

**IMPLICATIONS OF LONG HAUL TRAVEL
ON THE MARKETING OF INTERNATIONAL TOURISM**

Tracey Harrison-Hill BCom(Hons)

School of Tourism and Hotel Management &
School of Marketing and Management,
Faculty of Commerce and Management,
Griffith University

Submitted in fulfillment of the requirements of the degree of
Doctor of Philosophy

21 December 2000

ABSTRACT

Tracking studies conducted by the Australian Tourist Commission (ATC) over the last decade have revealed that Australia has a high ranking as a desired destination among US residents. However prior to the peaked effect of the Olympics, this desire had not translated into increasing numbers of visitor arrivals from the US. As travel to Australia from the US is time consuming and involves extremes of physical distance, it would be to Australia's advantage to understand better the dimensions and ramifications of long haul travel with regard to destination choice.

This thesis has two objectives: to assess the extent to which a destination being a long haul from its target market affects the choice of this destination; and to consider the marketing implications of the above with a focus on the selection of Australia, as compared to competitive destinations, by the US holiday market.

Data were collected from two samples: the West Coast of the US and the East Coast of Australia. The instrument for the US sample collected information on the respondents' choice set structure, attribute importance in selecting a long haul destination, perceptions of the long haul destinations of Australia and Italy, and sociodemographics. The

instrument for the Australian sample collected information on the respondents' choice set structure, attribute importance for both long haul and short haul destination selection, perceptions of the long haul destination of the US and the short haul destination of New Zealand, and sociodemographics. This data were then used to test nine hypotheses designed to give insight into the research objectives.

The results indicate that tourists place differing degrees of importance on attributes of a long haul destination as compared to a short haul destination for a vacation. It also demonstrates that tourists' perceptions of the distance to destinations are often highly inaccurate and that this inaccuracy is related neither to actual distance nor choice set placement. The cognitive distance is however directly related to perceptions of cost of travelling to the destination.

A conundrum was also established in that the distance to Australia was overestimated and related positively with the choice of the destination. Yet at the same time the overestimation led to increasing perceptions of cost, travel time and risk, which indirectly had a negative impact on the choice of the destination. This far-off allure was not evident for the equidistant competitor, Italy, where the cognitive distance was underestimated.

It was also found US respondent's place differing importance on the attributes they seek in a long haul destination as compared to the Australian respondents. Notably, the US market places a significantly higher importance on distance, even though their estimation of the distance between Australia and the US did not differ from the Australian estimate.

Marketing implications for Australia as a long haul destination were then considered with an emphasis on redefining vacation distances in tourists' minds without relinquishing the far-off allure. The relationship between cognitive distance and perceptions of cost and time in comparison to competitors were driving the need for redefining distance. Emphasis was placed on delivering information to tourists during their decision process when their involvement and information processing was highest. Direction was also given for future research that would be useful for travel marketers in gaining additional insight into their long haul target markets.

TABLE OF CONTENTS

<i>List of Figures</i>	<i>viii</i>
<i>List of Tables</i>	<i>ix</i>
<i>Acknowledgements</i>	<i>xi</i>
<i>Statement of Originality</i>	<i>xii</i>
1.0 INTRODUCTION	1
1.1 Background to the Research.....	2
1.2 Research Objectives and Hypotheses.....	4
1.3 Justification for the Research.....	7
1.4 Methodology.....	8
1.5 Outline of Thesis.....	13
1.6 Delimitations of Scope and Key Assumptions.....	14
2.0 THE FACTORS THAT DIFFERENTIATE LONG HAUL DESTINATION CHOICE	16
2.1 Introduction.....	17
2.1.1 Identification of the Factors that Differentiate Long Haul Destination Choice from Short Haul	24
2.2 Distance.....	27
2.2.1 Distance in Forecasting Models.....	28
2.2.2 Cognitive Distance.....	32
2.3 Travel Time.....	44
2.3.1 Overview of Travel Time.....	45
2.3.2 Economic Perspectives.....	47
2.3.3 Psychological Perspectives.....	54
2.3.4 Biological Perspectives.....	58
2.4 Attractiveness.....	61
2.5 Knowledge.....	67
2.6 Monetary Costs.....	73
2.7 Perceived Risk.....	79
2.8 Conclusion.....	84
3.0 DESTINATION CHOICE PROCESS	89
3.1 Major Influences on Travel Behaviour.....	90
3.1.1 Review of Buyer Behaviour Literature.....	90
3.1.2 Categorising Tourist Behaviour Research.....	96
3.2 Development of Choice Sets in Tourism Literature.....	107
3.3 The Case of Australia's US Market.....	120
3.4 Model of Long Haul Destination Choice.....	123

3.5	Research Hypotheses	129
4.0	METHODOLOGY	136
4.1	Introduction	137
4.2	Stage One: Exploratory Interviews	142
4.3	Stage Two: Development of the Instrument	153
	4.3.1 Operationalising Choice Sets.....	155
	4.3.2 Operationalising Factors.....	159
	4.3.3 Sociodemographics and Travel Characteristics.....	168
	4.3.4 Refining the Instrument.....	169
4.4	Stage Three: US Pilot Test	179
	4.4.1 Socially Desirable Responding Literature Review...	181
	4.4.2 Pilot Test Experiment.....	185
	4.4.3 Results of Pilot Experiment.....	187
	4.4.5 Implications for Stage Five.....	190
4.5	Stage Four: Full-Scale Australian Study	193
	4.5.1 Data Collection.....	193
	4.5.2 Research Procedures.....	194
4.6	Stage Five: US Study	197
	4.6.1 Data Collection.....	197
	4.6.2 Research Procedures.....	199
4.7	Analytical Tools	200
	4.7.1 Multivariate Analysis of Variance (MANOVA).....	200
	4.7.2 Structural Equation Modelling (SEM).....	201
4.8	Conclusion	209
5.0	ANALYSIS OF DATA	210
5.1	Introduction	211
5.2	Subjects	212
5.3	Hypothesis Testing	217
	5.3.1 Hypothesis 1.....	217
	5.3.2 Hypothesis 2.....	221
	5.3.3 Hypothesis 3.....	223
	5.3.4 Hypothesis 4.....	242
	5.3.5 Hypothesis 5.....	253
	5.3.6 Hypothesis 6.....	255
	5.3.7 Hypothesis 7.....	258
	5.3.8 Hypothesis 8.....	259
	5.3.9 Hypothesis 9.....	261
5.4	Conclusion	264
6.0	CONCLUSIONS AND IMPLICATIONS	266
6.1	Introduction	267
6.2	Conclusions about the Research Question	268

6.2.1	Conclusions about the Role of Cognitive Distance..	268
6.2.2	Conclusions about the Relationships between the Perceptual Factors.....	276
6.2.3	Conclusions about Choice Sets and the Decision Process.....	281
6.3	Summary of Contributions.....	285
6.4	Implications for the Marketing of Australia as a Long Haul Destination for the US Market.....	287
6.5	Further Research.....	291
6.6	Concluding Comments.....	293
	Reference List.....	294
	Appendices.....	317
	Appendix 1: US Pilot Survey Instrument.....	318
	Appendix 2: Australian Survey Instrument.....	326
	Appendix 3: US Survey Instrument.....	334
	Appendix 4: Observed Variables for SEM for Australia.....	340
	Appendix 5: Observed Variables for SEM for Italy.....	342

LIST OF FIGURES

1.1	Chapter Structure.....	13
2.1	The Identification of Factors.....	26
2.2	Distance as a Factor That Influences Long Haul Destination Choice.....	27
2.3	Travel Time as a Factor That Influences Long Haul Destination Choice.....	44
2.4	Attractiveness as a Factor That Influences Long Haul Destination Choice.....	61
2.5	Knowledge as a Factor That Influences Long Haul Destination Choice.....	67
2.6	Monetary Costs as a Factor That Influences Long Haul Destination Choice.....	73
2.7	Perceived Risk as a Factor That Influences Long Haul Destination Choice.....	79
3.1	Major Influences on Travel Behaviour.....	95
3.2	Seminal Studies within the Decision Process.....	97
3.3	Travel Destination Sets in Leisure Behaviour.....	109
3.4	Structure of Destination Choice Sets.....	111
3.5	General Model of Traveler Leisure Destination Awareness and Choice.....	114
3.6	A Model of the Pleasure Travel Destination Choice Process.....	115
3.7	Conceptual Depiction of the Factors Influencing the Choice of a Long Haul Destination.....	125
3.8	Conceptual Path Model.....	127
3.9	Hypothesized Structural Path Model of Factors influencing the Long Haul Destination Decision Process...	128
4.1	Timeline of Study.....	141
4.2	Accent Regions in the US.....	192
4.3	Hypothesized Structural Equation Model.....	203
5.1	Congeneric Model for Latent Variable Attractiveness.....	228
5.2	Congeneric Model for Latent Variable Cost.....	229
5.3	Congeneric Model for Latent Variable Time.....	230
5.4	Congeneric Model for Latent Variable Risk.....	232
5.5	Congeneric Model for Latent Variable Knowledge.....	233
5.6	Structural Model to be Tested for Australia.....	236
5.7	Hypothesized Structural Model for Perceptions of Australia.....	238
5.8	Modified Model of Perceptions of Australia.....	239
5.9	Structural Model to be Tested for Italy.....	248
5.10	Hypothesized Model for Italy.....	250
5.11	Modified Model of Perceptions of Italy.....	251

LIST OF TABLES

2.1	A Two Destination Comparison- Possible Outcomes from Destination A's Perspective.....	34
2.2	The Differentiating Factors in Long Haul Destination Choice.....	84
2.3	The Relationships amongst the Differentiating Factors....	85
2.4	Positive and Negative Influences on the Consideration and Selection of Long Haul Destinations.....	87
4.1	Respondent Profiles in Exploratory Interviews.....	144
4.2	Rotated Component Matrix of Perceptual Items.....	175
4.3	Experimental Design for Pilot Study.....	187
4.4	Differences between the Australian-accented Interviewer group and the US-accented Interviewer group.....	188
4.5	Differences between the Australia Verbalised as Call-Origin group and the No Verbalised Call-Origin group.....	189
4.6	Response Rates for Groups.....	190
4.7	Indexes of Overall Model Fit.....	208
5.1	Frequency Data for Income and Education of US sample.....	214
5.2	Frequency Data for Income and Education of Australian sample.....	215
5.3	Frequency Data for Gender and Age for both the US and Australian samples.....	215
5.4	Skewness and Kurtosis for Cognitive Distance Estimates.....	218
5.5	Test for Long Haul Distance being Underestimated.....	219
5.6	Test of difference between cognitive estimates to Australia and Italy by the US sample.....	222
5.7	Sample size required and size of resultant AC Matrix.....	225
5.8	Item and Scale Results for Congeneric Model of Attractiveness for Australia.....	228
5.9	Item and Scale Results for Congeneric Model of Cost for Australia.....	230
5.10	Item and Scale Results for Congeneric Model of Time for Australia.....	231
5.11	Item and Scale Results for Congeneric Model of Risk for Australia.....	232
5.12	Item and Scale Results for Congeneric Model of Knowledge for Australia.....	234
5.13	Fit Indices for Hypothesized Model for Australia.....	237
5.14	Fit Indices for Modified Model for Australia.....	240

5.15	Item and Scale Results for Congeneric Model of Attractiveness for Italy.....	243
5.16	Item and Scale Results for Congeneric Model of Cost for Italy.....	244
5.17	Item and Scale Results for Congeneric Model of Time for Italy.....	245
5.18	Item and Scale Results for Congeneric Model of Risk for Italy.....	246
5.19	Item and Scale Results for Congeneric Model of Knowledge for Italy.....	246
5.20	Fit Indices for Hypothesized Model for Italy.....	249
5.21	Fit Indices for Modified Model of Italy.....	251
5.22	Differences between the Importance of Factors for Short Haul and Long Haul Destinations.....	254
5.23	Testing accuracy of estimates between the Inept and Evoked Sets across Destinations.....	256
5.24	Testing for magnitude of Cognitive Error by Choice Set....	257
5.25	Testing for the Increasing Importance of Distance.....	259
5.26	Testing for differences in Cognitive Distance Estimates between the samples.....	260
5.27	Test for difference in Importance of Distance Estimates in a Decision to travel to the Destination between the samples.....	261
5.28	Differences between the importance of factors for the US sample and the Australian sample for Long Haul Destinations.....	262
5.29	Summary of the Hypothesis Testing.....	264

ACKNOWLEDGEMENTS

The research undertaken in my thesis would not have been possible without the financial support granted by the former Faculty of Business and Hotel Management and the former University Research Granting Scheme. Their contribution to my studies is gratefully acknowledged.

As a part-time student, this thesis has been a long time in production and many people have contributed along the way. Firstly to my supervisors, Prof Bill Faulkner and Dr Chris Green, how can I say thank you? You have both provided invaluable insight and demonstrated a great deal of patience and support. Your efforts have been sincerely appreciated. Thanks must also go to Prof Robin Shaw who provided assistance with the early definition and framework for the thesis topic.

Of my friends and colleagues: Suzi Fielding, Dr Laurence Chalip, Dr Dwight Zakus, Dr Linda Hort, Dr Bev Sparks, Ken Butcher, Graham Bradley, Brad Hill, Trevor Arthurson and Johanne McGuirty, thank you for your involvement and friendship throughout the duration of this degree. In different ways you have all contributed to this thesis.

Special thanks to my parents who kept wondering "which year?" My mother, Sandra Hill, has played an important part in listening to my ideas, proofing drafts, and soothing my concerns. Her willingness to help has never wavered. Nor has my father's continuing pride in all that I do. "This one's over and out for now Hilly."

Finally to my husband, Glenn, your own achievements have challenged me to keep striving harder and higher. Thank you for every thing we have together.

STATEMENT OF ORIGINALITY

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

Tracey Harrison-Hill.