as suggested by Hair et al. (2006). The factor scores of the four inhibitor factors were used as the cluster variables. In the first step, the partitioning stage, a hierarchical procedure was used to identify a preliminary set of cluster solutions as a basis for establishing the appropriate number of clusters. The similarity among cluster solutions was measured using squared Euclidean distance with Ward’s method as the clustering algorithm. Cluster solutions ranging from 2 to 10 were examined, and no outliers or unrepresentative cases were detected.

The percentage changes in heterogeneity were adopted as the stopping rule to decide on the number of cluster solutions. The basic rationale is that when larger increases in heterogeneity occur, the researcher selects the prior cluster solution because the combination joins quite different clusters. Changes in the clustering coefficient for ten to two clusters were calculated (Hair et al., 2006). The largest increases were observed in going from three clusters to two clusters (18.1%), followed by going from two to one (16.5%), and then from four to three clusters (15.5%). Notably, the increase in heterogeneity in the final stage (in which two clusters are combined to form one) will always be large. In other words, a two-cluster solution is identified through this procedure; however, this solution may represent limited value in meeting research objectives. Therefore, three-cluster and four-cluster solutions were chosen as the preliminary cluster solutions for further investigation in terms of the degree and type of
difference.

The statistical results reveal that the four-cluster solution showed more distinctions than did the three-cluster solution. Therefore, nonhierarchical cluster analysis was conducted using the K-means method to adjust the results from the hierarchical procedure. Significant differences were detected in terms of travel constraints among the four segments. To label the four segments, the mean-centered value of each travel-inhibiting factor was computed, as shown in Table 6. The four clusters were subsequently labeled as culturally constrained, structurally constrained, absence of sufficient information, and knowledge constrained, with 145 (31.7%), 154 (33.7%) 90 (19.7%), 68 (15.0%), and cases, respectively, out of 457 valid observations.

[Insert Table 6 here]

Profiling Clusters

The demographic information of each cluster is shown in Table 7. Gender, marital status, and education level of respondents followed the same pattern across the four segments. In the first segments, Absence of Sufficient Information, respondents rated Information Constraints the highest, followed by Knowledge Constraints. Structural Constraints were rated the lowest among these four factors. The majority of this segment was married (94.3%), and listed their occupations as executive managers (47.2%) or company employees (36.0%). Over 70% of the respondents in this cluster are in the age group of 35-55. This cluster of respondents also reported a highest percentage of monthly income between RMB7, 000 and RMB9, 000. Being in a later stage of life cycle, this group of people are more suspicious and protective (Doctoroff, 2005).
Meanwhile, they are not used to search for travel information from the Internet as their younger counterparts do. Therefore, access to sufficient information regarding the destination was perceived as the primary constraint to outbound travel for this cluster.

In the second segment Culturally Constrained, foreign culture of the destination, such as the exotic lifestyle, food, and so on, was the main concern for them to travel overseas. Respondents in this segment had relatively high education level, with their annual incomes evenly distributed among the six categories. Since their education level is high, they may have more understanding of the foreign culture, and consequently realized and feared the cultural difference and shock.

Respondents in the Knowledge Constrained segment rated Knowledge Constraint the highest. The foreign language and travel documentary requirements were their main constraints for outbound travel. Unlike in other segments that were male dominant, male travelers and female travelers were equally distributed in this segment. Respondents in this segment were relatively young, with majority of them falling into the age group of 16–34, and both of their education and income levels were relatively high. More than 60% of them were holders of a bachelor’s degree, and their income levels were above average. Perhaps due to lack of outbound travel experience at their age, the communication ability and preparing application document in foreign language became their major concern.

For the last segment, the time, money, distance and difficulty of arrangement were the main reasons that inhibited tourists from outbound travel. This segment was subsequently labeled as Structurally Constrained. Demographically, respondents in this segment were mainly young and
mid-aged married people. Personal annual incomes of respondents from this segment were approximately the same as the average income in Mainland China. Although respondents in this cluster share common trait in terms of gender, marital status, occupation, and education level with other three clusters, their reported monthly income (40% are below RMB5,000) is lower given their age (63.8% are in the age group of 35-55). Therefore, this group of people is likely to be inhibited by structural constraints including travel cost, travel distance, and job commitment.

Validating Segments

The four segments have been established as differing in terms of the travel inhibitors. To validate the cluster solutions and further examine the differences among segments for practical information, the differences among the four clusters were examined in terms of loyalty of tourists to the destinations. This construct was chosen as the means to test the predictive validity of the cluster solution because perceived travel constraints affect loyalty of tourists to a destination (Backman, 1991; Mao, 2008). One-way ANOVA was conducted to compare the differences in loyalty of tourists among the four segments. As shown in Table 8, the differences among the four segments were statistically significant at the level of 0.05 with respect to the eight validation items. Among the four segments, the structurally constrained segment showed the highest level of loyalty to a tourism destination, while those belonging to the constrained by absence of information segment were the least loyal to a destination. These results confirm that the cluster solution was identifiable and could be described based on other variables.
DISCUSSION AND CONCLUSION

The objectives of this study were to explore the travel constraints experienced by Chinese outbound tourists, identify the influence of the socio-demographic characteristics on the perceived constraints, and segment the market based on the travel constraints. The understanding of travel constraints is essential in planning marketing programs more effectively. In general, the research findings show that, among the 16 measurement items, language was rated as the top constraint to travel for Chinese outbound tourists. Other important constraints identified include travel distance, obtaining travel document, cost, and time. This finding is consistent, though in different orders, with those of Zhou, King, and Turner (1998), Hsu and Lam (2003), and Huang and Hsu (2005).

The respondents did not obtain a very high rating on the measurement items, with all 16 scoring below 5 out of 7. This indicates that ideologically, financially, and physically, Chinese people are ready to step out of the country to experience foreign culture and lifestyle. However, given the fact that Chinese tourists are still inexperienced in overseas travel, they lack confidence in traveling to destinations where Chinese is not a spoken language. Many respondents feel insecure when they travel abroad because of the communication barrier, which is seen as subsequently affecting their travel experience.

In addition to the conventionally held travel constraints of time and money, as identified by previous studies (Blazey, 1987; Crawford et al., 1991; Crompton, 1977; Jackson, 1991; Lansing & Blood, 1964), difficulty in obtaining travel document was also found to be a critical inhibitor
preventing Mainland Chinese people from traveling abroad. Due to political instability, traveling was restricted after the establishment of People’s Republic of China. People did not begin to travel domestically for tourism purposes in China until the late 1970s. International trips have always been more difficult for Chinese because they are unable to easily obtain travel documents, such as passports and visas, for private-purpose trips. Outbound travel was first allowed in the 1980s in Guangdong Province, when people were allowed to travel across the border between Hong Kong and China to visit their relatives in Hong Kong. Outbound tourism in its real sense began in the early 1990s, when people were allowed travel to several Southeast Asian countries for tourism through a travel agency. However, the main travel document at that time was a one-visit passport, which was usually held by the travel agency and would expire after the trip. Obtaining a private passport has always involved a very complicated procedure. This was the case until the end of last century, when government started to simplify the policy of issuing private passports to Chinese.

Currently, obtaining a tourism visa to an overseas destination, especially a developed country, remains difficult. Although the developed countries see China as a tempting market for tourism, they are also aware and afraid of the possibility of overstaying tourists from China. For this reason, destination countries are very cautious in issuing tourist visas to Chinese nationals. For the majority of Chinese nationals, obtaining a tourist visa is complicated and involves a great deal of paper work and, sometimes, professional assistance. Therefore, most tourists from China consider obtaining travel documents as the travel inhibitor that makes the destination less
Factor analysis revealed four constraint factors: *structural constraint*, *cultural constraint*, *information constraint*, and *knowledge constraint*. *Structural constraint* was the dominant constraint experienced by Chinese outbound tourists. This finding is consistent with that of most extant literature, with an additional factor of *information constraint*. Two factors contributed to the emergence of information as an individual dimension. First, as suggested by previous studies, people tend to trust information obtained from social environment, such as information from friends, relatives, and reference groups (Mill & Morrison, 2002). Outbound travel is a recent phenomenon in Mainland China; therefore, information from the social environment is not readily available, and people have to search for information from the commercial environment, which presumably would have something materially to gain from the tourists’ decision to make purchases. Therefore, the respondents in this study perceived the lack of information and reliable travel agent as a constraint. Second unlike their Western peers, the contemporary Chinese have always been suspicious due to the frequent social transformation the country has undergone in the past 100 years (Doctoroff, 2005). Chinese are therefore, instinctively more sensitive to the change from ordinary to extraordinary, on which tourism is based (Iso-Ahola & Allen, 1982; Mannell & Iso-Ahola, 1987; Urry, 1990). This personal insecurity, together with the lack of confidence with their communication ability, makes the availability of reliable information even more critical.

The constraint factors differed to some degree according to socio-demographic
characteristics, with age and educational background as the most influential factors. Four segments were identified from cluster analysis: culturally constrained, structurally constrained, absence of sufficient information, and knowledge constrained. The structurally constrained cluster constituted the largest group in the total sample. No significant differences were found among the four segments in terms of demographic characteristics. However, significant differences were found among the four segments regarding their destination loyalty.

With over one fifth of the world’s population, China is now recognized as the market with the greatest buying potential in the travel and tourism industry. However, most of the previous studies have treated this market as a homogeneous one. Destination managers have found that to profitably serve a diverse market, they must have complete and accurate information about the individuals who make up each segment. The employment of travel constraints as a segmentation variable will greatly enhance the effectiveness of any effort, from destination planning to marketing. This study is one of the first attempts to deconstruct the market based on perceived constraints in the context of Chinese outbound tourism. The understanding of the perceived constraints is essential to identify the target market and to more effectively develop positioning strategies. The findings from this study should therefore be translated into marketing programs in the countries/regions that receive Chinese outbound tourists.

For most of the respondents, the biggest constraints to traveling abroad are structural, indicating that outbound travel continues to be perceived as an expensive activity. Destination marketers can influence travel propensity by increasing the perceived value of the destination, or
by reducing the influence of price through the establishment of a sense of value and purchasing power in the minds of potential consumers. Lack of information was also found to be a constraint unique for Chinese outbound tourists. Destination countries/regions should therefore provide more detailed travel related-information to enhance both the organic image and the induced image of the destinations. In addition, opinion leaders could also be invited to travel and to provide more personal account of travel experience in particular destinations. In addition, destination marketers should also educate potential tourists by engaging in marketing programs that will help the audience overcome their fear of unfamiliar cultural environments. However, since the sample did not represent the general population of tourists from China, any interpretation of its findings must be made in the context of the profile of the respondents.
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