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Competitiveness of Overseas Pleasure Destinations: A Comparison Study Based on Choice Sets

Abstract

This study investigates the competitiveness of overseas destinations as perceived by leisure tourists from mainland China, with a focus on how the competitiveness of destinations varies by choice set. The results of this study confirm the funnel-down structure of consumer choice sets including the early choice set, the middle choice set, and the late choice set: the size of these sets became progressively smaller as the moment for making the final decision drew nearer. In addition, the results clearly indicate that travel distance is an important determinant of tourism demand: short-haul destinations are more competitive than long-haul destinations.

Keywords: destination, competitiveness, choice, Chinese

INTRODUCTION

International tourists travel to diverse places to seek their benefits; destinations try to develop attractive products to respond to tourists' motivations (Cracolici and Nijkamp, 2008). For instance, the Mediterranean coast is mainly dominated by European tourist groups seeking sun, sea, and sand-type tourism products (Segreto, Manera and Pohl, 2009), whereas places like Macau, Singapore, and Las Vegas target those interested in gambling (Wu and Chen, 2015). Other long-established destinations – such as Paris, London, and Hong Kong – provide both natural and man-made attractions. Recently, tropical and semi-tropical islands – such as Cebu, Mauritius, Hawaii, Phuket, and the Maldives – have been preferred by many honeymoon tourists (Seebalucka, Munhurrub, Naidoo, and Rughoonauth, 2014).

Improvement of transportation and information technology also accelerates international tourism demand. Accordingly, destinations try to secure competitive advantages over other competing destinations. As a result, a tourism destination is positioned in the dynamic nature of evolving cycle, such as emerging, thriving, competing, declining (Crouch and Ritchie, 1999). The topic of destination competitiveness has been one of the key topics in tourism research over the last three decades because, as indicated above, a larger number of destinations and businesses have been (and continue to be) eager to understand how to gain competitive advantages for themselves and how to overcome their competitive disadvantages (Gomezelj and Mihalic, 2008).

There is competition both within and between regions and countries. For example, destinations in the Mediterranean area compete for tourists primarily from countries in North and Central Europe (Falzon, 2012; Kozak and Rimmington, 1999) and from countries that formerly belonged to the Soviet Union (Kozak and Martin, 2012) while Asia-Pacific destinations compete for tourists mainly from China, Japan, and South Korea (hereafter, Korea) (UNWTO, 2014).

A large number of empirical studies of destination competitiveness have been conducted in three streams. First, some studies have focused on the measurement of destination competitiveness through the evaluation of resources or attractions on the supply side (Briguglio and Vella, 1995; Crouch and Ritchie, 1999; Dwyer, Forsyth, and Rao, 2000; Dwyer and Kim, 2003; Enright and Newton, 2005; Gomezelj and Mihalic, 2008; Oh, Kim, and Lee, 2013; Yoon, 2002). Second, other previous studies have focused on tourists' perceptions of the ability of destinations to offer products or services (Cracolici and Nijkamp, 2008; Javalgi, Thomas, and Rao, 1992; Kozak, Baloglu, and Bahar, 2010). Such studies are relevant to positioning analyses of destinations (Goodrich, 1978; Kim, Guo, and Agrusa, 2005). Third, other studies have explored a mix of supply issues and demand issues (Bahar and Kozak, 2007; Pearce, 1997).

Interestingly, in most of these studies it has been assumed that a tourist's destination choice is made at a single point in time (rather than the culmination of an evaluation process). Unfortunately, to date few attempts have been made to measure the competitive position of destinations relative to prospective tourists' different choice sets. This leads to the research question: are there any significant differences between the early and late choice sets of a prospective tourist?

The aim of this study is therefore to identify the overall competitiveness of overseas destinations as perceived by mainland Chinese visitors at four points in time. More specifically, the first objective is to identify what the respondents perceive to be competitive overseas destinations. Second, the sizes of the sets in which the respondents' four most preferred destination countries appear are compared; and there is an investigation of whether a relation obtains between the choice of these destinations and the respondents' socio-demographic and travel-related characteristics. Third, there is an exploration of whether these four countries

display any differences regarding choice set size and the travel-related or socio-demographic characteristics of the respondents. Fourth, the competitiveness of the six most preferred destinations in the early choice set, the middle choice set, and the late choice set is analyzed.

In this study, a destination choice set model was adopted as the theoretical framework and it traced competitiveness in the different choice sets. The analytical methods included chi-square tests, one-way ANOVA tests, a general linear model (GLM) analysis with repeated measures, and a frequency check of the preferred destinations at the four time points through manual computation. Thus, the study provides, through tracking of the variations in the choice sets, a clearer understanding of the competitiveness of destinations as perceived by mainland Chinese tourists.

DESTINATION COMPETITIVENESS CHOICE SET

Due to an increasing number of alternatives on the supply side and wider travel experience on the demand side, it is expected that visitors are more likely to make comparisons between facilities, attractions, and service standards (Kozak, 2003). It can be argued that a potential visitor selects a destination from alternatives and evaluates each according to its potential to deliver the desired benefits (Mayo and Jarvis, 1981). Even though there being many alternatives can offer easiness to select, this can lead to concerns about competitiveness on the supply side. Since a destination's attractiveness is essential to its competitiveness, it is widely accepted that competitiveness is of central importance to the economic success of organizations, regions, and countries (Crouch and Ritchie, 1999; Dwyer et al., 2000; Dwyer and Kim, 2003; Kozak and Baloglu, 2010; Oh et al., 2013). Destination marketers put great effort into preparing strategies and operating procedures that will give them a competitive advantage over their rivals.

As suggested above, in recent decades there has been a significant increase in the number of destinations, leading to various problems on both the supply and demand sides (Kozak and Baloglu, 2010; Morrison, 2013). On the supply side, competitiveness has become more intense and therefore destinations have begun investing more resources and effort to develop new products that will enable them to differentiate themselves and appeal distinctively to the potential market. On the demand side, the consumer choice process has become more complex due to the existence of many similar alternative destinations in the consideration set that are offering similar products to similar target segments. To facilitate the decision-making process, consumers utilize different tactics, including seeking information from the social media, friends/acquaintances, magazines, and TV advertisements (Corominaa and Camprubí, 2016).

Research on destination positioning places more emphasis on the outcome of consumers' evaluation process, something that also contributes to understanding destination competitiveness at the macro-level (that is, comparing various regions/countries Cracolici and Nijkamp, 2008; Enright and Newton, 2005; Goodrich, 1978; Kim et al., 2005; Kozak et al., 2010). As suggested above, this means that respondents have been asked to compare their perceptions of various destinations on the basis of their performance as output measures (Javalgi et al., 1992; Kozak et al., 2010). Furthermore, based on the similarity and dissimilarity metrics calculated for each destination, it is possible to articulate in what respects one destination is more competitive than another. For instance, Kozak (2003) shows that although both Turkey and Spain can be short-haul destinations for British tourists, Turkey is more competitive in offering hospitality and value for money while Spain offers a better quality of infrastructure. Such work has generated recommendations for marketers and managers in terms of how a destination can improve its competitiveness.

A large number of studies have focused on identifying the competitive advantages or disadvantages of destinations, and many of these have investigated tourists' destination preferences when making destination decisions (Cracolici and Nijkamp, 2008). One strand of the research on the psychological aspects is based on choice-set theory. Destination choice involves selecting a specific place by evaluating visitors' feelings about various alternatives (Crompton, 1992; Stylos et al., 2016; Um and Crompton, 1990). Crompton and Ankomah (1993), for example, state that in the evaluation of alternatives in the late consideration set, the constraints (factors) associated with each of these become more effective. Decision making becomes more difficult if there are more alternatives, multiple contingencies/events, and multiple conflicting dimensions of value. In such an evaluation, alternatives are compared in terms of several attributes, the size of the difference between alternatives for each attribute is calculated, the value of each alternative is weighted, alternatives are eliminated from the set, and the process ends when the preferred alternative has been chosen (Payne, Bettman, and Johnson, 1993).

Consumer perceptions may influence the choice of a destination, the consumption of goods and services while on vacation, and the decision to return (Stevens, 1992). Since every year visitors are offered a greater variety of destinations, more choice of accommodation, a wider range of activities, and tours which are designed for specific interests, it has now become fairly difficult for an individual to decide where and how to go and where to stay (Laws, 1995; Kozak and Baloglu, 2010). Accordingly, the use of choice sets has become essential in consumer decision making about tourism, hospitality, and leisure services.

Due to the availability of more alternatives offering similar products or services, the notion of choice sets was introduced into the consumer behavior literature in the 1960s (Howard, 1963; Howard and Sheth, 1969; Nicosia, 1966). Subsequently, Narayan and Markin (1975)

empirically tested the choice set model by investigating brand choice with such consumer products as toothpaste, mouthwash, deodorants, and beer. A fruitful development was the application of choice set theory to the tourism and leisure fields in the late 1970s and 1980s (Woodside and Lysonski, 1989; Woodside and Sherrell, 1977). Further development of the use of choice sets in tourism studies was initiated by Crompton and his colleagues in the early 1990s, with more concrete conceptualization and empirical testing (Ankomah, Crompton, and Baker, 1996; Botha, Crompton, and Kim, 1999; Crompton, 1992; Um and Crompton, 1990).

The investigation of destination choice sets continued to advance in the early years of the new millennium (Decrop, 2010; Jang, Lee, Lee, and Hong; 2007; Karl et al., 2015; Perdue and Peng, 2006). Most studies that employ a destination choice-set model have found that there is a funnel-down structure with consumer choice sets (Both et al., 1999; Jang et al., 2007). The early set comprises the number of possible alternative destinations that a potential tourist is likely or unlikely to become aware of or familiar with (Narayan and Markin, 1975). The middle set comprises all potential destinations, whereas the late consideration set comprises only destinations that have a high probability of being chosen. As the final decision draws near, the tourist may drop some alternatives because of certain constraints, motivation factors, and garnered information. In addition, new alternatives may be added as a result of new information. The choice set model highlights the fact that during the decision-making process the number of alternatives becomes smaller (e.g., the late choice set is smaller than the middle choice set) (Jang et al., 2007; Sirakaya and Woodside, 2005; Um and Crompton, 1990).

The process is illustrated in Figure 1. The early set is a large choice set that includes long- and short-haul destinations and ideal destinations. As the time for making a final decision draws near, the choice set becomes smaller (Ankomah and Crompton, 1996; Um and Crompton,

1990). The tourist will choose short- instead of long-haul destinations if the perceived constraints outweigh the perceived benefits. In the final stage, a potential tourist tends to choose a destination sensibly, by considering the various constraints realistically and making an effort to act very prudently. The particular destination finally chosen may have been included in any of the choice sets (Crompton, 1992).

Insert Figure 1 here

The model applied in this study is adapted from the choice set model used in previous research (Botha et al., 2000; Crompton, 1992; Um and Crompton, 1990); it is shown in Figure 1. Although other sets have been used – such as the unawareness set, the evoked set, the inert set, and the inept set (Narayana and Markin, 1975) – this study employs the early choice set, the middle choice set, and the late choice set.

If we link the notion of choice sets with the competitive position of destinations, it seems likely that the preferences of a potential tourist for each destination will differ from one choice set to another. Thus this study attempts to investigate how much different the preferences for certain destinations are in the context of mainland Chinese overseas tourism. Although a particular destination may be found in the early choice set, it may be dropped in the later sets and therefore represented with a lower proportion, or its representation may increase from the early to the late choice set. As distance is considered to be an important element in tourism demand (Etzo, Massidda, and Piras, 2014; Nicolau and Más, 2006; Peng, Song, and Crouch, 2014), it can also be a factor influencing the representation of a destination in each choice set. For instance, depending upon the structure of short- or long-haul destinations, one short-haul destination can improve its position after the early set if the choice destination is also short haul, and move down

the pecking order if the choice is long haul. The same rule applies to any other long-haul destinations.

In selecting a final destination, preferences for destinations can vary according to tourists' individual profiles, as most market-segmentation studies have demonstrated (Botha et al., 1999; Javalgi et al., 1992; Kim, Kim, and Ritchie, 2008; Kozak et al., 2010; Li et al., 2013). Therefore, this study attempts to analyze how destination competitiveness is related to certain specific features of tourists, such as their gender, age, income, overseas travel experience, and preferred travel type (package tour/individual itinerary).

METHODS

Study setting

Mainland Chinese outbound tourism demand more than doubled between 2010 and 2015 – from 57,386,500 in 2010 to 120,000,000 in 2015 (China Outbound Tourism Research Institute, 2015). These figures represent an annual increase of about 18% to 22.4%. The total expenditure rocketed from US\$102 million in 2012 to US\$104.5 billion in 2015, with China now being the number one country for outbound tourism spending (China Tourism Academy, 2016). A report by Bloomberg News predicted that about 174 million Chinese outbound tourists will spend a total of about US\$264 billion annually by 2019 (China Tourism Academy, 2016). Chinese tourists accounted for 30% of the world's tax free shopping in 2014 and purchase 47% of all luxury goods worldwide (China Tourism Academy, 2016).

According to the China Outbound Tourism report (China Outbound Tourism Research Institute, 2015), the eight most-visited countries/regions in the first three quarters of 2014 included Hong Kong (47.24 million), Macau (31.50 million), South Korea (5.56 million),

Taiwan (3.93 million), Thailand (3.34 million), Japan (2.41 million), the US (2.18 million), and Singapore (1.20 million). In 2010, the top eight were Japan (1.97 million), Korea (1.97 million), Vietnam (1.21 million), US (1.08 million), Malaysia (1.03 million), Thailand (1.01 million), Singapore (0.83 million), and Russia (0.71 million).

With respect to the overall trends in outbound tourism during the period 2010-2014, there was much variation in mainland Chinese tourists' preferences for short-haul destination countries. For example, Japan was ranked eighth in 2013, whereas it had been third in 2010. There was also much fluctuation in mainland Chinese tourists' preferences for long-haul destination countries. This suggests that the competitiveness of a country and its ranking as a preferred destination can easily change, and depends in large part on the promotional efforts made by different destinations or their development of tourism attractions. However, unexpected factors can influence international tourism demand. For example, the tsunami that hit Japan in 2011 – together with the ensuing catastrophe at the Fukushima nuclear power plant – and the pro-democracy protests in Hong Kong in 2014 brought about shrinkage of the international demand for tourism to these regions.

Measurement

A literature review was carried out to develop questions for the destination choice sets (e.g., Botha et al., 2000; Crompton, 1992; Crompton and Ankomah, 1993; Crompton et al., 1998). The questionnaire item on the early choice set was this: *“You traveled overseas for leisure during the period 1 May to 15 September 2014. Recall when (or imagine) you were beginning to plan your trip EIGHT months beforehand. Which overseas destinations were (or would have been) in your mind then as possibilities? Please state the names of all the potential destination countries.”* The

respondents were asked to fill a blank space with all the countries containing the destinations where they might have wanted to travel.

To develop a questionnaire item regarding the middle set, it was defined as being the set of all the places where a traveler can consider as vacation destinations within some time period. Likewise, to develop a questionnaire item regarding the late choice set, it was defined as being the set of the places which a traveler can consider as vacation destinations within some time period. The time points of these three sets and of the final choice were eight, five, and three months before traveling, respectively. They were decided based on the outcomes of interviews with 30 tourists from mainland China who had visited Seoul, Hong Kong, Taiwan, and Turkey.

In this study, the reason why a country was considered to be a unit of destination competitiveness is to understand its stance at the global level. According to a part of competitiveness of tourism destinations evaluated by UNWTO the ranking is placed among countries. The sample for this study consisted of Mainland Chinese tourists who had traveled to overseas destinations, including Taiwan, Hong Kong, and Macao, between May 1 and September 15, 2014. Those selected to participate in this study were tourists who were required to have traveled overseas for leisure purposes less than five months prior to the main survey; this inclusion criterion was aimed at ensuring that the participants would be able to recall their experiences easily. Another important inclusion criterion was that the main purpose of the trip was pleasure. The reason for this was that tourists traveling for pleasure will try to assess their preferred destinations, find information about them, and compare them in terms of their perceived constraints and motivations. Unlike those traveling for business or who are visiting friends or relatives (VFR), pleasure travel allows a prospective tourist to participate in a decision-making process with their own free will. Since all the members of the sample used in

this study had traveled overseas between May 1 and September 15, 2014, it was anticipated that they had actively gone through all the decision-making stages.

Data collection

For the data collection, an online panel survey company was used to approach the target population and obtain a comprehensive sampling frame. Compared to traditional survey methods such as mail, phone, in-person interviews, or email, an online panel survey can reduce the cost and time spent obtaining responses (Granello & Wheaton, 2004). In addition, respondents drawn from the panel of an online survey company are more likely to be willing to participate than those asked to complete a face-to-face survey, and prepared to voluntarily access the site using their own electronic devices at a convenient time and place for the purpose of collecting the reward provided by the company. For these reasons, this study collected data using a panel from an online panel survey company that provides a user-friendly platform for researchers and a robust tool for designing a web-based survey questionnaire (Qualtrics, 2014).

The data were collected between October 10 and October 23, 2014. The online panel survey was conducted by online panel survey company, the Sojump Company, which is one of the largest online panel survey companies in mainland China, having more than 2.6 million panel members. The most important reason for using an online panel survey is that if a survey were to be administered at the respondent's final tourism destination, it would neglect other potential destinations. In addition, the panel survey should be completed very quickly by collecting data from people who have traveled abroad. If the survey period were not limited, it would be difficult to control for the diverse factors influencing tourism demand and supply. The representativeness of the samples selected for this study was confirmed by the fact that the participants' ranking of the countries in their three choice sets was in line with actual mainland

Chinese traveler statistics (China Tourism Academy, 2016; UNWTO, 2014) and forecast statistics (China Outbound Tourism Research Institute, 2015).

However, an online panel survey may be subject to certain limitations, such as a lack of participation by reliable/competent respondents and absence of the kinds of explanation that interviewees are able to provide (Zikmund, 2003). Thus, concerns about the drawbacks can be alleviated. The reason is that a majority of the respondents were mainland Chinese overseas tourists in their 20s and 30s. The respondents were advised to complete this survey after careful reading by forcing them not to go to next page rapidly. A total of 315 respondents participated in the online panel survey, but some questionnaires had multiple missing values and obviously insincere answers. These were excluded and a final total of 302 questionnaires were used in the data analyses.

Data analysis methods

The linear model used in this study to investigate the association between socio-demographic and travel-related characteristics and destination preferences can be expressed as follows:

Choice set size= f (overseas travel experience, gender, age, annual household income, frequency of visits to this destination, length of stay – in days – at the destination, time taken to make the travel decision, expenditure, influential information source, effort devoted to seeking information, preferred travel type).

The choice set sizes were hypothesized to be affected by pleasure tourists' socio-demographic and travel-related characteristics. Analyses of overall competitiveness and competitors of the six most preferred destinations were conducted by computing the frequency of answering competitors according to the choice sets.

RESULTS

In terms of the timing of travel, the respondents reported a range of months; May (4.6%), June (7.6%), July (10.3%), August (36.8%), September (14.6%), and October (26.1%). All the respondents had traveled overseas for leisure purposes less than five months before this survey was conducted. All respondents confirmed that the main purpose of their trip was pleasure. Respondents were asked about the frequency of their previous visits to this destination and responded as follows; first visit (26.8%), second (27.5%), third (19.7%), and more than three (26.0%). When asked who had accompanied them, the most popular response was family members (66.2%), followed by friends and relatives (22.8%), nobody (10.6%), and other (0.3%). In terms of the number of nights stayed at the destination, respondents indicated one to two nights (5.3%), three nights (21.2%), four to five nights (41.7%), and more (31.8%).

The respondents were distributed in terms of age as follows; 26-30 (38.7%), 31-35 (30.8%), 20-25 (15.2%), and 36 or older (15.2%). Regarding educational level, the majority had obtained a college education (84.4%) or other qualification (15.6%). About 59% of the respondents were male. In terms of occupation, the most frequently selected category was company employee (53.3%), followed by professional (15.6%), technician (9.6%), and self-employed (5.6%). Regarding income, the responses broke down as follows; 12,000-98,000 yuan (12.9%), 98,001 to 140,000 yuan (19.5%), 140,001 to 180,000 yuan (20.6%), 180,001 to 220,000 yuan (21.5%), and 220,001 yuan or more (25.5%). Excluding this trip, the reported frequency of overseas travel since January 2010 was never before (3.3%), once (5.3%), twice (16.9%), three times (23.2%), and four times or more (51.3%). When asked the year in which they first considered this destination as one of their potential overseas destinations, responses were categorized as 2014 (57.3%), 2013 (16.2%), and 2012 or earlier (26.5%). This indicates that

some travelers perceive there to be constraints (such as time constraints, health factors, and travel costs) on their traveling to a preferred leisure destination. Most travelers undertook a combination of package tour and individual travel (38.1%), followed by individual travel alone (34.4%), and package tour alone (27.5%). Finally, in terms of level of satisfaction, 96% of them reported being satisfied with their trip.

Destination competitiveness at the four time points

Table 1 illustrates destination competitiveness at the four time points. The participants' most preferred destination in the early choice set was Korea (it being preferred by 12.2% of the respondents), followed by Japan (10.8%), Thailand (9.0%), the US (8.2%), Singapore (6.5%), France (6.4%), and Australia (5.8%). In the middle choice set, Korea was also the top destination (15.7%), followed by Japan (12.0%), Thailand (9.8%), the US (7.4%), Singapore (6.8%), France (6.8%), and Australia (5.1%). In a comparison of the early and middle choice sets, the popularity of Korea, Japan, and Thailand increased slightly, whereas that of the US, Australia, and Malaysia decreased slightly.

Insert Table 1 here

In the late choice set, the strongest preference was again for Korea (18.9%), followed by Japan (13.7%), Thailand (11.1%), the US (8.1%), France (7.2%), Singapore (6.3%), Hong Kong (4.6%), and Australia (3.8%). This preference pattern is similar to the actual and forecast numbers of Chinese outbound tourists in 2014, with Korea, Japan, and Thailand being the top three destinations (China Tourism Academy, 2016; UNWTO, 2014). In addition, the finding of a

strong preference for France, the US, Australia, and the UK corresponds to the gradual increase in the actual demand for trips to Western countries (China Outbound Tourism Research Institute, 2015).

When the patterns of preference are compared between the middle and late choice sets, Korea showed the highest level of increase and Japan, Thailand, the US, France, and Hong Kong all showed a slight increase. In particular, the preference for Hong Kong increased, whereas there was no change for Hong Kong between the early choice sets. However, preferences for Singapore, Australia, the UK, and Malaysia in the late choice set were lower than in the middle choice set.

When the respondents' final choices of destination country were compared, Korea was the preferred destination (29.1%), followed by Japan (13.9%), Thailand (13.6%), France (9.9%), the US (8.6%), Australia (5.0%), the UK (5.0%), Singapore (3.3%), Hong Kong (2.0%), and Malaysia (1.7%). When the late choice set and the final choice were compared, Korea showed the highest increase, from 18.9% to 29.1%, whereas the preference for Japan and the US was almost the same or showed a slight increase. There was a rapid increase in preferences for Thailand, France, Australia, and the UK, indicating that these countries were popular with mainland Chinese tourists at the final selection stage. However, the preferences for Singapore, Hong Kong, and Maldives at this stage dropped sharply.

In an overall comparison of preference for each destination across the four time points, Korea was the most commonly preferred in the middle choice set and all the way to the final choice. To be more specific, preference for Korea increased the most between the late choice set and the final choice. Preference for Japan started as second rank and maintained this position through to the final choice even though Thailand offered strong competition at that stage.

Mainland Chinese tourists considered Thailand to be their third-choice destination throughout all four time points. Interestingly, the ranking of the most preferred countries remained the same across the four time points. It is likely that the first three countries benefited from being located close to China. Preferences for Singapore, Hong Kong, and Malaysia decreased as the final choice came closer. The results for long-haul destination countries are also interesting. The US started fourth ranked and was chased by France in the final decision, suggesting these two countries are in direct competition. Preferences for Australia and UK started out as seventh and eighth and then deteriorated, but then showed a substantial increase at the final stage. Figure 2 gives more detailed information on these rankings.

Insert Figure 2 Here

Comparison of socio-demographic and travel-related characteristics according to preferred country

To identify the variation in the size of the choice sets, a general linear model (GLM) analysis with repeated measures was applied. This method allows a dependent variable to be measured twice or more for each respondent. In this study, each respondent was asked to measure the set size three times. The four countries most often selected by the respondents as a final destination were used; these were Korea, Japan, Thailand, and France (see Table 2). In tracking the change of set size across the three sets, significant mean differences at the .001 level were found for all four countries. Those who had finally traveled to Japan demonstrated marked differences in the size of their early (5.38), middle (3.16), and late (2.42) sets.

Respondents who had traveled to Korea also reported differences in the size of their early (4.10), middle (2.90), and late (2.07) sets. Those who had gone to Thailand demonstrated a pattern similar to the visitors to Japan in terms of the size of early (5.58), middle (3.86), and late (2.37) sets. Finally, those who had who travelled to France also reported different sizes for their early (5.11), middle (4.04), and late (2.29) sets. The size of the choice sets displayed significant differences related to socio-demographic characteristics and travel-related features. As Table 2 shows, the early sets, middle sets, and late sets grew (in that order) consistently smaller.

Insert Table 2 Here

According to the results of one-way analysis of variance (ANOVA) tests to identify differences in the size of choice sets across the top four countries, significant mean differences at the .05 level were found between the early and middle sets. Respondents who had travelled to Thailand (5.58) had the largest early set, followed by Korea (5.38), France (5.11), and Japan (4.10). Those who chose France as a final destination reported the largest middle set (4.04), followed by Thailand (3.86), Korea (3.16), and Japan (2.90).

In terms of previous experience with these destinations, the highest frequency was found among those who had traveled to Thailand (1.95 times), followed by Korea (1.81 times), Japan (1.63 times), and France (1.05 times). Concerning length of stay at the destination, respondents who had visited France stayed the longest (5.93 nights), followed by Japan (5.56 nights), Thailand (4.51 nights), and Korea (4.14 nights). Those who had travelled to France also reported the longest decision time (20.57 months), followed by Thailand (15.16 months), Japan (12.80

months), and Korea (8.80 months). The countries where the highest spending was reported were France (US\$1,779), followed by Korea (US\$654), Japan (US\$525), and Thailand (US\$434).

With regard to the influence of different information sources, a significant mean difference was identified for books/magazines. Those who had traveled to Japan and France reported the greatest dependence on books/magazines as source of information, whereas those who had traveled to Thailand showed the least. A significant mean difference at the .001 level was found for responses concerning information retrieval eight months before actual travel. Those who had travelled to France reported the greatest efforts to find information whereas those who had travelled to Korea reported the least. However, there were no significant differences at five and three months before travel. Likewise, chi-square tests revealed no significant differences in the respondents' preferences for these four countries (France, Japan, Korea, and Thailand) that were related to the respondents' overseas travel experience, gender, age, income, or preferred travel type.

Comparison of competitors

The respondents' descriptions of the countries preferred as overseas leisure-travel destinations at the four time points were used to examine the competitiveness of these destinations; and an analysis of the competitiveness of the six most preferred destinations of the participating mainland Chinese tourists was conducted by comparing their preferences at the four time points. Firstly, the results of examining the competitors to Korea, the most frequently selected country, were as follows. As can be seen from Figure 3, Japan was the strongest competitor to Korea, followed by Thailand and Singapore. In attracting Mainland Chinese tourists, these three countries showed competition power against Korea as the late choice set

approached. Hong Kong was revealed as a further competitor as the tourists made their final decision, but at this stage the competing power of the US, France, Italy, and the UK went down. Figure 4 illustrates the competitors to Japan, the second most frequently preferred destination. Korea was the strongest competitor, followed closely by Thailand. Singapore and the Maldives also provided competition, even though preferences for them did not dominate. However, competition from other countries to Japan was not high, with their preferences decreasing, either gradually or sharply.

Figure 5 shows the competitors to Thailand, the fourth ranked country. Its strongest competitor was Korea. While Japan, Singapore, and Hong Kong were also competitors, the competition power of Australia against Thailand rapidly deteriorated. The results of examining the competitors to France are shown in Figure 6. The competition power of Korea and Australia increased from the early choice set to the middle choice set, but dropped sharply thereafter, with Japan, the US, and the UK showing a rapid surge in the late choice set. Figure 7 shows the competitors to the US, the fifth preference destination. Its strongest competitors were Japan and France, both of which showed a soaring increase in preference. Interestingly, both Korea and Singapore's status declined in the late choice sets. Finally, the competitors to Australia, the sixth ranked country, are shown in Figure 8. It can be seen that Korea was the strongest competitor as the decision-making stage progressed, and Japan, Hong Kong, and Singapore also offered increasing competition. However, the competitiveness of Thailand, New Zealand, France, and Malaysia in the late choice set declined.

Insert Figures 3 to 8 Here

Short-haul competitors vs. choice sets

Looking at the possible competitors to Korea in Figure 2, it can be seen that four short-haul destinations (Japan, Thailand, Singapore, and Hong Kong) attracted increasing interest from the early through to the late choice sets. The curve for all four destinations moves upward, while Malaysia remains more or less stable for all three sets. If the countries are ranked in terms of the proportion of interest shown in them by respondents, Japan sits at first position, followed by Thailand, Singapore, Hong Kong, and Malaysia. If we compare long-haul destinations with Korea, they all show a decline over time, by shifting from eight to one percent. Although they attracted less interest than the short-haul destinations, the US, France, and Australia secured higher positions than the other long-haul destinations such as Italy and the UK.

The second part of this analysis consists of positioning both the short- and long-haul destinations that can be considered as possible competitors to Japan. Looking firstly at the short-haul destinations (see Figure 2), Japan is replaced by Korea, which remains in top position in terms of interest. Korea is followed by Thailand, Singapore, and Taiwan. As for Korea, all these destinations demonstrate a steadily increasing trend from the early to the late choice sets, being able to attract the attention of approximately 55% of the sample population in the latter. The long-haul destinations (the US, Australia, Canada, France, Maldives, and the UK) again show a declining trend from the early to the late choice set. Exceptionally, while the US performs well up to the middle choice set, it then suddenly starts declining. On the other hand, Maldives, as a long-haul destination, maintains an upward trend in performance across all sets.

When these three short-haul destinations are compared, the results remain promising. Firstly, respondents' preferences appear to be flexible across the three choice sets. Having said that, however, preferences for short-haul destinations (other than Malaysia) increase steadily

across the late choice set compared to the early and middle sets. In contrast, the long-haul destinations have the smallest representations and tend to decline from the first to the last choice sets, other than the Maldives whose performance improves. Secondly, regardless of position on the list, Korea and Japan have similar short- or long-haul competitors; Thailand and Singapore (short-), and the US, Australia, France, and the UK (long-haul destinations). A distinction can be drawn between Hong Kong, Malaysia, and Italy as competitors for Korea, and Canada and the Maldives for Japan.

DISCUSSION AND IMPLICATIONS

The main findings of this empirical study are as follows. First, when the preferred destination countries were tracked in the first three choice sets, there was a mix of long- and short-haul destinations. However, as time passed the respondents tended to exhibit a convergence in their preferred destination countries. Most of the chosen destinations were a short distance from China, which indicates that the participants' final decisions were probably affected by a variety of constraints. This finding accords with those of previous studies in suggesting that certain constraints are more influential in the final choice of a specific destination, while motivation plays a bigger role in the early stages of decision making (Botha et al., 2000; Jang et al., 2007). Although Chinese tourists currently prefer short-haul destination countries, the travel career ladder (Pearce and Lee, 2005) and specialization theory (Kim et al., 2008; Li et al., 2013) suggest that they will travel to more-distant countries (beyond the boundaries of Asia) in the future.

Second, the chosen destinations already existed in the first three sets. This means that these destinations had long been in the minds of the participants as desirable options (in this

study, for eight months) before they made their final decision. This has important managerial implications. Promotional activities by destination marketers should be consistent over time; and destinations should consistently and proactively make an effort to produce differentiated products that will attract potential tourists.

Third, the findings confirm that, despite some exceptions, short- and long-haul destinations each have their own competitors. The magnitude of competing destinations becomes much severer in the late choice set, for both short- and long-haul destinations. At this late stage in the decision process, destinations appear to become more differentiated in the eyes of prospective tourists; this is due not only to the availability of quite different attractions but also to the different geographical distances. Thus, destination marketers should vary their strategies for destination positioning according to the distance of the destinations concerned from the market targeted.

Fourth, regardless of the type of destination chosen at the final stage (that is, regardless of whether it was a short- or a long-haul destination) more destinations were listed in the early choice set (ranging between 4.10 and 5.58) than in the middle choice set (between 2.90 and 4.04) and late choice set (ranging between 2.07 and 2.42). In addition, the ratio of the set sizes among the three sets was different according to the destinations included. For example, for Korea there was a ratio of 0.59 (middle set \div early set) and of 0.77 (late set \div middle set); the corresponding ratios for Japan were 0.71 and 0.71, respectively. The corresponding ratios for Thailand were 0.69 and 0.61; for France they were 0.79 and 0.57. The lower these ratios are, the more changeable the tourists' decisions are. Thus, the participants who initially chose Korea as a final destination were more likely to shift to other, competitor destinations when moving from the early choice set to the middle choice set than when moving from the middle to a late set.

The similar case was true of those who chose Japan and Thailand as their final destination. This indicates that they had settled on these countries from quite an early stage in the planning process. Those who selected France as a final destination had a strong tendency to change their views as they neared the final decision. This may be attributed to tourists' perceptions of the risks involved in choosing a long-haul destination, as a trip to such a destination involves more expense, time, and psychological effort (Williams and Balaz, 2013) than does one to a short-haul destination. These results are consistent with previous studies that have shown that long-haul tourists are more sensitive to risks than short-haul tourists are (Chen, Chen, and Okumus, 2013; Williams and Balaz, 2013).

According to previous studies (Crompton and Ankomah, 1993; Crompton et al., 1998), the ratio of the number of destinations in the late choice set to the number of destinations in the middle choice set lies between 0.6 and 0.9. The results of the present study support this proposition with respect to Korea, Japan, and Thailand, but not France. The discrepancy in the results can be attributed to the different samples and different destinations included in the different studies. Crompton and colleagues targeted domestic and overseas tourism destinations preferred by US tourists (Crompton and Ankomah, 1993) and by South African tourists (Crompton et al., 1998). Furthermore, the conditions for tourists – including the affordability of travel, convenient access to online information, and more and faster transportation modes – are much better now than they were in the 1990s. Therefore, future studies need to explore these ratios using different national samples and, in particular, to assess whether the ratios for long-haul destinations are lower than the ratios for short-haul destinations.

Sixth, the sizes of the three choice sets displayed a similar pattern according to the overall travel experience, gender, age, and income level of the respondents. That is, the sizes became

progressively smaller, regardless of the socio-demographic and travel-related characteristics of the respondents. This finding is an extension of those of previous studies that have reported similar variations of choice set sizes corresponding to tourists' travel purposes or socio-demographic characteristics (Decrop, 2010; Jang et al., 2007; Um and Crompton, 1990). The findings of the present study confirm that choice-set theory can be applied to all travelers, without regard to their socio-demographic characteristics or travel-relevant characteristics.

Seventh, regarding the length of stay at a destination, the respondents who traveled to a long-haul destination stayed at their destination longer than those who selected a short-haul destination did. As long-haul tourism costs more and imposes more travel constraints, long-haul tourists often consider such trips to be a once-in-a-lifetime event and thus make their trips last longer (Chen et al., 2013; Li et al., 2013). This result is supported by the finding that the long-haul travelers took longer to make their final destination choice than the short-haul travelers did.

Eighth, the socio-demographic variables (such as gender, age, and income) and the travel-related variables (such as overseas travel experience and preferences for package tours and/or individual itineraries) employed in this study did not significantly influence the respondents' choice of most preferred country for overseas tourism. This suggests that tourists from mainland China tend to choose a final tourist destination regardless of any of their socio-demographic characteristics or travel-related patterns. This result differs slightly from that predicted by the travel career ladder theory, according to which more-experienced tourists tend to select new or long-distance destinations (Pearce and Lee, 2005).

Finally, consideration of destination competitiveness in different choice sets could also be valuable in understanding the brand equity of destinations, including brand awareness, brand loyalty, brand associations, and brand image (Aaker, 1996a, 1996b; Im, Kim, Elliot, and Han,

2012; Yoo and Donthu, 2001). Most of the studies that have investigated the brand equity of tourism destinations have not considered differences between choice sets. Thus, the concept of brand equity can be applied in understanding the nature of competitiveness as decision-making time points vary. For example, with an early choice set, the brand awareness, brand loyalty, brand associations, and brand image of competing destinations can be compared in order to better understand their competitive advantages and disadvantages.

In terms of the practical implications for the design of marketing strategies, the number of alternative destinations for potential tourists is likely to increase, so the decision-making task may become more difficult for both short- and long-haul destinations. In this context, grouping destinations into these two categories may enable positioning strategies of a more specific kind to be developed. Depending upon their exact locations relative to China, and thus Chinese customers' perceptions of them as being short- or long-haul destinations, each place may be better able to identify its competitors and hence position its products to become more attractive to the Chinese market. Second, the findings can help to estimate tourist flows to both short- and long-haul destinations and identify the countries in each category that are likely to be in competition for a share of the Chinese tourist market. Third, destinations that phase out can investigate the reasons why they lack competitive power in the Chinese tourist market and better understand its profile and trends in order to improve the position.

CONCLUSION AND LIMITATIONS OF THE STUDY

It is predicted that mainland Chinese tourists will be making 200 million overseas trips per year by 2020, accounting for 14% of international tourism demand (UNWTO, 2014). In the context of the importance of the Chinese tourist market to international tourism demand, the present study

identified how the competitiveness of overseas destinations differed across four time points. The results of this study demonstrate that There was considerable variation in the respondents' destination preferences over time. However, the top three final destinations consistently held their positions in the respondents' early, middle, and late choice sets. This indicates that a tourist may have a strong preference for, or motivation to travel to, a destination over quite a long period of time, without being influenced by various travel constraints.

As most studies confirm, distance is one of the strongest constraints on international tourism demand (Nicolau and Más, 2006). Korea, Japan, and Thailand were the most preferred destinations of the respondents in this study; this was because these destinations are located close to China. An international tourist may start by traveling to short-haul destinations but subsequently extend their travel experience to countries further afield. Therefore, overseas destinations relatively close to China need to develop marketing strategies or products that are different from those developed by destinations relatively far from China as the former destinations tend to be preferred by mainland Chinese tourists. The long-haul tourists showed a tendency to stay longer at their destinations than those who selected a short-haul destination. Destination marketers should be keenly interested in this finding, as the length of stay in a destination is closely related to the expense of getting to the destination and the economic benefit to a destination (Wang, 2014). Generally speaking, a country located further away from where a tourist resides is more likely to have a dissimilar or unfamiliar culture, so a long-haul traveler is likely to devote more time and effort to collecting and assessing information about it. Furthermore, long-haul tourists spend more at their destinations, which makes sense in light of the infrequency of such trips, as compared to short-haul trips (Divisekera, 2010; Wang, 2014).

Another notable finding of the present study is that the number of destinations in the sets varied according to the time point: the size of the sets shrank as the final choice drew nearer, regardless of the respondents' socio-demographic characteristics, experience of overseas travel, or preferred travel type (package tour/individual itinerary). As might be expected, consumer choices exhibit a funnel-down structure, moving from a larger early set to a narrower late choice set. These findings are consistent with those of earlier studies (e.g., Crompton, 1992; Crompton and Ankomah, 1993; Crompton et al., 1998; Jang et al., 2007).

This study is involved with a few limitations. First, as suggested in the literature (Decrop and Kozak, 2009; Karl et al., 2015; Sirakaya and Woodside, 2005), developing a model that fits all decision makers and every decision situation may not be realistic, because a vacation (leisure, tour, or trip) involves a lot of decisions and sub-decisions. Therefore, a useful approach is the segmentation of travel markets according to their trip purpose (such as pleasure vacation vs. VFR, leisure vs. business). Using this approach, travelers in different segments might use dissimilar methods to make their decisions. For example, a potential traveler who is interested in VFR travel might follow different decision-making rules (i.e., low involvement, less-risky conditions) than a person planning a honeymoon trip to an unfamiliar destination (high involvement, high perceived risk).

Second, this study fixed the length of time for each choice set in months (eight, five, and three). However, the time period for each choice set may differ based on various environmental factors which can affect tourists, the host country, the tourist-sending country, and international situations. Thus, rotating the time period for each set may lead to different conclusions and our findings are not definite. However, one-way ANOVA tests were conducted to identify variations in the set sizes that were related to the time of the overseas trips; the results indicated that there

were no such variations. This is likely to be attributable to the same season (summer and early autumn).

Third, this study concerns the preferences in destination choice of tourists from mainland China only in 2014. Future studies might investigate variations or patterns in destination preferences over longer periods of time; using a longitudinal approach (e.g., Decrop, 2010) would enhance the understanding of the tourism demand from mainland China. Such research would benefit destination countries anxious to attract customers from this market, it being the largest market in the world.

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Table 1. Destination Competitiveness at the Four Time Points

Early choice set (answered N=1,595)			Middle choice set (answered N=1,090)			Late choice set (answered N=694)			Final choice (answered N=302)		
Destination	%	Rank	Destination	%	Rank	Destination	%	Rank	Destination	%	Rank
Korea	12.2%	1	Korea	15.7%	1	Korea	18.9%	1	Korea	29.1%	1
Japan	10.8%	2	Japan	12.0%	2	Japan	13.7%	2	Japan	13.9%	2
Thailand	9.0%	3	Thailand	9.8%	3	Thailand	11.1%	3	Thailand	13.6%	3
US	8.2%	4	US	7.4%	4	US	8.1%	4	France	9.9%	4
Singapore	6.5%	5	Singapore	6.8%	5	France	7.2%	5	US	8.6%	5
France	6.4%	6	France	6.8%	5	Singapore	6.3%	6	Australia	5.0%	6
Australia	5.8%	7	Australia	5.1%	7	Hong Kong	4.6%	7	UK	5.0%	6
UK	3.8%	8	Hong Kong	3.9%	8	Australia	3.8%	8	Singapore	3.3%	8
Hong Kong	3.3%	9	UK	3.5%	9	Maldives	3.5%	9	Hong Kong	2.0%	9
Maldives	3.1%	10	Maldives	3.5%	9	UK	3.2%	10	Malaysia	1.7%	10
Malaysia	2.9%	11	New Zealand	2.8%	11	New Zealand	2.7%	11			
New Zealand	2.8%	12	Taiwan	2.7%	12	Taiwan	2.2%	12			
Italy	2.6%	13	Italy	2.2%	13	Malaysia	2.0%	13			
Taiwan	2.3%	14	Malaysia	2.1%	14	Macau	1.4%	14			
Germany	2.3%	14	Macau	1.7%	15	Germany	1.4%	14			
Indonesia	2.1%	16	Indonesia	1.7%	15	Canada	1.4%	14			
Macau	1.7%	17	Germany	1.7%	15	Italy	1.3%	17			
Greece	1.4%	18	Canada	1.4%	18	Indonesia	1.3%	17			
Canada	1.4%	18	Switzerland	1.3%	19	Vietnam	1.0%	19			
Switzerland	1.1%	20	Greece	1.1%	20						
Vietnam	1.0%	21	Vietnam	1.1%	20						

Note: Countries named (in the choice set concerned) by less than 1.0% of the participants are not shown.

Table 2. Comparison of Socio-demographic and Travel-related Characteristics according to the Most Preferred Countries

Country	Early set size	Middle set size	Late set size	Within-subject <i>F</i> -value		<i>P</i> -value
Korea	5.38c	3.16b	2.42a	133.79		.000
Japan	4.10c	2.90b	2.07a	52.67		.000
Thailand	5.58c	3.86b	2.37a	73.84		.000
France	5.11c	4.04b	2.29a	31.82		.000
Choice set	Korea	Japan	Thailand	France	<i>F</i> -value	<i>P</i> -value
Early set size	5.38b	4.10a	5.58b	5.11ab	2.66	.049
Middle set size	3.16ab	2.90a	3.86b	4.04b	3.03	.031
Late set size	2.42	2.07	2.37	2.29	.80	.441
Overseas travel experience	Early set size	Middle set size	Late set size	Within-subject <i>F</i> -value		<i>P</i> -value
3 or less	5.12c	3.75b	2.31a	221.15		.000
4 or more	5.00c	3.55b	2.33a	191.97		.000
Gender						
Male	4.88c	3.47b	2.21a	150.49		.000
Female	5.18c	3.77b	2.40a	261.35		.000
Age						
18 to 30 years	5.58c	4.01b	2.47a	275.60		.000
31 years or above	4.45c	3.22b	2.15a	149.27		.000
Annual household income						
Less than 140,000 Yuen	5.63c	4.17b	2.51a	162.50		.000
140,000 to 200,000 Yuen	4.49c	3.27b	2.09a	97.19		.000
200,001 Yuen or more	5.03c	3.50b	2.35a	160.56		.000
	Korea	Japan	Thailand	France	<i>F</i> -value	<i>P</i> -value
Frequency of visit to this destination	1.81b	1.63ab	1.95a	1.05b	2.59	.048
Length of stay at the destination (nights)	4.14a	5.56b	4.51a	5.93b	9.92	.000
Time to make this decision (months)	8.80a	12.80b	15.16b	20.57c	4.57	.004
Expenditure in the destination (per person, US\$)	654	525	434	1,779	4.27	.009
Influential information source	Korea	Japan	Thailand	France	<i>F</i> -value	<i>P</i> -value
Internet	4.69	4.61	4.67	4.61	.32	.810
TV	4.07	4.07	4.09	3.82	.93	.425
Books/magazines	3.58ab	3.93b	3.40a	3.93b	3.80	.011
Social media	4.27	4.07	4.23	4.11	.71	.548
Friends and relatives	4.08	4.00	3.91	3.75	.87	.458
Travel agency	3.60	3.71	3.65	3.32	.75	.526
Effort to search information	Korea	Japan	Thailand	France	<i>F</i> -value	<i>P</i> -value
Effort to search information (8 months ago)	4.04ab	4.15a	4.39b	4.44b	4.66	.004
Effort to search information (5 months ago)	4.32	4.24	4.11	4.33	.92	.435
Effort to search information (3 months ago)	4.43	4.37	4.35	4.44	.16	.926
Overseas travel experience	Korea	Japan	Thailand	France	χ^2 -value	<i>P</i> -value
3 or less	51.1	41.5	55.8	57.1	2.31	.510
4 or more	48.9	58.5	44.2	42.9		
Gender	Korea	Japan	Thailand	France	χ^2 -value	<i>P</i> -value
Male	42.0	43.9	34.9	35.7	1.10	.778

Female	58.0	56.1	65.1	64.3		
Age	Korea	Japan	Thailand	France	χ^2 -value	<i>P</i> -value
18 to 30 years	48.9	61.0	55.8	71.4	4.94	.177
31 years or above	51.5	39.0	44.2	28.6		
Annual household income	Korea	Japan	Thailand	France	χ^2 -value	<i>P</i> -value
Less than 140,000 Yuen	28.4	43.9	39.5	28.6	8.27	.219
140,000 to 200,000 Yuen	34.1	31.7	34.9	21.4		
200,001 Yuen or more	37.5	24.4	25.6	50.0		
Preferred travel type	Korea	Japan	Thailand	France	χ^2 -value	<i>P</i> -value
Package tour	27.3	31.7	30.2	42.9	2.72	.843
Individual tour	28.4	29.3	30.2	21.4		
Package and individual	44.3	30.0	39.5	35.9		

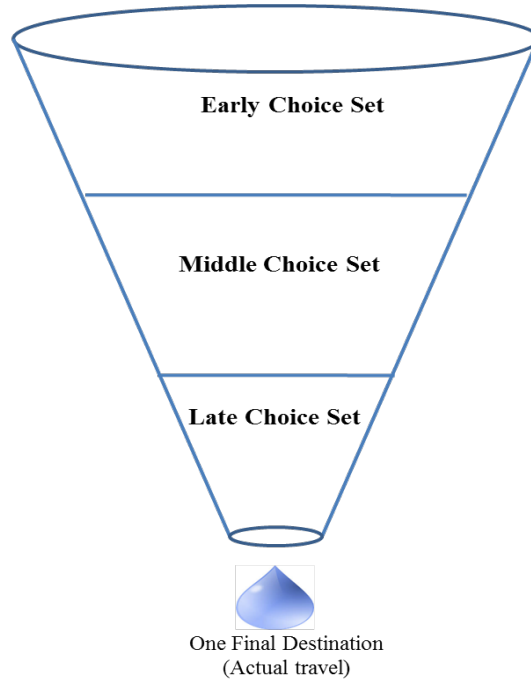
Note: a, b and c show different mean sources (a<b<c).

Figure 1. Destination Choice Set Model

- Large choice set
- Mixture of long-haul and short-haul destinations
- Inclusion of ideal destinations
- Easily changeable in choice



- Small choice set
- Tend to discard long-haul destinations when constraints are greater than motivations
- Realistic destination choice
- Prudent and effortful in choice



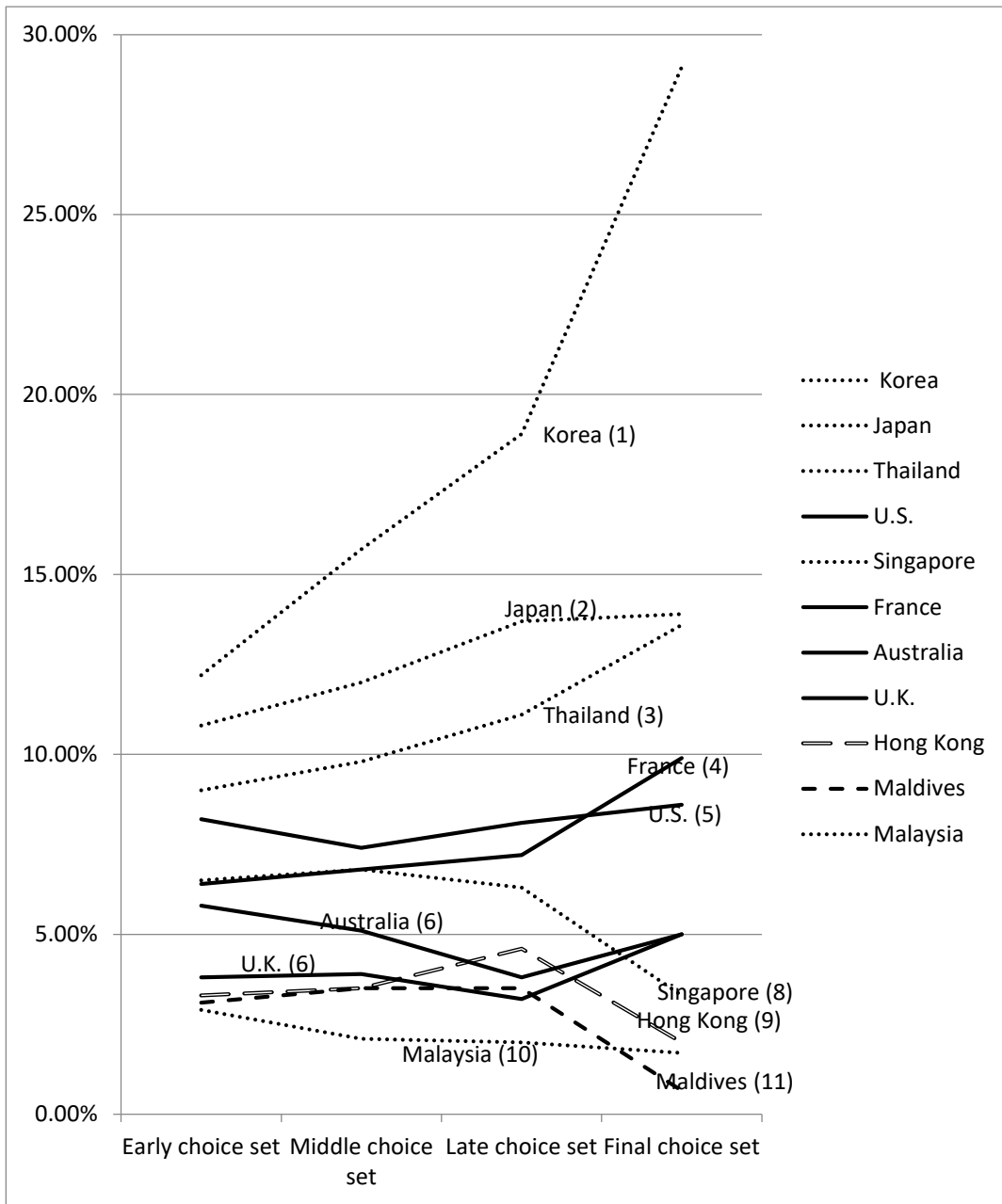


Figure 2. Overall Destination Competitiveness
Note: numbers in parenthesis indicate rank of finally chosen destinations.

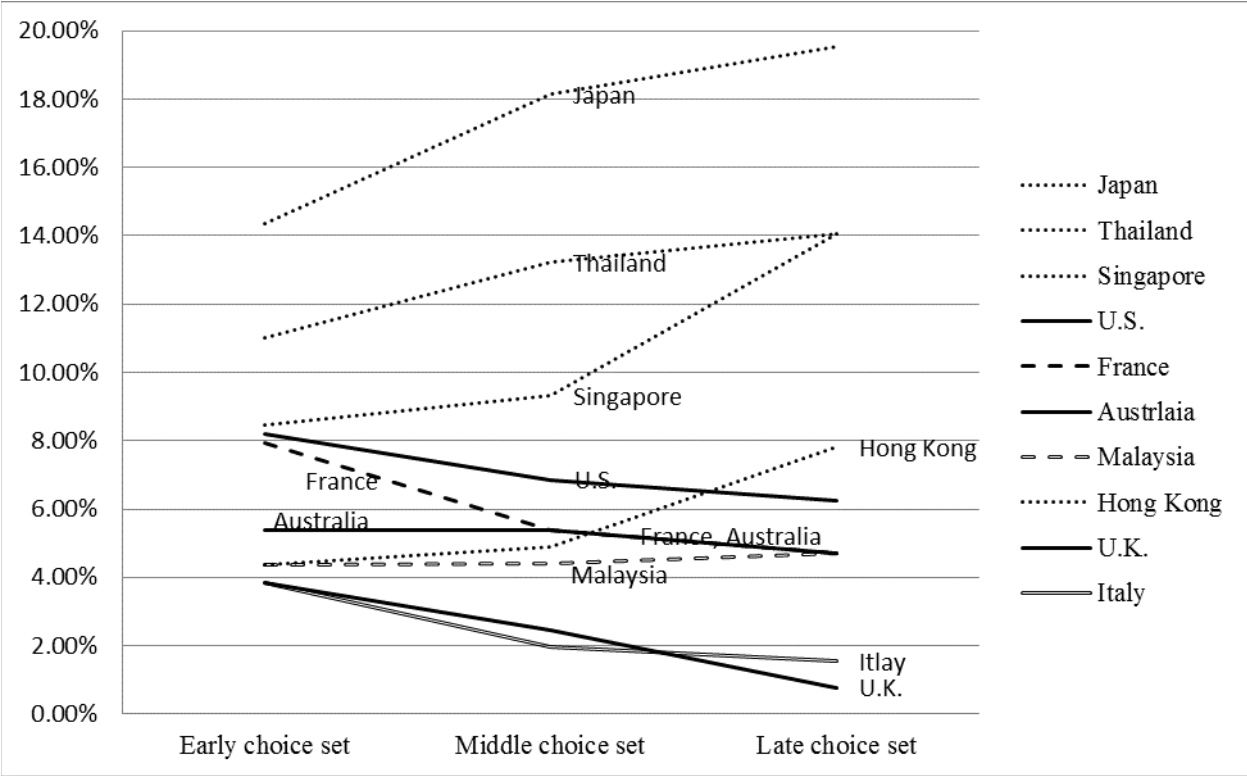


Figure 3. Competitors of Korea

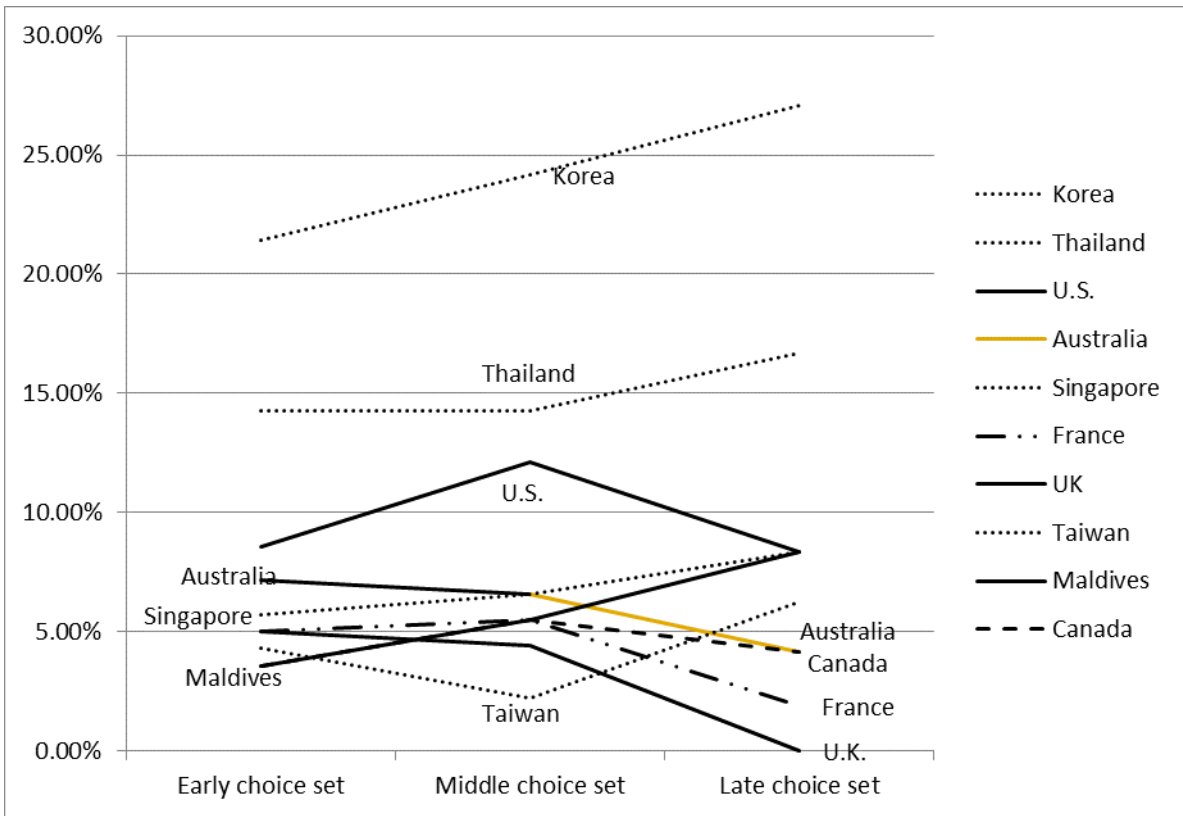


Figure 4. Competitors of Japan

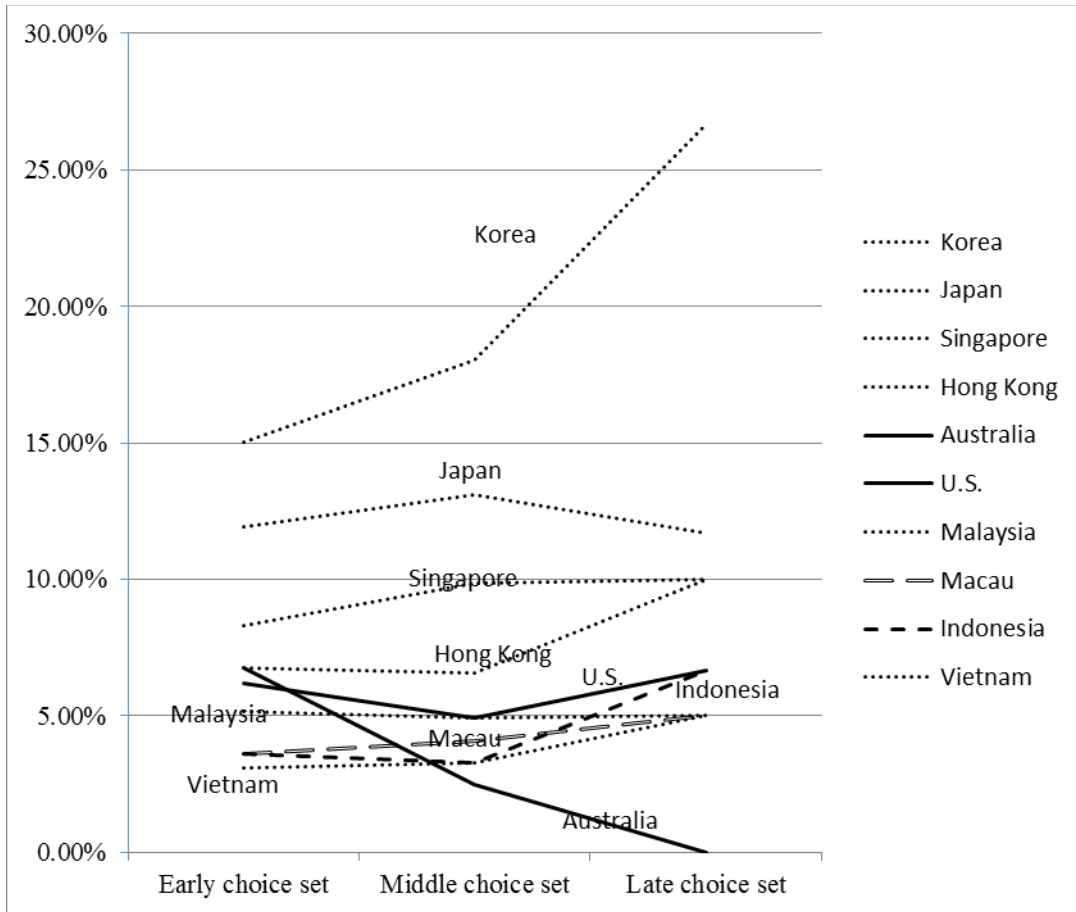


Figure 5. Competitors of Thailand

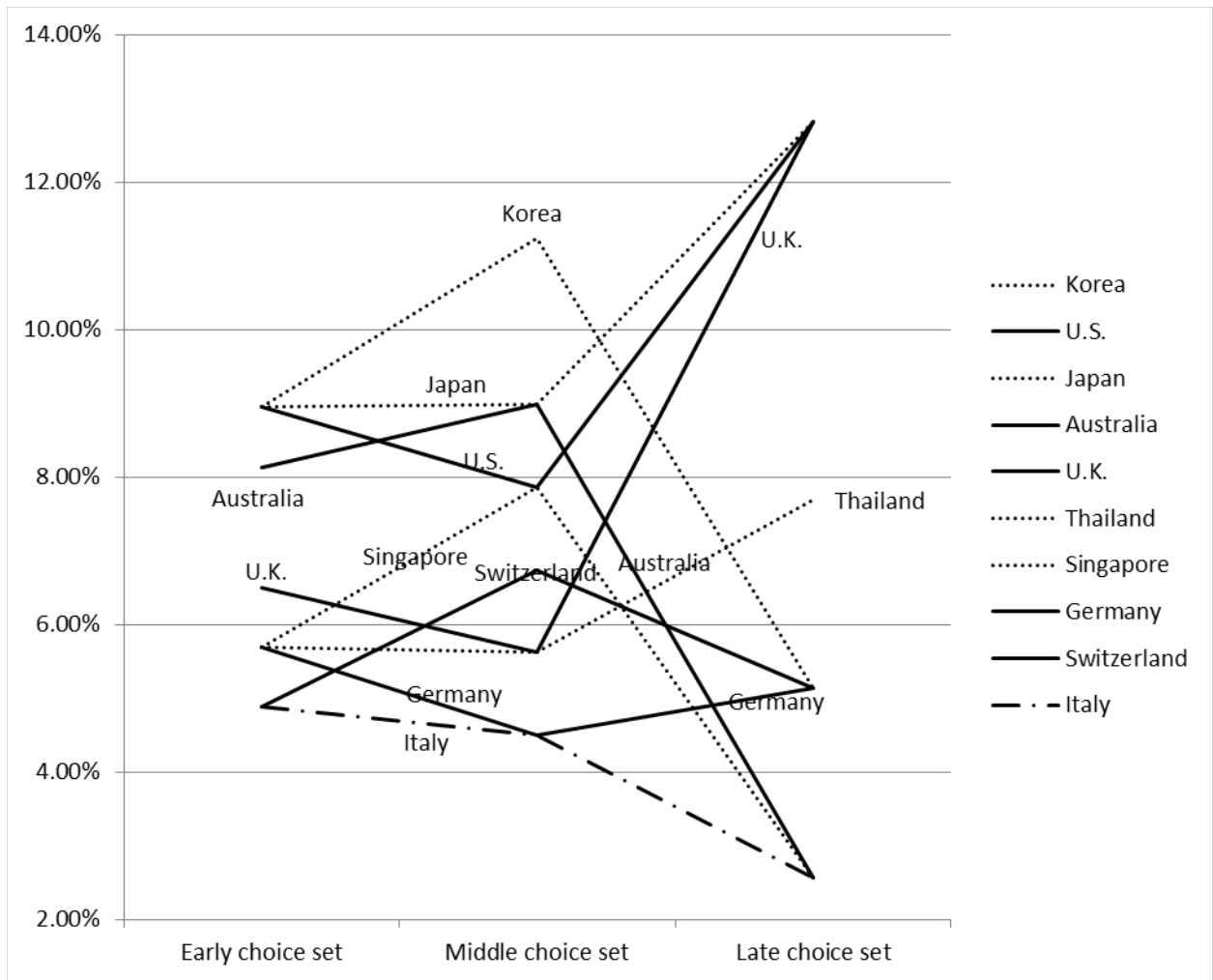


Figure 6. Competitors of France

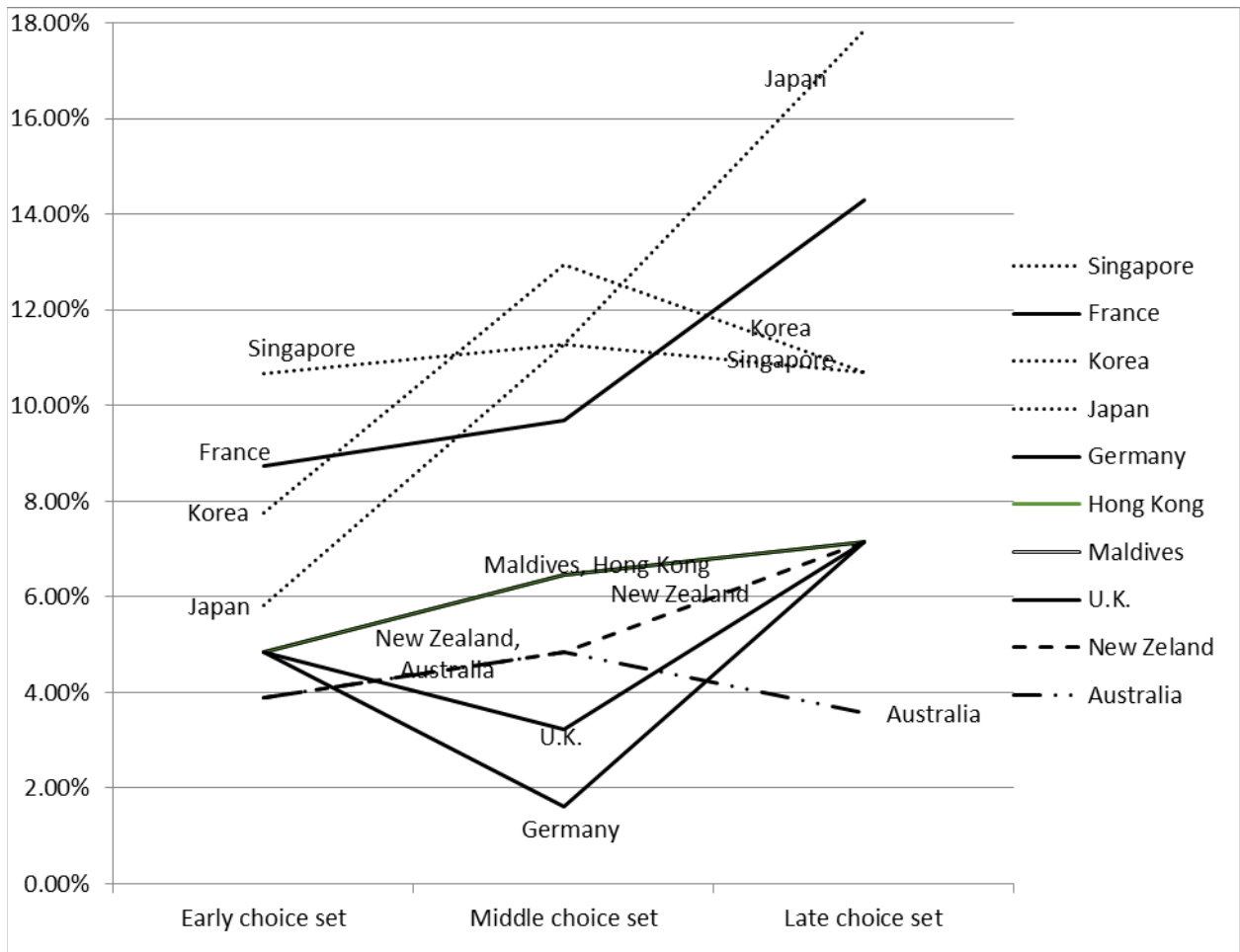


Figure 7. Competitors of the US

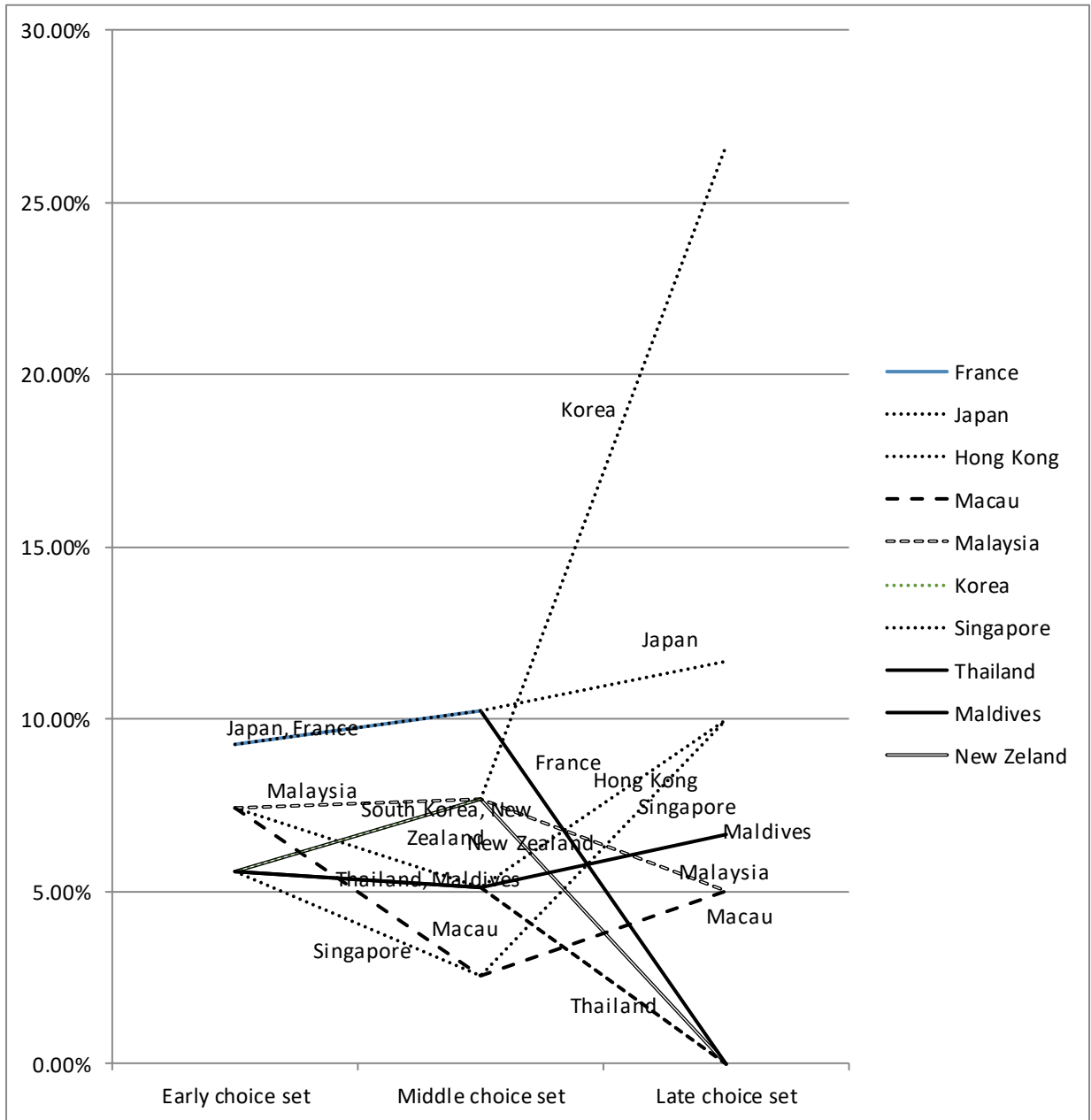


Figure 8. Competitors of Australia