

# **Hotel Preferences of Chinese Leisure Travelers: An Examination of Travel Agent Perceptions**

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## **Introduction**

This research focuses on the anticipated future boom of Chinese tourists to the United States and its effect on the lodging industry. The aims of the research are to find out the preferences of Chinese travelers' regarding hotels from the perspective of travel agents. Ten personal interviews were done with general managers or managers of some of the largest travel agencies in China. All data gathered will be analyzed using qualitative research methods for the precise interpretation of the participants' opinions. This information will assist American hotels in preparing for this anticipated future increase in Chinese guests. This research identified commonly existing problems related to American hotels in serving their Chinese guests as well as Chinese tourists' expectations of American hotels.

## **Purpose of Study**

The purpose of this study is to ascertain the perceptions of Chinese Travel Agents toward the future growth in Chinese traveling to the United States with an emphasis on the hotels that they will be using. The following major research questions are posed for this study from the standpoint of Chinese travel agencies:

- What are the preferred brands or level of hotels by Chinese travel agents?
- What are the most important factors in choosing hotels for tour groups from the travel agents' perspective?

- What are the most important features that Chinese guests look for in U.S. hotels?
- What do U.S. hotels need to improve on in order to better accommodate the needs of Chinese travelers?

## Literature Review

Chinese tourists started to travel to western countries when the Chinese government signed its first bilateral agreements with the non-Asian countries of Australia and New Zealand in 1997. By mid-2008, over 130 countries had been granted ADS by the CNTA, with the United States being the most recent country to join the ADS system (Byron Keating, 2008).

As the number of Chinese tourists to the U.S. is anticipated to boom in the coming years, many have started to compare Chinese tourists with their tourists from their Asian neighbor, Japan. Due to the boom of Japanese tourists to the U.S. in 1980s, the U.S. hospitality and travel industries rushed to accommodate these new guests. A study done in 2000 showed that among the 200 surveyed hotels which offered specially catered services for Japanese guests, forty-nine percent noted an increase in the number of Japanese guests since the implementation of the hotels' programs catering to this market segment (Yamaguchi, M., Emenheiser, D. A. and Reynolds, J. S., 2000). However, few studies have been done on the hotel preferences of Chinese tourists.

## Methodology

A qualitative research methodology was chosen for this research in order to obtain opinions and perceptions from a relatively small but representative sample of travel agents. Travel agencies who did a big part of their business in sending overseas groups were chosen. The travel agencies were located in the Chinese cities of Hangzhou, Zhuhai and Shenzhen. The interviews were held with either the general managers or managers directly responsible for the operation of the companies' travel business to the United States. Personal guided interviews were conducted in the offices of these

companies. The duration of these interviews was between 30 to 60 minutes during the period of July 13 to August 4<sup>th</sup> 2010.

The survey consisted of the following 3 sections: Demand Factors, Business Support and Customer Related. The first section consisted of questions regarding the company's background information, customers' demographics, travel motivations and preferences. The second section consisted of questions regarding the companies' business model when dealing with U.S. hotels and their perceptions on choosing hotels. The third section consisted of questions regarding the companies' perceptions about U.S. hotels catering to Chinese travelers and the interviewees' personal experiences and opinions. The surveys were translated into and conducted in Chinese.

## Results

The managers were asked to rate the importance of various factors in the selection process for hotels. This was done using a point scale of Very Important, Important, Unimportant, Very Unimportant, results are shown as listed in Table 1.

Table 1

	<b>VI</b>	<b>I</b>	<b>UI</b>	<b>VU</b>
<b>Price</b>	9	0	1	0
<b>Star Rating</b>	2	3	4	1
<b>Brand</b>	5	2	3	0
<b>Previous Exp</b>	4	4	2	0
<b>Location</b>	4	2	3	1

Total N= 10 Interviewees

The managers were then asked to rate the importance of the following factors from the

customers' perspective on the following scale, very important, important, unimportant and very unimportant. Results are shown as listed in Table 2.

Table 2

	<b>VI</b>	<b>I</b>	<b>UI</b>	<b>VU</b>
<b>Location</b>	2	3	4	1
<b>Room Quality</b>	5	4	1	0
<b>Food on the Property</b>	2	3	3	2
<b>Information Service</b>	0	3	5	2
<b>Recreational Facilities</b>	0	0	4	6

N=10 Interviewees

Questions were asked about preferred special services for Chinese guests, some key issues were noted and the interviewees had diverse opinions on them. From the above data and with the addition of other qualitative data, conclusions will be drawn.

## Limitations and Implications

One of the major limitations of this exploratory research is the comparatively small sample size. The Chinese market is big and travelers from different parts of the country might have diverse preferences. Hence the results of this study may not be applicable to the Chinese market as a whole. In addition, individual traveling have become another upcoming trend in the market. These individual travelers will have different hotel preferences from group travelers.

This research is industry based. The results are expected to provide insight and strategies for the U.S. hotel industry. A preliminary analysis of the information gathered shows that U.S. hotels need to take advantage of the upcoming opportunities that will coincide with the expected future boom of Chinese travelers and be prepared. Knowing their own shortcomings and the preferences of Chinese guests is the first step in improving their product offerings.

## References

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