Research on Influencing Social Cultural Factors on Purchasing Decision Made by Chinese Tourists of Bangkok Bag with a Case Study Naraya

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Abstract

The tourism industry is one of the significant key industries and also is the major source of foreign exchange earning in Thailand. Being one of the top 5 destination countries for outbound Chinese tourists since 2012, Thailand has attracted many Chinese consumers with their rising purchasing power. China approaches a new phase of its economic development, during which the consumption attitude of Chinese tourists have changed because they tend to believe that the quality of foreign products can be more guaranteed. Therefore shopping has become a motive for Chinese tourists to outbound travel and is account for a large proportion of outbound tourism consumption. From a theoretical point of view, the study is looking at the buying behavior Chinese outbound tourists in terms of NARAYA bag in Thailand. The study provides that a research idea for the further discuss to study of Chinese outbound tourists’ oversea purchasing behavior, and also the theoretical basis and reference value to establish a model to describe Chinese tourists’ decision-making in purchasing for the future. The objective of this paper is to explore the social and cultural factors behind Chinese tourist purchasing attitude and behavior in travel and tourism, this paper sums up the conformity and herd mentality (or group mentality) are the most import social and cultural factors that could affect Chinese tourists’ buying attitude and behavior.

Keywords: Chinese tourists in Thailand Decision-making factors; buying behavior, conformity; herd mentality; NARAYA bag

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Introduction

Thailand is relatively developed in respect of tourism. An increasing number of Chinese people prefer Thailand as a tourist destination where they can experience the different natural human environment and take advantage of Visa policy. In recent years, Chinese tourist has gradually become one of the important inbound sources of Thailand, which has exerted significant influence in Thailand’s tourism industry.

NARAYA is a Thai fabric products company which provides hundreds of products and fabric designs with a cheap price and a world-class quality in each NARAYA shop in Thailand. Fabric handbags are the key NARAYA product and which are extremely famous for Chinese tourists. NARAYA bag is a “must buy” product in Thailand and the product information can be seen everywhere on the internet and social media.

The aim of this paper explores the social and cultural factors behind Chinese tourist purchasing attitude and behavior in travel and tourism, based on NARAYA case study.

However, only a few studies looked at Chinese consumer behavior, among which lack of a perspective to discuss Chinese outbound tourists’ psychological need and behavior according to a way of qualitative analysis, especially in summarized the social and cultural factors that influence the outbound purchase decision-making of Chinese tourists. According to Hofstadter, G. (1991) and Chen (1982), it provided a theoretical reference that people are influenced by their peers to adopt certain behaviors. Yuksel (2007) indicates that atmosphere can easily affect the shopping emotion of tourists and so on.

Therefore it has the theoretical and practical significance for discussing on the subject that influencing factors on purchasing decision made by Chinese tourists, which along with an in-depth interviewing on a case study NARAYA. The significance of the study should reflect on the extent of the contribution made by the study to attempt to offer a reference basis for the economic growth and tourism industry development in Thailand. The author selected the top six most popular stores in Bangkok, from which selected each of ten Chinese tourists as respondents to collect the interview data, 60 Chinese tourists totally. The study can help tourism authority of Thailand to target market and define specific customer group clearly, and it shows us our need for the increasing competitiveness of Thailand’s tourism industry, which further the communication and healthy development between Thailand and China, contribute to increase investment as well as spending. Besides, to target advertising campaign, simulate potential consumer spending for NARAYA enterprise is another purpose for the study. More importantly, exploring what the significant social and cultural factors that influence Chinese tourists purchasing behavior in the decision making process are and discussing the shift of Chinese consumer psychology in travel and tourism nowadays.
The focus of this paper is on semi-structured qualitative research method, using the interview and observation methods to analyze the factors which affect Chinese outbound tourism make a decision to purchase NARAYA bags, discusses the theory background of the topic, and then introduces relevant theoretical research, document and research findings which carry on literature review. Methods of observation, inquiry, and interview are used to conduct a survey that Chinese tourists make a decision to purchase NARAYA bags.

This paper divides into five chapters: the first part elaborates the content and the frame of article; the second part is literature review; the third part expands related theories, research methods, data collection and logical thinking about the article; the part four is results and analysis; the final part come out with conclusion and suggestion.

Literature Review

Humans naturally want to belong to a community, migrate in group. According to the definition from Wikipedia, Herd mentality, or mob mentality, describes how people are influenced by their peers to adopt certain behaviors. Herd instinct is a mentality characterized by a lack of individual decision-making or thoughtfulness, causing people to think and act in the same way as the majority of those around them (Investopedia).

Hofstadter, G. (1991) defines culture as “the collective programing of the mind which distinguishes the members of one group or category of people from another.” (1991, p.5) Hofstede established a model of national culture that consist six dimensions, which represent independent preferences for one state of affairs over another that distinguish countries from each other. One of the six dimensions is called individualism versus collectivism (IDV), the low side of this dimension can be defined as collectivism, which represents a preference for a tightly-knit group in society. In China, the relationship of people tends to be collective while in the west what is valued in individuality. Historically Chinese have strong group consciousness Therefore, China is deeply influenced by collectivim. Chinese attach great importance to the relationship between individual and collective, they are willing to conform to group norms, performing cooperative marketing. Evidence shows that decision-making styles vary across nations. It is important to be aware of Chinese natural tendency to adopt the herd mentality when Chinese consumers are purchasing the product.

Such cross-national variations could be the result of social and cultural differences. It turns out that cultural differences in thinking are probably result in the diverse characteristic of consumer buying behavior.
Chen (1982) emphasizes that if Chinese people perceptional reaction resulted from their face consciousness in the process of consumption will definitely affect their buying behavior. In addition, Li (2009) revised Fishbone model, and stressed that Chinese consumers are more likely to rely on their sensitive feeling towards the buying behavior, such as their personal intuition and personal experience, or listen to the suggestion and advice of other people, or consult refer to other people’s shopping experience. “Market research report on Chinese outbound tourist consumption” (Ipsos, 2014) reports Chinese tourists tend to purchase souvenirs with a tour group. The analysis shows that the feature of NARAYA product is consistent with those of souvenirs. NARAYA product fit into people’s daily lives, its bags have become popular because of its unique fabrics and a variety of style and color, and it is a perfect gift or souvenir to bring back for tourists’ friends or family. NARAYA bag is regarded as a “must-buy” product in Bangkok for Chinese tourists.

The term “face” has specific definition in China culture. It is similar to the notion of reputation. The face consciousness is one important factor to distinguish Chinese consumer purchase decision from that of other countries. In addition, most of Chinese tourists have vague purpose during their journey. Under the circumstance, Chinese tourists are more likely to have conformity shopping behavior under the situation of massive pressure, especially for the first-time tourists who are more easily affected by same tour group members because they are unfamiliar with environment and a new language in Thailand. In additions, advertising, word of mouth marketing, and in-store service will have a strong stimulation for consumption, which can influence Chinese consumer to make a purchasing decision.

Yuksel (2007) indicates that atmosphere can easily affects the shopping emotion of tourists, which will be directly reflected in the shopping behavior, and the evaluation of shopping value for the tourists. Guo (2006) found that on-site stimulus for tourists could affect consumers’ shopping satisfaction. The first element that impresses tourists is the cultural features, and next is the product attributes. The authors suggests that the tourists shopping behavior can be categorized based on four different aspects tourist consumer’s level of involvement, degree of shopping certainty, characteristics of personality, purpose of tourist products. Based on the analysis above, the authors conclude that there are several important factors that influence tourist shopping behavior, which includes price, brand, advertising, personal shopping experience, buying sentiment, recommended by tour guide and friends, herd mentality, conformity imitation, etc., of which provide theoretical guidance for further analysis according to different tourist shopping behavioral characteristics, and for the sake of sales revenue and purchase probability in store.
Through analysis of law of demand, black box theory, stimulus-response theory, consumer purchase decision theory, and models of consumer purchase intention, to establish a theoretical basis for the study. Some researchers make a great adjustment to the model so as to perfect the structure of the model and be used easily in practice. For example, Zhang (2004) came up with demand-motivation-behavior model theory on the basis of stimulus-response theory; Rosenberg and Holland (1960) brought together a stimulus-response model for tourist according to social attitude-behavior model; Li (2009) constructs the model of intention for Chinese consumers by referring to theory of reasoned action (Fishbone); Fan (2011) concludes the factors that affect purchase tourist products by using theory of purchasing behavior in tourism; Chang (2009) summarizes the decision-making factors when tourists purchase tourist art crafts by using theory of consumer behavior in tourism.

As noted above, much quantitative analytical method and model are being use to collect data, and most of them focus on the aspect of consumer satisfaction, behavior decision, tourist behavior analysis. However, to work on research of Chinese consumer purchase decision by using qualitative research to mine primal data are still limited, So which is also a research contribution for the study.

The author come up with various factors that could affect Chinese tourist to purchase NARAYA bags based on the analysis of relative literatures, which consist of external factors, internal factors and personal factors.

Methods and procedures

The study adopts a semi-structured qualitative analysis method to collect the first-hand data. Through the detailed description of factors that may affect consumer purchasing decision, compared with the existing theories to analyze what is the factors could influence Chinese tourists to purchase NARAYA bag. To some degree, the results of the study could provide reference value for the further analysis of social and cultural factors that behind Chinese tourists’ buying behavior on the basis of NARAYA case study.

The theoretical framework is based on the research background of NARAYA bag that is one of the most favorable and indispensable consumer product for Chinese outbound tourists. Moreover, the number of Chinese tourists is considerable and is the dominant inbound force in Thailand tourism industry. In this sense, it is important and necessary to do the research that summarizes the factors which influence the purchase decision-making from consumer perspective. By using relevant theoretical research, methods of documentation to find out the purchase factors, and then seek out which is the key purchasing decision-
making factors that affects consumer buying behavior. Through the interviewing and observational method, and based on the survey data of questionnaire to further analyze those primary data, which in order to make constructive suggestion and marketing strategy to target Chinese tourists for NARAYA enterprise.

The interview and observation based at the NARAYA store in Bangkok, Chinese tourists are the respondents on the survey questionnaire. The study adopts the methods of convenience sampling and snowball sampling to draw representative data by selecting interviewer. Information and data are collected by a direct, semi-structured, and one-on-one interview approach. In this way, the respondents can express their opinion openly and freely. On the other hand, it takes valid interventions for interview and avoids bias in research, which in order to obtain a wide range of useful and comprehensive information.

The interview focuses on around three main factors: external, internal and contingency. Furthermore, using inductive method, thematic analysis method, and content analysis method, all respondents were verbatim transcribed and analyzed Chinese consumer attitude and behavior with a view to acquiring the first-hand data and summarizing a meaningful conclusion.

Data analysis and description

In order to in-depth understand the factors that influence Chinese tourists purchasing decision more effectively, the author selected the top six most popular stores in Bangkok where is the location for interview and observation. The location includes NARAYA (Central World store), NARAYA (Siam Paragon store), NARAYA (Dong Mueang store), NARAYA (Tokyo-MBK store), NARAYA (Central Rama9 store), and NARAYA (Grand Palace store), from which selected each of ten Chinese tourists as respondents to collect the interview data.

Most of Chinese tourists start coming to NARAYA brand from various channels to get information. After the case interview is over, the author found that the respondents’ degree of understanding in terms of the brand which can be divided into three main group categories: respondents know the brand very well and they search specially for the NARAYA store to purchase the products; the other respondents have a general understanding, they have ever heard of the brand or just came across the store; another (respondents) is that know nothing about the brand, or know it by recommended from other people, or drop into the store.

The information obtained by observation method is used to assist the interview. The author selected the representative Chinese tourists who are the observed at each NARAYA store. During the interview survey, the respondents’ facial expression, tone and physical movements should be observed, which in order to
make sure that the full expression of the meaning of the respondents and has a good grasp in the follow-up summary of information analysis.

Through a questionnaire survey, consumer group of women are more likely to purchase NARAYA bag, they are mainly concentrated in the 30-39 age stage, college degree or above accounted for a large proportion, most of them have stronger ability for shopping and higher disposable income.

Questionnaire is divided into two parts: the first part is the basic information of Chinese tourist respondents, such as gender, age, level of education, monthly income, consumers’ purchasing power and so on; the second part is the reasons for purchase and respondents’ purchase attitude toward the NARAYA bag. And the next step is to analyze the influential factors in purchasing process and find out the significant social and cultural factors that behind Chinese tourists’ purchasing behavior. The analysis of the data concentrates on three aspects: external factors, internal factors and determinant factors.

According to the collected information from the survey questionnaire, the author takes further study to sort out what the external factors affect the purchasing decision for Chinese tourists are. The most important external factor is the price of the product and then is brand awareness. Around 85% respondents consider that the price of NARAYA bag is inexpensive, the rest of them think it is a moderate price but not expensive. China Union Pay cards are now accepted and be used in each NARAYA store, which can be offered a certain discount or promotion for customers when the price reaches a limit order price. Meanwhile an acquainted pattern of payment can eliminates the concern of Chinese tourists about short of cash. Almost all of respondents are very familiar with NARAYA brand, half of them notice it from social networking platform and travel guides, a smaller percentage of respondents know the brand by recommendation from their relatives and friends. Respondents intend to purchase NARAYA bag as a gift. When it comes to the quality, style and unique Thai cultural feature of the product, respondents consider NARAYA bag on behalf of a unique “must-buy” commodity in Thailand. There are various styles and colors of NARAYA bags to choose from the store, and the store offers bags with excellent quality, storable and portable so that tourists can bring it everywhere. Over half of the respondents are careless about the store location, atmosphere and service.

Based on the survey results, group consensus has become a outstanding internal factor that motivates personal purchase, because the respondent refer the Bangkok bag as a “must-buy” item in Thailand and the item is recommended by the internet, advertising, or the people around them, they would feel they have not been to Thailand if they do not purchase a Bangkok bag. Conformity affects everyone to make a purchase decision in the process of purchasing. And then face consciousness is one of the important internal factors
that influence the purchase decision for the respondents. The others such as purchasing sentiment, personalities of tourist, imitative behavior, enjoying consumption and so on, all of which are affects the shopping behavior and the decision for purchase.

Finally, the determinant factors were found out based on the above studies of external and internal factors. The primary factor is price. Respondents always believe that NARAYA bag is a value for money product compared with the luxury brand product, especially the pricing of Bangkok bag accord with the respondents’ spending power and consumption level.

The next critical factor is gift-giving. Most of the respondents plan to purchase the bag as a gift or souvenir and send to other people, and also because NARAYA bag as a local brand in Thailand in respondents’ mind, it offers product with a wild range of different style, function, color and possesses unique cultural characteristic.

NARAYA brand in the field of bags has a higher profile. Respondents can easily have a buying impulsiveness of crowded shopping atmosphere in store. It is because most of respondents have a strong tendency of consumption homogeneity and tend to follow the mainstream and make individual comparisons. Furthermore, respondents not only regard shopping in NARAYA store as a matter of “face” but also as an enjoyable in the process of shopping.

In traditional Chinese culture, people will always focuses on ethical relations. People are tend to relied on word-of-mouth recommendations from friends and relatives, it is easier to bring shopping actions to consumers at the same time.

Tourist shopping addresses a process of pursuing the high-level spiritual needs and satisfaction, so the tourist buying behavior can be easily affected by their emotional thinking. Under the circumstances, tourists tend to pay attention to the abstract or intangible perceptual demand, and they are often difficult to distinguish the substantial communication between the different brands, therefore the tourist souvenirs or products should be focused on its practical value, and then increase its spiritual intrinsic value as much as possible.
Summary and Conclusion

In conclusion, the five most critical factors that influence decision-making include: price, brand awareness, local features, gift-giving, and quality. Followed by the store atmosphere, especially when Chinese tourists in a buying atmosphere, which can motivate people to buy without feeling as if they are being sold. But beyond that, to effectively promote sales, the store may consider and adopt a new mode of payment in the future to target Chinese tourists, because some respondents have mentioned if customers could pay money through the Alipay online payment.

To analyze the factors that influence Chinese tourists’ purchasing decision and to try to find out the social and cultural factors that behind the buying behavior, the study found that the conformity and herd mentality (or group mentality) are the most important social and cultural factors that could affect Chinese tourists’ buying attitude and behavior. The study shows the phenomenon that the tendency for Chinese tourists to mimic the actions of a larger group. There are some reasons why the herd mentality behavior happens. The first is the social pressure of conformity. Chinese people tend to follow a group norm, begin to form a community, migrate in group, and perform cooperative marketing. The second reason is the rationale behind this common-sense theory that it is unlikely that a large group could be wrong. Conformity is a social influence which can convince the individual take a similar rational or irrational action of a large group or community. Once Chinese consumers decided to go with it, they felt much more comfortable. These social and cultural factors behind the buying behavior of Chinese tourist consumers could impact the mood and attitude on decision-making.

Therefore, in order to make a better marketing strategy to target Chinese tourists, extend the ranges of the products and obtain great increase in the turnover as well as development with a fast pace, the author suggests some corresponding strategies according to the results of the study, the suggestions and strategies in the following.

Firstly, aim at the Chinese consumer group of 20-40 years old, female. So lock this target group of customers and develop the corresponding marketing strategies. If condition permission, Alipay online payment could be consider in the future. Alipay.com is a third-party online payment platform. Alipay provides an escrow service, in which consumers can verify whether they are happy with goods they have bought before releasing money to the seller. The buyer and the seller through the Alipay system to finish the

\[^1\] https://en.wikipedia.org/wiki/Alipay, 2017.5.12
transaction, and the process can be divided into four steps: the buyer chooses the product firstly, then pay for
the product through the Alipay, Alipay tells the seller to deliver the goods to the buyer and the next is Alipay
pay to the seller until the buyer satisfied with the product.

Secondly, to meet the needs of Chinese “face” based on understanding the face-culture in China. The
purpose of purchasing a NARAYA bag for almost all of Chinese tourists is to send to their relatives and
friends. They regard the NARAYA bag as a gift. Under the circumstances, it is important that innovate the
packaging of the product continuously. On the other hand, sharpen the high-end image of NARAYA brand
and highlight the product differentiation and product individualization are the good way to transmit the
information of new product positioning for Chinese tourists.

Next, focus on word of mouth marketing. Chinese people pay attention to ethics and interpersonal
relationship. The key channel for Chinese consumer to recognition of NARAYA product is introduction or
recommendation from their relatives and friends. So it is important to establish a good reputation.

Moreover, use the internet resources effectively. Chinese people are increasing rely on the internet,
web search plays an increasingly important role in outbound tourism, people can find out more product
information and advertisement via web browsers. Establishing an official account in some of the popular
tourist sites or social media to offer recommendation for the hot item, it will bring the company and their
products within public focus, and enhance NARAYA brand awareness, product, service loyalties.

Last but not least, develop a loyal customer base. For the customers make a repeat purchase from
NARAYA store, create exclusive discounts or offer an enticing loyalty program for such these loyal customers.
Using loyalty programs and personalized marketing to create excitement and trust.
Reference


