INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

"FACTORS AFFECTING LEISURE AIR TRAVELERS TO CHOOSE SICHUAN AS THEIR TOURISM DESTINATION"

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Abstract

This study is carried out with the aim to propose recommendations to the Sichuan government and tourism operators to promote the tourism industry in Sichuan after the Wenchuan earthquake in year 2008. By identifying factors influencing leisure air travelers to choose Sichuan as their tourism destination, findings of this research offer information to local government and tourism operators to develop the positioning of and marketing communication strategies for Sichuan. The identification of factor such as destination cost influencing leisure air travelers on low cost airline and the attractiveness of destination factor influencing leisure travelers on full service airlines in choosing Sichuan as their tourism destination will assist the planning of marketing communication messages and marketing strategy to market Sichuan to the different groups of leisure air travelers. The most important contribution of this study is the results on the similarities and differences between the factors influencing leisure air travelers on low cost airline and those on full service airlines to Sichuan where there is limited prior studies in this area.
Acknowledgement

INTI International University provides a great opportunity for me to conduct a comprehensive research on factors influencing leisure air travelers to visit Sichuan. This research is the toughest project that I have done in this Master program, but it encouraged me to carry out an in-depth study on the current tourism situation in Sichuan, China because I really wanted to contribute to the development of the tourism industry in Sichuan, the place where I was born. Hence, I want to express my appreciation to several people because of their contribution in this project.

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I would also like to thank custom officer, Mr. Li Zi He and immigration officer, Miss Qu Wen Ting, who have provided me the opportunity to distribute questionnaires in the departure lounge at Shuangliu International Airport, Sichuan.

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Lastly but not least, I would like to thank my parents and friends for their support and encouragement to me throughout this year, especially my father and mother who have given me the physical and psychological support to succeed in completing this dissertation.

Ma Jian Ping

August, 2010
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Chapter 1

Introduction

1.0 Chapter Summary
Chapter one introduces the purpose of this research and the background of tourism industry in China, tourist destinations as well as airline accessibility in Sichuan. This chapter includes the deliberation on the problem statement and states the research questions and research objectives. The significance of this research, assumptions, limitations, scope and structure of this study is also covered in this chapter.

1.1 Introduction to Research
Globalization has become one of the most discussed issues in today's world. The world tourism industry has not been spared from this globalization effect. Globalization fuels by the emergence of the Internet and the availability and accessibility of air transport, induces international tourists to travel to new and exotic destinations (Button, 2008). Sichuan province in China, famous for its natural and cultural tourism attractions attracts the visits of international tourists. However, the Wenchuan earthquake in Sichuan in year 2008 has affected the tourism industry in this tourist province (Sichuan Tourism Administration, 2010). The local government in Sichuan has made much effort to promote the destination in hope to attract and to achieve higher if not similar number of international tourist arrivals as before the Wenchuan earthquake (Sichuan Tourism Administration, 2010). As air transport is recognized as an important mode of transport used by international tourists to Sichuan (Prideaux, 1999), hence, it is important for the local government to understand the factors influencing leisure air travelers to
choose Sichuan as their tourism destination in order to stimulate the growth of the tourism industry. This study identifies the similarities as well as differences in the factors influencing leisure air travelers in choosing Sichuan as their tourism destination. There are literatures that explore the factors influencing the choice of tourism destinations but none is on Sichuan and there is yet a research exploring the similarities and differences in the factors affecting choice of Sichuan as a tourism destination between leisure travelers who flown on low cost and those full service airlines.

Prideaux (1999) defines transport as the operation and interaction between terminals to satisfy customer needs. There are several types of transport systems and these consist of vehicle, rail, ship and airplane. Kaiser and Helber (1978) acknowledge that transport is significant in the tourism industry as it helps tourists to travel from one destination to another destination. Different transports bring different benefits to economy as well as other sectors of the country. Airplane is one mode of transport and air travelers are people who fly on an airplane to destination (Page, 1994). Prideaux (1999) argues that airline is the most important transport in the tourism industry. Without airline and airport facilities, tourism development is limited. Prideaux (1999) in his research confirms that the opening of an international airport which allows international airlines accessibility to Cairns, Australia has led to an increase in number of leisure travelers to the city. Generally, leisure air travelers fly on two types of airline, including low cost airline and full service airline (Page, 1994). Therefore, examining the factors influencing leisure air travelers to choose Sichuan as a tourism destination is significant as the positioning, competitive advantage and tourism packages of the destination can be developed to meet the different perceptions and fulfill the distinguish needs of the leisure air travelers on low cost and full service airlines.
1.2 Research Background

1.2.1 Tourism industry in China

Tourism industry greatly assists economic development of a country, and in some Asian countries, such as Malaysia and Thailand, the tourism dollars generated from the tourism industry offers the main economic support (Dwyer, Forsyth and Rao, 2000). However, economic recession and the outbreak of A/H1N1 disease had reduced the world tourism industry revenue between year 2008 and 2009 (World Tourism Organization, 2009). International tourist arrivals decreased to 880 million in year 2009 compare to 922 million in year 2008 (World Tourism Organization, 2009). The World Tourism Organization (2009) forecasts a growth in international tourist arrivals between three (3) percent and four (4) percent in year 2010. The forecasted growth in the international tourist arrivals creates an opportunity for governments, airlines and tourism service providers in the respective countries to rebuild and promote the competitive advantages of their tourism destinations.

According to National Tourism Administration of the People's Republic of China (2010), the People's Republic of China was formed by Mao Ze Dong in year 1949. Accordingly, there are few policies created to support and encourage foreign exchange. Deng Xiao Ping, who is a well-known leader in China, implemented many policies to encourage foreign exchange and communications in year 1974 (National Tourism Administration of the People's Republic of China, 2010). The policies implemented encouraged the growth of tourism in China over the last few decades. In year 2009, tourism in China ranked fourth in the world in terms of international tourist arrivals and international tourism expenditures and ranked fifth with regard to international tourism receipts (World Tourism Organization, 2009). Although international tourist arrival and international tourism receipts decreased from year 2008 to year 2009, international tourism expenditures increased to $43.7 billion in year 2009 in comparison to $36.2 billion in year 2008 (Refer to Table 1.1).
This indicated that the number of outbound tourists was more than inbound tourists. Hence, there is a need in order to attract more inbound tourists to China. It is crucial for China to attract more inbound tourists as its tourism industry contributes 40.5 percent of the whole country’s Gross Domestic Product (GDP) in year 2009 (National Tourism Administration of the People’s Republic of China, 2010).

<table>
<thead>
<tr>
<th>Year</th>
<th>International Tourist Arrivals</th>
<th>International Tourism Receipts</th>
<th>International Tourism Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>50.9 million</td>
<td>$39.7 billion</td>
<td>$43.7 billion</td>
</tr>
<tr>
<td>2008</td>
<td>53.0 million</td>
<td>$40.8 billion</td>
<td>$36.2 billion</td>
</tr>
</tbody>
</table>

Source: The World Tourism Organization, 2009

1.2.2 Tourism Destinations in Sichuan

![Figure 1.1 Sichuan map](image)

Source: China map, 2010

Sichuan is located in the southwest of China and it is one of the most well-known tourism destinations in China (Refer to Figure 1.1: The location of Sichuan is marked in red). Sichuan covers a total area of 485,000 square kilometers and has a population of 87.5 million people (Sichuan Tourism Administration, 2010). The world becomes aware of the existence of Sichuan after the Wenchuan earthquake in the year 2008 which shocked the world with the huge losses of human lives and
damages. The awareness of the location of Sichuan to the world presents an opportunity to promote Sichuan tourism to potential foreign tourists as Sichuan has over 21 cities and 181 towns under its jurisdiction (Sichuan Tourism Administration, 2010). Sichuan has a long history of Chinese civilization and possesses its own unique culture. As Sichuan is widely known as the "Land of Abundance", this province showcases a variety of natural and cultural heritages, which includes an irrigation system, ancient towns and villages, Buddhist and Taoist temples, a snow mountain, deep valleys and thousands of trees (Sichuan Tourism Administration, 2010). Sichuan has also been part of the famous historical periods in Chinese history, such as the Three Kingdoms, Tang Dynasty and Han Dynasty. Sichuan is also called the "Land of Pandas" because most of the pandas are born here, and it houses the biggest panda ecological zone built up (Sichuan Tourism Administration, 2010).

Table 1.2 Tourism destinations in Sichuan

<table>
<thead>
<tr>
<th>Tourism Destinations in Sichuan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Heritage Sites</td>
</tr>
<tr>
<td>• Jiuzhaigou</td>
</tr>
<tr>
<td>• Jiuzhaigou</td>
</tr>
<tr>
<td>• Si Gu Nang Mountain</td>
</tr>
<tr>
<td>• Hai Luo Gou</td>
</tr>
<tr>
<td>• Wheat City</td>
</tr>
<tr>
<td>• E Mei and Le Shan Buddhism</td>
</tr>
<tr>
<td>• Bamboo Sea</td>
</tr>
<tr>
<td>• Xi Ling Snow Mountain</td>
</tr>
<tr>
<td>• Lu Gu Lake</td>
</tr>
<tr>
<td>• Peng Zu Mountain</td>
</tr>
<tr>
<td>• Ruo Er Gai Prairies</td>
</tr>
<tr>
<td>Cultural Heritage Sites</td>
</tr>
<tr>
<td>• San Xing Dui Museum</td>
</tr>
<tr>
<td>• Confucius Temple</td>
</tr>
<tr>
<td>• Du Fu Cao Tang</td>
</tr>
<tr>
<td>• Wu Hou Ci</td>
</tr>
<tr>
<td>• Lanzhong Ancient City</td>
</tr>
<tr>
<td>• Wang Jiang Park</td>
</tr>
<tr>
<td>• Du Jiang Yan Irrigation System</td>
</tr>
</tbody>
</table>

Source: Sichuan Tourism Administration, 2010
There are many natural and cultural heritage sites in Sichuan (Refer to Table 1.2). Jiu Zhai Gou, one of the natural heritage sites, is prominently known to international tourists and is one of the five best scenic spots in Sichuan (Sichuan Tourism Administration, 2010). Jiu Zhai Gou is a site with carbonate barrier landforms of high mountains and deep valleys. In addition, Xiling Snow Mountain, Emei and Leshan Buddha, and Hai Luo Gou are well-known natural tourist attraction sites to the international tourism markets (Sichuan Tourism Administration, 2010). Besides the natural heritage sites, the reputation of some cultural heritage sites such as Sanxindui museum and Dujiangyan irrigation system in Sichuan is also popular to the domestic and international tourism markets (Sichuan Tourism Administration, 2010).

May 12, 2008 is a day to be remembered in Sichuan. It was the day the Wenchuan earthquake destroyed many parts of Sichuan. The post-disaster reconstruction by the Chinese government helps to restore Sichuan tourism industry. The government of China launched 27 promoting policies in Sichuan to promote the tourism industry after the Wenchuan earthquake (Sichuan Tourism Administration, 2010). Sichuan Tourism Administration has invited and sponsored the visit of 510 foreign journalists from different countries including the United States of America, Japan, Korea and France to Sichuan to provide an insight of Sichuan after the Wenchuan earthquake to the international tourism markets (Sichuan Tourism Administration, 2010). As of September 2009, the revenue of tourism industry in Sichuan was RMB113.772 billion, increased by 47.1 percent in comparison to the same period in year 2008 (Yu, 2010).

Currently, there are about 20 domestic travel and tour agencies operating in Sichuan (Yu, 2010). The three (3) leading travel agencies in Sichuan are Qing Nian travel agency, Sichuan International travel agency and China travel agency. Based on the data reported by Sichuan Tourism Administration (2010), there was a total of 850,000 international tourists who visited Sichuan in the year 2009, 52.1 percent (442,700) of these international tourists were in group tours organized by the
domestic travel and tour agencies whereas the balance of the 47.9 percent travel as free independent travelers.

1.2.3 Airline Accessibility in Sichuan

There are two (2) types of airline, the low cost and full service airlines that carry leisure travelers to Sichuan (Fourie and Lubbe, 2006). A low cost airline, also known as a "no-frills or discount carrier or airline" is an airline that offers low air ticket price in exchange for reducing several traditional passenger services (Dresner, Lin and Windle, 1996). The "low cost airline" concept is first introduced in the United States of America (Williams, 2001). The low cost airline business model spread to Europe in the early 1990s and subsequently to the rest of the world (Williams, 2001). Low cost airline has a different operating model in comparison to the traditional full service airline. A low cost airline usually offers low ticket prices for the limited services provided to passengers, whilst full service airline provides comprehensive product and service to passengers and adopts a complex pricing strategy (Williams, 2001).

The characteristics of a low cost airline are different from a full service airline (Refer to Table 1.3) (Williams, 2001). The main characteristics of a low cost airline include high airplane utilization, short turnaround time, internet booking, seats maximization, no free food and drinking on board and simple fare structure and pricing strategy (Williams, 2001). However, in order to increase their competitiveness, some of the low cost airlines have modified their services and marketing strategies, such as increasing the number of seating class while maintaining the lower price strategy. Full service airline has more selling channels, complex fare structure and pricing strategy, provides food and beverage on board, and allocates seating. In addition, full service airline often has comprehensive boarding services, such as blanket and washing kit especially for long-haul travelling.
Table 1.3 A comparison of characteristics between low cost airline and full service airline

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Low Cost Carrier</th>
<th>Full Service Carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand</strong></td>
<td>One Brand: Low Pricing</td>
<td>Extended Brand: Pricing Service</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>Simple Pricing Structure</td>
<td>Complex Pricing Structure</td>
</tr>
<tr>
<td><strong>Distribution</strong></td>
<td>Internet, Direct Booking</td>
<td>Internet, Direct, Travel Agent</td>
</tr>
<tr>
<td><strong>Checking in</strong></td>
<td>No Ticket</td>
<td>No Ticket, IATA Ticket Contract</td>
</tr>
<tr>
<td><strong>Airport</strong></td>
<td>Mostly Secondary</td>
<td>Primary</td>
</tr>
<tr>
<td><strong>Network</strong></td>
<td>Point-To-Point</td>
<td>Hub-and-Spoke</td>
</tr>
<tr>
<td><strong>Aircraft Usage</strong></td>
<td>Very Intensive</td>
<td>Average – Intensive</td>
</tr>
<tr>
<td><strong>Aircraft Type</strong></td>
<td>One Type</td>
<td>Multiple Types</td>
</tr>
<tr>
<td><strong>Turnaround Times</strong></td>
<td>25 Minutes</td>
<td>Slow: Congestion</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td>One Product</td>
<td>Multiple Integrated Products</td>
</tr>
<tr>
<td><strong>Secondary Revenue</strong></td>
<td>Advertisement</td>
<td>Focused on Primary Product</td>
</tr>
<tr>
<td><strong>Seating</strong></td>
<td>Tight</td>
<td>Flexible</td>
</tr>
</tbody>
</table>

Source: Williams, 2001

There are six (6) international full service airlines that arrive and depart from Sichuan whereas there is only one (1) International low cost airline flies to Sichuan. The full service airlines include Thai Airline, KLM Royal Dutch Airlines, Qatar Airways, Cathay Pacific Airways, China Airline and Asiana Airline. For full service airlines, their number of flights to Sichuan change according to the low and peak tourist season, however, on an average there are about 16 flights a week. The only international low cost airline, that is, AirAsia flies from Kuala Lumpur (Malaysia) to Chengdu, the capital city of Sichuan. There are five AirAsia flights weekly between Sichuan and Kuala Lumpur (Custom Department of Shuangliu International Airport, 2010). These airline companies bring in huge number of international tourists to Sichuan hence the importance of the low cost and full service airlines cannot be ignored. The airline companies not only assist Sichuan in boasting the tourism industry and generating tourism dollars, they also help in promoting cultural and technological exchange.
1.2.4 The Difference between the Profiles of Leisure Travelers on Low Cost Airline and Full Service Airline

Profile of leisure travelers on low cost airline is different from those on full service airline (Firoiu and Gheorghe, 2005; O’Connell and Williams, 2005). Leisure travelers on low cost airline prefer to travel as free independent travelers, and they use the Internet to book air ticket and accommodation and plan tour by themselves (Firoiu and Gheorghe, 2005). On the other hand, leisure travelers on full service airline book air ticket and accommodation through travel agencies and prefer to participate in group tour (Firoiu and Gheorghe, 2005). The demographic profiles of leisure travelers on low cost airline and full service airline are also different. Leisure travelers on low cost airline are younger than leisure travelers on full service airline, and it was found that 47 percent of leisure travelers who fly on AirAsia are under 24 years old (O’Connell and Williams, 2005). Besides, O’Connell and Williams (2005) also found that the income of leisure travelers on low cost airline is lower than those on full service airline. Therefore, leisure travelers on low cost airline pay more attention to price of airfare rather than those on full service airline (Martinez-Garcia and Royo-Vela, 2010). Besides being price-sensitive, Martinez-Garcia and Royo-Vela (2010) also acknowledge that leisure travelers on low cost airline emphasized on trips and quality of tourism destination.

1.3 Problem Statement

As discussed above, after the Wenchuan earthquake in year 2008, the Sichuan government has organized tours for foreign journalists to view the situation in Sichuan after the earthquake so that they could write and inform the international tourist markets that the natural and cultural heritage sites in Sichuan are not affected though the earthquake has caused huge lost and damages of properties in the province (Sichuan Tourism Administration, 2010). As the tourism industry is a crucial industry in Sichuan, the Sichuan government is continuously seeking to
improve the marketing strategy to attract foreign leisure travelers to visit Sichuan after the Wenchuan earthquake. Accordingly, this study is to identify factors influencing leisure air travelers in choosing Sichuan as their tourism destination. Findings of this research provide an insight to Sichuan Tourism Administration to allow them to market the destination and to improve on the marketing strategies based on the identified influencing factors.

Shuangliu International Airport in Sichuan is accessible to both low cost and full service airlines. Many leisure travelers fly on these airlines to Sichuan to visit the destination well-known tourist attraction sites. The profile of leisure travelers on low cost airline is different from leisure travelers on full service airline (Firoiu and Gheorghe, 2005). Therefore, though leisure travelers on low cost airline may choose to visit a similar tourism destination like Sichuan as leisure travelers on full service airline, but the factors affecting the choice of Sichuan as a tourism destination may be different between the leisure travelers on low cost airline and those who flown in on full service airlines. Therefore, it is vital to identify if there are similarities or differences in the factors influencing the choice of Sichuan as a tourism destination between leisure travelers on low cost airline and on full service airline. The result of this research is able to assist the local government and the domestic tourism operators to work with the different airlines to position Sichuan and to offer package tours to attract more leisure travelers.

1.4 Research Questions
Research questions are to identify the phenomenon which will be examined in this research. This study has five (5) research questions, which are:

1) What are the factors that influence leisure travelers on low cost airline to choose Sichuan as their tourism destination?

2) What are the factors that influence leisure travelers on full service airline to choose Sichuan as their tourism destination?
3) Are there any similarities or differences in the factors influencing choice of Sichuan as a tourism destination between leisure travelers on low cost airline and those on full service airline?

4) What is the most important factor that influences leisure travelers on low cost airline to choose Sichuan as their tourism destination?

5) What is the most important factor that influences leisure travelers on full service airline to choose Sichuan as their tourism destination?

1.5 Research Objectives
Research objectives are objectives that this research should fulfill. The three (3) research objectives for this study are:

1) To identify factors influencing leisure air travelers to choose Sichuan as a tourism destination.

2) To examine the similarities or differences in the factors influencing choice of Sichuan as their tourism destination between leisure travelers on low cost airline and full service airline.

3) To identify the most important factor influencing leisure air travelers on low cost airline and those on full service airline to choose Sichuan as their tourism destination.

1.6 Significance of Research
There is limited research done on Sichuan, China. Prior researches pay more attention to factors influencing choice of tourism destination and tourism industry independently, whereas those of studies have not been differentiated in terms of target markets. Due to the increasingly intense competition in the international tourism market, an effective marketing strategy is crucial to help the domestic
tourism industry operators to determine the competitive advantage of the destination in order to sustain in the market. Therefore, it is vital to examine the similarities or differences in factors influencing leisure air travelers on low cost airline and those on full service airline to choose Sichuan as tourist destination as findings of this research provides a clearer understanding on consumer behavior among the two different groups of leisure travelers who visit Sichuan.

The outcome of this research benefits the Sichuan government, as well as tourism operators. This study provides much information on the needs and reasons that induces the leisure air travelers to Sichuan. For instance, if this research reveals that services influences leisure travelers on full service airlines to choose Sichuan as their tourism destination, Sichuan government can assist tourist operators to improve on their service quality, as well as implement the necessary training program to improve the service quality of the service providers located at various tourist attraction sites in Sichuan. Furthermore, this research offers information to the local government and the airlines to identify the positioning and the competitive advantages of Sichuan, which will be useful in the designing of marketing communication messages to market Sichuan to the different groups of leisure air travelers. Findings of this research also enable the local government, tour operators and the airlines to improve on the current joint tour packages to meet the needs of the leisure travelers on low cost airline and full service airline.

1.7 Research Assumptions
Based on literature review (Firoiu and Gheorghe, 2005; O'Connell and Williams, 2005), this research assumes that the profile of leisure travelers who fly on low cost airline to Sichuan is different from those who fly on full service airline. This assumption enables the research to distinguish clearly between the two segments of leisure air travelers. This assumption also enables the second research objective which is to identify the similarities or differences in the factors influencing
choice of Sichuan as their tourism destination between leisure travelers on low cost airline and full service airline to be met.

This study also assumes that all respondents provide unbiased answers when they are filling in the questionnaire. Information collected from respondents genuinely represents how they view the different factors that influence them to visit Sichuan.

Since this research refers to low cost airline’s and full service airline’s leisure travelers, it is assumes that respondents who fly on low cost airline represent the leisure travelers who often travel on low cost airline, and respondents who fly on full service airline represent the leisure travelers who only travel on full service airline. Classification of the two (2) segments of leisure air travelers enables this research to meet the objective of examining the similarities and differences in the factors influencing choice of Sichuan as their tourism destination between leisure travelers on low cost airline and full service airline.

Therefore, research assumptions can be concluded as:

- Profile of leisure travelers who fly on low cost airline is different from leisure travelers who fly on full service airline.

- All respondents provide unbiased answers in the questionnaire.

- Respondents who travel on low cost airline represent those who often travel on low cost airlines and vice versa for respondents who travel on full service airline.

1.8 Research Limitations
As mentioned earlier, one of the identified limitations of this research is that there is only one (1) low cost airline that flies to Shuangliu International Airport in Sichuan, which is AirAsia. However, passengers that board AirAsia flights to Sichuan are
from different countries (Sichuan Immigration Office, 2010). Therefore the passengers are representative of the international leisure travelers.

Another limitation of this study is that sample size is 150 which is considered smaller size in comparison to some research which may have a larger sample size. However, the sample size of 150 is deemed appropriate for this study since it is calculated based on a formula which is shown in chapter three, page 35. Hence, the sample size of 150 is able to reflect the target population.

1.9 Scope of Study
The focus of this study is on leisure air travelers to Sichuan because airline is the mode of transportation for the international leisure travelers to access to this province. As the second research objective is to examine the similarities and differences between the two groups of leisure travelers based on their choice of airline; hence, this research covers leisure travelers on low cost airline and those on full service airline. This study concentrates on five (5) factors influencing choice of Sichuan as their tourism destination among the leisure air travelers. The five factors include attractiveness of tourism destination, safety, accessibility of information, destination image and destination cost.

1.10 Structure of Study
This research comprises of six (6) chapters, including introduction; literature review; methodology; findings and discussions; conclusions, recommendations and personal reflections; as well as references. Introduction describes the background of tourism industry in Sichuan and airline industry in Sichuan. Research questions and objectives are set in the introduction chapter. Significance, limitations, assumptions and scope of research is included in the introduction chapter explain the reasons why this study is valuable. The literature review chapter discusses prior studies relevant to the identification of variables to construct the questionnaire
for this research. The research model in the second chapter illustrates the relationship between scholars’ point of views and research objectives of this study. Chapter three introduces research methodology including types of research, research approach and research strategy. Target market, sample size and sampling method are confirmed in order to achieve reliable results. Chapter four analyzes and discusses data collected from the respondents. Chapter five includes conclusions, recommendations made to the local government and tourism operators to create competitive advantages in the tourism market for the purpose of encouraging and motivating leisure travelers to visit Sichuan. The last chapter is references to show where secondary sources are from.
Chapter II

Literature Review

2.0 Chapter Summary
Chapter two covers the concepts, theories and findings from previous researches on factors influencing leisure travelers’ choice of tourism destination. This chapter discusses the five factors including attractiveness of tourism destination, safety, accessibility of information, destination image and destination cost that influence choice of tourism destination and proposed hypotheses for each factor. The research model and operationalization of each factor or variable is presented at the end of this chapter.

2.1 Definition of Leisure Traveler
This study focuses on leisure traveler. Leisure traveler is different from the business traveler as the purpose of leisure travelling is to visit tourism destination and participate leisure activities in their trips, whereas business travelers visit destination to meet clients and conduct business transaction (Madrigal, 1995). Kashyap and Bojanic (2000) state that the perceptions of value, quality and price shape the segmentation of leisure and business travelers. For instance, the mean price elasticity for leisure traveler is more than the mean price elasticity for business traveler (Dresner, 2005)

2.2 Attractiveness of tourism destination
If a tourism destination has higher ability to satisfy tourists’ needs, the attractiveness of a tourism destination is higher and more tourists would choose to visit that particular tourism destination (Awaritete, 2004; Vengesayi, 2003). Mayo and Jarvis (1981) define attractiveness of tourism destination as the ability of a
tourism destination to offer individual benefits to tourists. Vengesayi (2003) reveals that a tourism destination's ability to affect tourists' evaluation on its attractiveness is enhanced by the components of the destination itself.

Literatures elaborate that attractiveness of a tourism destination comprises of the combination of natural heritage and cultural heritage and created resources (Omerzel, 2006; Vengesayi, 2003; and Lieper, 1990). Natural heritage includes physical geography, climate, flora and fauna. Cultural heritage refers to the tourism destination's history, customs, architectural features and traditions (Vengesayi, 2003). Created resources are amenities services and ancillary services (Stanković and Đukić, 2009). Amenities services refer to the supporting physical infrastructure and various facilities provided in the tourism destination including accommodation, catering facilities, retailing and other tourist services. Accommodation, in particular, represents any supply of overnight facilities, camp sites, guesthouses, hotels, holiday centers, motels and holiday homes (Žabkar, Dmitrović-Cvelbar, Brenčič and Ograjenšek, 2007). Ancillary services are entertainment, information and communications services utilize by leisure travelers in a tourism destination such as clubs, karaoke outlets, shopping malls, hospitals, banks, post offices, telecommunication facilities and newsagents (Žabkar et al., 2007). Natural and cultural heritage is non-renewable resources, but created resources are produce and manage by people. Natural and cultural heritage is the supporting factors, which combines with created resources, is the basic requirement for a tourism destination to sustain successfully in the tourism market (Omerzel, 2006).

The attractiveness of a tourism destination differentiates the destination distinctively from other destination thus creates a competitive advantage for a destination. Awaritefe (2004) asserts that the attractiveness of tourism destination is one of the factors influencing the choice of tourism destination. The sustainability of a tourism destination depends on its ability to identify and maintain the attractiveness of its natural and cultural heritage as well as created resources (Awaritefe, 2004, Ferrario, 1979; Ritchie and Crouch, 1993; and Vengesayi, 2003).
Natural and cultural heritage is significant for a tourism destination as they cannot be reproduced, while created resource is important too despite the fact that it can be reproduced (Ferrario, 1979; Vengesayi, 2003). Vengesayi (2003) states that the attractiveness of tourism destination is a pulling factor that brings the main value of a tourism destination to tourists, and it affects destination image, tourist satisfaction and organizational performance. Ferrario (1979) believes every tourism destination has its share of attractive natural and cultural heritage. Ritchie and Crouch (1993) reveal that tourism infrastructure, the quality of tourism management, the skills of workforce, and government policy is crucial in developing the destination’s competitive advantage and maintains, its sustainability. The attractiveness of Sichuan includes the destination’s unique culture, history and natural heritage sites such as snow mountains, deep valley, waterfalls, thousand-year old trees (Sichuan Tourism Administration, 2010). Thus, the attractiveness of Sichuan may influence leisure air travelers to visit Sichuan.

2.3 Safety
Safety is the condition of being safe, as well as free from danger, risk, or injury (The American Heritage, 2009). Safety is the basic requirement for a tourism destination to grow, attract and compete in the tourism industry (Vengesayi, 2003). Cavlek (2002) affirms that rational tourists are concerned of their personal safety, and they will not visit tourism destinations that are perceived as dangerous. Safety is one of the five global forces which drive the tourism industry to global market (Chiang, 2000; Sonmez and Graefe, 1998).

Safety in a tourism destination means that the destination is free from terrorism, political stability, war and crime and assured of personal safety (Lepp and Gibson, 2003; and Konečník and Ruzzier, 2006). Tourists often become the target of terrorist organizations, because an attack on tourist represents an attack against western values that include capitalism and conspicuous consumption (Aziz, 1995). The most infamous terrorism happened in year 1997 when terrorists killed 71
tourists in Luxor of Egypt (Lepp and Gibson, 2003). Several prior researches show that there is a relationship between the high rate of terrorism attacks and the choice of tourism destination (Sonmez and Graefe, 1998; Vengesayi, 2003). Terrorism attacks threaten tourists’ lives, and they will not want to select a place that is prone to terrorism as their tourism destination (Sonmez and Graefe, 1998). Kenya is an example where its economy declined drastically due to terrorism, in which the bombing of the United States of America embassy in year 1998 and of a hotel in year 2002, as well as an unsuccessful missile strike to an airplane which takes Israeli tourists, brought at least one million dollars losses per day in this country (Essner, 2003). Vengesayi (2003) reveals that an unsafe country prevents tourist to choose it as their tourism destination, and hence resulted in a reduction of tourist expenditure to the tourism destination.

Political instability and civil war can increase the perception of risk of a destination; consequently negatively influence travelers' choice of tourism destination. There were 11,500 tourists who canceled trip to Beijing in year 1989 because of the conflict of Tiananmen Square in China (Gartner and Shen, 1992).

Personal safety refers to healthcare (Carter, 1998; Cossens and Girt, 1994; Lepp and Gibson, 2003). Carter (1998) found that Africa is regarded as breeding ground of infection by tourists, especially Human Immunodeficiency Virus (HIV). However, recent diseases are from all over the world. Mad cow disease and outbreak of foot and mouth disease in the United Kingdom forced thousands of tourists from United States of America to cancel their trips to United Kingdom, as well as Severe Acute Respiratory Syndrome (SARS) in year 2004 which originated from China caused wide spread infectious virus transmissions from animals to humans (Lepp and Gibson, 2003). Cossens and Gin (1994) indicate that danger of personal safety from poor quality of food and water are perceived to be greater in Africa and Asia than in Europe and others. Besides healthcare, Wilks and Page (2003) states that natural disaster threatens personal safety as well. Earthquakes, storms, tsunamis...
and volcanoes are able to influence leisure travelers’ choice of tourism destination because safety is the primary concern of leisure travelers.

Lepp and Gibson (2003) also reveal that tourists become a target group to criminals, because tourists bring huge amount of money when travelling. However, Mawby and Hambly (2000) (cited in Lepp and Gibson, 2003) argue that crime is not a major concern as long as tourists make effort to blend with the locals, it is easy to avoid crimes in tourism destination. Mawby and Hambly (2000) (cited in Lepp and Gibson, 2003) suggest that those efforts include keeping a low profile, dressing more casually, eliminating conspicuous consumption. However, blending in with the locals is difficult and language is the key indicator differentiating a local with a tourist.

Safety indeed has a significant effect on the choice of tourism destination (Sonmez and Graefe, 1998; Konečný and Ruzzier, 2006; Hamilton, 2003; Vengesayi, 2003; and Cavlek, 2002). Hamilton (2003) concludes that a tourist considers safety as the key determinant in their choice of tourism destination. Vengesayi (2003) indicates that an unsafe tourism destination does not appear in the list of destinations to visit of international tourists. Findings from a survey conducted in Asia Pacific reveal that Hong Kong is the most competitive tourism destination since leisure travelers perceived as Hong Kong is the safest place to visit in Asia Pacific (Enright and Newton, 2005).

Sichuan experienced a strong earthquake in year 2008 (National Tourism Administration of the People’s Republic of China, 2010). At the same year, Tibet independents disrupted the Beijing Olympic torch relay landing in Sichuan (National Tourism Administration of the People’s Republic of China, 2010). Both incidents may have an effect on the image of Sichuan as a safe tourism destination.
2.4 Accessibility of Information
Accessibility is defined as the ability of a person to obtain goods or services, or a facility or to reach a place (The American Heritage, 2009). Scholars found that different types of accessibilities determine consumers’ decision in different industry (Bero and Jadad, 1997; Shocker, Ben-Akiwa, Boccara and Nedungadi, 1991). With the development of information technology and system, online and computer accessibility is popular among different enterprises to influence consumer behavior and their purchasing decision (Doganis, 2006; Culnan, 1984; and Lawrence, 2001).

Accessibility of information in the tourism industry refers to online information on airline, accommodation, travel or tour package that will affect the choice of tourism destination (Bogdanovych, Esteva, Gu, Simoff, Maher and Smith, 2007; Steinbauer and Werthner, 2007, Doganis, 2006; Pearce and Schott, 2005). A lot of tour packages are offered to tourists in the tourism market, but tourists find it hard to choose the right package for themselves (Bogdanovych, et al., 2007). Therefore, the introduction of Internet has revolutionized the tourism industry where leisure travelers are able to access and compare information on price, schedule, and environment and condition of accommodation through the Internet (Bogdanovych, et al., 2007). Miguéns, Baggio and Costa (2008) elaborate that tour packages, destination and hotels reviews, tourist guides, suggestions for restaurants or exhibitions which are discussed on the Internet are referred by leisure travelers to obtain reliable information about a tourism destination. A survey shows that online booking influences the choice of tourism destination because of its characteristics, such as time saving, price, convenience and varieties (Pearce and Schott, 2005). A survey shows that there is a relationship between online tourism information and choice of tourism destination, and concludes that 80 percent of leisure travelers in the United Kingdom would search for information on tourism package before choosing a tourism destination (Miguéns et al., 2008). Scholars also point out that leisure travelers make decisions on tourism destination based on ratings of hotel and word-of-mouth in the Internet (Miguéns et al., 2008). Steinbauer and Werthner