

CHAPTER 1
INTRODUCTION

1.1 Background

Tourism is rapidly becoming one of the largest industries in the world and brings about a lot of income for many countries. Every year, more and more people are taking in tourism activities and in most countries tourism has developed into one of the most dynamic and fastest growing business. The account of travel and tourism industry is 11% of the world GDP and 8% of the world's total employment (Ware and Johanson, 2002). The total number of tourists around the world increases from 458 million in 1990 to 635 million in 1998, and the average rate increase from 1990-1998 is about 4.2% per year. The world tourism generated revenue increases from 268 billions US dollars in 1990 to 440 billions US dollars in 1998 and its increasing rate was greater than the increasing rate of the total number of tourists around the world, which is about 6.5% per year during 1990-1998 (Table 1.1).

Table 1.1 The Number of International Tourists and Revenue Generated from Tourism Industries during 1990-1998

	Year									Increasing rate during 1990-1998
	1990	1991	1992	1993	1994	1995	1996	1997	1998	
No. of tourists (Million)	458	464	503	518	553	568	600	620	635	
% Change		1.3	8.4	3.0	6.7	2.7	5.6	3.3	2.4	4.2
Revenue (Billion)	268	278	314	324	353	403	437	438	440	

%		3.7	12.9	3.2	8.9	14.2	8.4	0.0	0.4	6.5
Change										

Source: Travel & Tourism Intelligence 1999 quoted from World Tourism Organization

Thailand is one of the countries that gains revenues from tourism. Tourism contributed to GDP from 8.7% of total GDP in 1992 to 11.1% of total GDP in 1998 (World Travel & Tourism Council, 1998).

Tourism in Thailand reached a significant size for the first time in the 1990's (Table 1.2). The period during the country's Sixth National Economic and Social Development Plan (1987-1991) was called the "Golden Age of Thai Tourism", when tourism income, estimated at 50 billion baht in 1987, doubled within 3 years (Table 1.2). In year 2001, the total number of international tourists was about 10 million. The sector earned revenue of almost 300 billion baht, three times the size of earning a decade ago.

Table 1.2 Trend of "Number of International Tourists", "Average Length of Stay" and "Tourism National Revenue" with their Incremental Changes from 1977 until 2002

Year	No. of Tourists (Million persons)	Length of Stay (Days)	Revenue (Billion. Baht)	% Change		
				Arrivals	Length of Stay	Revenue
1977	1.22	4.51	4.61	-	-	-
1978	1.45	4.84	8.89	19.2	7.3	93.1
-	-	-	-	-	-	-
1986	2.82	5.93	37.32	15.6	6.3	17.5
1987	3.48	6.06	50.02	23.6	2.2	34.0
1988	4.23	7.36	78.85	21.5	21.5	57.6
1989	4.81	7.63	96.39	13.7	3.7	22.2
1990	5.30	7.06	110.57	10.2	-7.5	14.7
1991	5.09	7.09	100.0	-4.0	0.4	-9.6
1992	5.14	7.06	123.14	0.9	-0.4	23.1

1993	5.76	6.94	127.80	12.1	-1.7	3.8
-	-	-	-	-	-	-
2000	9.51	7.77	285.27	10.8	-2.4	12.8
2001	10.06	7.93	299.05	5.8	2.1	4.8
2002	10.80	7.98	323.48	7.3	0.6	8.2

Source: Tourism Authority of Thailand quoted from Mingsarn Kaosa-ard, 2002

Phuket is recognized as the Pearl of the Andaman and a renowned world destination. In 1998, the Global Magazine in Germany named Phuket as a Dream Island. In 1999, Phuket was also voted a winner of World's Best Island from Travel Awards, United Kingdom. Phuket is the main city for tourism industry of the country, next to Bangkok metropolis. It is an international tourist spot that can be developed to be a world-class destination.

According to the statistics compiled by Tourism Authority of Thailand, the ratio of international tourists to domestic tourists in Phuket is 2.43:1 (2.8:1.2 million) in 2002 and accounted to 5.38:1 (61,218:11,380 million baht) in term of tourism revenues. International tourists play a very important role in Phuket tourism industry (Table 1.3).

Table 1.3 Tourist Arrivals in Phuket with Corresponding Revenue from 1999 until 2002

Visitors/Year	1999	2000	2001	2002
No. of tourists (in Million)				
Domestic tourists	915,406	961,093	1,077,275	1,164,560
International tourists	2,167,802	2,498,480	2,712,385	2,826,142
Total	3,083,208	3,459,573	3,789,660	3,990,702
Revenue (in Million Baht)				
Domestic tourists	7,810.46	9,148.88	10,410.98	11,380.69
International tourists	47,903.90	53,099.82	59,258.36	61,218.73
Total	55,714.36	62,248.70	69,669.34	72,599.42

Source: TAT Southern Office: Region 4, Statistical Report 2002

1.2 Rationale

The strategic goal of Thailand's tourism industry is to lay the foundation for Thailand to become "*The Tourism Capital of Asia*". Emphasis was given on the development and promoting Thai tourism industry to be a quality and sustainable tourism than can increase tourism competitiveness. One of the objectives for tourism marketing plan in 2004 of Tourism Authority of Thailand (TAT) is to earn more foreign exchange by means of increasing spending per head / day, accelerating the growth rate of international tourists with an emphasis on quality tourists and first time visitors, and maintaining the average length of stay of international tourists. The marketing target of Tourism Authority of Thailand in 2006 and the number of international tourists is 15.12 million (+13.00%) and the revenue of international tourists is 533,000 million Baht (+18.44%).

"The more one understands about travelers and why they behave the way they do, the better one will be able to serve their needs and expectations (Morrison, Hsieh, and O'Leary, 1994). The question of "How often do people travels and patronize tourism products?" has become a focal point in tourism research; therefore tourist behaviors has been a major topic for decades under academic scrutiny in tourism research literature. Contributions have been made from various aspects to the understanding of tourist behaviors (Huang and Xiao, 2000; Pizam and Mansfeld, 1999).

The subject of tourist behaviors is a key to the underpinning of all marketing activities, which are carried out to develop, promote and sell tourism products. Clearly, if we are to optimize the effectiveness and efficiency of marketing activities, we must try to understand how tourists make their decisions to purchase or use tourism products. We must know whom to target at a particular time with a particular tourism product. And most important, we must know how to persuade them to choose certain products which we have designed more effectively to meet their particular needs and wants. The evolving marketplace of the tourism industry has realized that understanding tourist behaviors is imperative in today's highly competitive business environment (Pizam and Mansfeld, 1999; Swarbrooke and Horner, 1999).

In conclusion, this study will give the basic information about trip behaviors and demographic characters profile of international tourists who visited Phuket, the influence of demographic characters on trip behaviors, and the key variables that can identify which region of

residence that the potential tourists who visited Phuket in term of length of stay and daily spending. In order to be successful in tourism marketing plan and to increase national tourism revenues, we can use this result in planning, developing and improving Phuket tourism industry and also marketing to potential tourists.

1.3 Objectives of the Study

- 1.3.1 To study the demographic characteristics profile of international tourists who visited Phuket in 2004.
- 1.3.2 To study the trip behavior profile of international tourists who visited Phuket in 2004.
- 1.3.3 To study the influence of demographic characteristic on trip behavior of international tourists who visited Phuket in 2004.
- 1.3.4 To investigate the hierarchy effect of key determinant variables on the target variables of interest (e.g. Length of Stay and Daily spending).

1.4 Statement of Hypothesis

1.4.1 Hypothesis 1

H_0 There is no significant relationship between tourists' trip behaviors and selected demographic characters

Selected tourists' trip behaviors are as followed:

- 1). Objective of visit
- 2). Trip arrangement
- 3). Type of group travel
- 4). Type of transportation used
- 5). Frequency of visit

Selected tourists' demographic characters are as followed:

- 1). Gender
- 2). Age

3). Region of residence

4). Monthly income

1.4.2 Hypothesis 2

H_0 There are no significant difference of “Length of Stay” and “Daily spending” among various levels of each variable as follows:

1). Gender

2). Age

3). Region of residence

4). Monthly income

5). Objective of visit

1.5 Practical Significance (expected benefits of the research)

To gather basic data about the trip behaviors of international tourists who visited Phuket through various agencies both in the public and private sectors and to provide information to other people who are interested in the tourism industry for its development and management not only in Phuket but also in some other tourist places of Thailand as well.

1.6 Data Collection

1.6.1 Primary Data

Data collected through questionnaire from 400 international tourists between April and May 2004.

1.6.2 Secondary Data

Data collected from related consumer behaviors and statistical data of tourism in Thailand more specifically in Phuket. Information gathered from references, publication of Tourism Authority of Thailand (TAT), journals, and website.

1.7 Scope of the Study

- 1.7.1 The study covers key issues related as follows:
 - 1.7.1.1 The trip behaviors of international tourists, relate to the following issues: Objective of visit, Type of trip arrangement, Type of group travel, Type of transportation used, Frequency of visit, Information search, Type of accommodation used, Place & Length of stay, Type and average spending, Tourist attraction, Destination activity, Intention to revisit Phuket, and Intention to recommend Phuket to friends and relatives.
 - 1.7.1.2 The relationship between demographic characters and the trip behaviors of international tourists, demographic relates as follows: gender, age, education level, region of residence, occupation, and income per month.
- 1.7.2 The sample study was gathered from 400 international tourists who visited and stayed in Phuket for at least one night.
- 1.7.3 The area of study covers Phuket province, the second destination where revenue is generated from tourism next to Bangkok.
- 1.7.4 The period of collecting data is during April 15 to May 25 2004.

1.8 Definition of Terms

1.8.1 International Tourist

Any person who travels to a country other than the one in which he/she has his/her usual residence, but outside his/her usual environment, and stays at least one night in collective or private accommodation within the country visited, for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited. (WTO, 2002)

1.8.2 Demographic Character

Demographic is the study of human population structure and its characteristics in terms of age, sex, race and family status. Geo-demographic segmentation is dividing up markets based on population statistics and geographic location. In this research, demographic defines as age, gender, region of residence, education level, occupation and income per month.

1.8.3 Trip Behaviors

The trip behaviors to be described are termed, “variables”. These variables are measured as attributes of statistical units. Trip behaviors can be divided into two groups as follows;

- 1). Purpose or motivation of the visit
- 2). Behavioral patterns in preparation for, during and after the visit