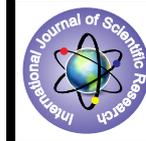


Indian Outbound Tourists' Retail Behavior



Marketing

KEYWORDS : Shopping, Factor, Destination selection, Outbound Indian Tourist

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ABSTRACT

Tourism has demonstrated dynamic growth in the past century and is projected to maintain sustainable growth in the coming years. As per UNWTO statistics India is one of the fastest-growing outbound travel markets in the world. With more than 13.2 million Indian outbound travelers in 2010 and an average annual growth rate of over 16%, the segment has huge potential. Tourism leisure shopping is recognized as one of the most popular global tourist activities. In some destinations shopping has become a core activity of the tourist attraction. The purpose of this paper is to provide insights into the Indian Outbound Tourists' retail behaviour. The paper uses descriptive research design. Data was collected from 150 respondents of the city of Ahmedabad and examined through statistical techniques.

Introduction

World tourism has demonstrated dynamic growth in the past century and is projected to maintain sustainable growth in the coming years. It is the largest service industry globally. The impressive developments in Indian tourism in recent years have brought the country to the forefront of world tourism as one of the most promising markets to watch out for – both for inbound and outbound tourism. One of the major activities a tourist indulges in while travelling abroad is retail therapy i.e shopping. This paper examines the factors affecting shopping /retail decision of the Indian Outbound tourist.

This article is organized as follows. In the next section, literature review is presented which is followed by the need for study. The third section identifies the focus and the objective of the study. In the fourth section, the methodology of study and research design is detailed out. In the fifth section, the findings of the study are presented. And in the sixth and the last section, the conclusions, limitations, and possibilities of extensions of the research are presented

LITERATURE REVIEW

Tourism is a purposeful, planned, and motivated behavior. People travel for various purposes: holidays, business, and seeing friends and relatives. Shopping is an important element of tourism (Timothy & Butler, 1995; Choi, Chan & Wu, 1999), and it is one of the most pervasive leisure activities for tourists, with significant economic, psychological and social benefits. (Choi, Chan & Wu, 1999; Snepenger, Murphy, O'Connell & Gregg, 2003) Shopping, together with visiting friends and relatives, having fun, and experiencing indigenous culture, functions as a motivating factor that affects tourists' travel decisions and consumptive behavior (Fodness, 1994). According to Law and Au (2000), shopping is a powerful force for tourism in terms of actual consumption of goods purchased and as a source of enjoyment and satisfaction. For most tourists, in fact, a vacation experience would be incomplete without opportunities to shop. Most tourists do not purchase goods only for themselves, but also for friends and relatives (Anderson and Littrell, 1995; Kim and Littrell, 2001). Naturally, shopping as one of the most important tourism activities has an important economic impact on host communities, as it requires the spending of money for leisure purposes (Jackson, 1996; Asgary, de Los Santos G, Vincent V & Davila V.1997). Despite widespread recognition that shopping is a major tourist activity, destination attraction feature and motive for travel, it is only in recent years that the role of shopping as a tourist and leisure activity has begun to receive increased academic attention.

Tourism shopping is often associated with symbolic consumption; material goods can reinforce the sense of self and provide a storehouse of memories from past experiences (Anderson & Littrell 1995, Littrell, Anderson, and Brown 1993). Littrell and colleagues provide evidence that souvenirs can be purchased for many reasons.

In spite of the fact that shopping is a very common behavior exhibited by Indian tourists, there are very few studies that in-

vestigate the shopping/retail behaviour of the Indian outbound traveller's retail behaviour.

FOCUS AND OBJECTIVE OF THE STUDY

This paper attempts to understand the Indian Outbound traveller's retail behavior with respect to the factors that influence their shopping / retail decision.

RESEARCH METHODOLOGY

The paper attempts to understand the Indian Outbound traveller's retail behavior through the use of descriptive research design. Data was collected from 150 respondents through a structured questionnaire in the city of Ahmedabad in the month of April 2012. The criteria for selection of respondents was that they should have already vacationed outside India at least once in the past three years. Snow ball method of sampling was used. The questionnaire was divided into three parts. The first part included their demographic details such as gender and age of tourists, educational level of tourists, occupation of tourists and annual income. The second part asked questions about factors affecting shopping decisions. Researchers were asked to state the degree of importance on a battery of statements. The next part includes detail about the products purchased and the preferred retail formats. SPSS 19 was used to analyse the data.

DATA ANALYSIS AND RESEARCH FINDINGS

In this section, the main findings of this study are discussed.

PART I - DEMOGRAPHIC PROFILE OF RESPONDENTS

More than half of the respondents were males. Majority of the respondents belonged to the combined age group of 35-64. An overwhelming percentage of the respondents were married. Majority of them were self employed and were atleast graduates.

TABLE I - Demographic profile of Respondents

Gender	No of respondents	Percentage
Female	87.00	58.00%
Male	63.00	42.00%
Total	150.00	100.00%
Age (years)		
18-25	10.00	6.67%
26-34	32.00	21.33%
35-49	48.00	32.00%
50 -64	50.00	33.33%
Over 65	10.00	6.67%
Total	150.00	100.00%
Marital status		
Single	21.00	14.00%
Married	129.00	86.00%
Total	150.00	100.00%
Personal annual income		

Rs 5,00,000 - 9,99,999	12.00	8.00%
Rs 10,00,000 -14,99,999	22.00	14.67%
Rs 15,00,000 -19,99,999	49.00	32.67%
Rs 20,00,000 - 24,99,999	42.00	28.00%
Rs 25,00,000 - 29,99,999	22.00	14.67%
Rs 30,00,000 and above	3.00	2.00%
Total	150.00	100.00%
Highest level of education		
Secondary or high school	25.00	16.67%
Graduation	77.00	51.33%
Post graduation	48.00	32.00%
Total	150.00	100.00%
Occupation		
Self employed	56 .00	37.33%
Professional	11.00	7.33%
Employee	45.00	30.00%
Homemaker	22 .00	14.67%
Retired	7.00	4.67%
Others	9.00	6.00%
TOTAL	150.00	100.00%

Part II - FACTOR ANALYSIS OF TOURIST ATTRACTION

Factor analysis was next conducted on the 14 statements to derive a reduced set of factors. The Kaiser-Meyer-Olkin measure of sampling adequacy was used to measure the appropriateness of the factor model. The value obtained was 0.841, which is considered as acceptable. The principal component analysis was used to arrive at a factor solution. The factors extracted were rotated based on the varimax approach. A total of five factors with eigenvalues greater than 1 were extracted. The results are tabulated in Table II.

TABLE II –Factor Loadings

Factor	Eigen Value	% of Variance	Cumulative %
Variety of products	4.71	24.49%	24.49%
Product quality	2.69	14.57%	39.06%
Price	2.26	10.41%	49.47%
Service Quality	1.48	7.56%	57.03%
Store reputation	1.08	5.23%	62.26%

All the factors collectively explained approximately 62.26% of the variance.

The first factor which was named Variety of products explained 24.49% of the variation. The second (Product quality) explains 14.57% of the variance and the third factor (Price) explains 10.41% of the variation, while Service Quality and Store reputation explain 7.56% and 5.23% of the variation.

The result indicates that people’s perceptions of variety of products, product quality, price, service quality and store reputation are strong influencers of retail behavior.

PART III -PREFERRED RETAIL FORMAT

The following table gives an idea of the preferred retail formats and goods purchased for by the Indian Outbound tourist. As seen from table III, the most commonly purchased items are garments followed by souvenir and handicrafts. The least purchased items is books. They like to purchase from malls, street markets, duty Free shops and speciality stores in that order.

TABLE III – Commonly purchased goods and preferred Retail Formats

Items	Percentage
Garments	65.27%
Leather goods	23.74%
Mobile phones and Computing devices	32.13%
Cosmetics , toileteries,perfumes	44.49%
Watches ,clocks	41.2%
Foodstuff	28.36%
Jewellery	27.12%
Cameras &Optical goods	12.32%
Durables like TV,Oven etc	33.85%
Souvenir and handicrafts	55.39%
Antique	8.25%
Books	3.14%
Footwear	17.11%
Others	5.21%
Preferred Retail format	Percentage
Duty free shops	23.00%
Malls	48.00%
Speciality stores	17.00%
Street Markets	39.00%
Other	3.00%

Note: Respondents could have selected multiple options

CONCLUSIONS, LIMITATIONS, AND POSSIBILITIES OF EXTENSIONS OF THE RESEARCH

The study has both theoretical and practical implications. This study analyzed the Indian Outbound Tourists’ Retail Behaviour. Several recommendations derived from this study may be worth considering .They are as follows: First the variety of products is of paramount importance to the respondents. The second important role is that of product quality .This result is not surprising .Importantly the third major factor is price which is very important for the tourist .Also that Indian Out bound Tourist first choice of retail format is shopping malls,street markets, duty free shops and speciality Stores respectively This study has two major limitations. Firstly, data was collected in the city of Ahmedabad only . Tourists in other cities and states may report different results. Second, the list of variables mentioned in the study is not exhaustive. The research can be extended to include various other variables and can subsequently be associated or otherwise with, socio demographic and psychographic variables.

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