Domestic vs. outbound booking and channel choice behavior: Evidence from New Zealand

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Abstract

Purpose:

This paper seeks to:
1) analyze the extent to which New Zealand domestic and outbound travelers book components of their trip in advance or at their destination and to explore the factors that influence this.
2) compare the distribution channels used by domestic and outbound travelers to purchase different travel products and to examine why these channels have been selected.

Methodology

The study involves the collection and analysis of data on the profiles, trip characteristics and distribution behavior of domestic and outbound travelers based on a nationwide telephone survey of 1000 respondents.

Findings

Little variation was found in the profile characteristics of domestic and outbound travelers but significant differences occurred in terms of the trip characteristics, the extent of booking in advance and at the destination, reasons why advance bookings were not made, how bookings were made and the channels used all exhibited significant differences according to domestic or outbound travel. This pattern was less consistent with regards to the factors influencing how the bookings were made and the factors affecting channel choice.

Research and Practical Implications

The findings illustrate the complexity of travel decision-making issues, underline the need to take account of differences between domestic and outbound travel and across trip components, and to examine the factors that underlie distribution related behavior.

Originality

The value and originality of this paper lie in the systematic comparison of the booking and channel choice behavior of domestic and outbound travelers, the search for factors influencing this behavior and a sectoral approach that differentiates transport to and at the destination.

Key words: domestic tourism, outbound travel, distribution channels, booking, purchasing

Introduction

Significant changes have occurred in the demand for domestic and outbound travel in New Zealand over the past decade. The Ministry of Tourism's (2006) recent report suggests a major structural shift is occurring whereby outbound travel is substituting for domestic tourism. Domestic visitor nights declined from 66.7m in 1999 to 51.8m in 2005. The pattern of domestic overnight expenditure over this period has been variable: $3.81b in 1999; $4.94b in 2003; $4.17b in 2005. In contrast, short-term departures doubled over the period 1995-2005 to reach 1.8 million, a twofold increase on expenditure on overseas travel was recorded, and gross travel propensity increased from 25% to 45%. Much of this change is attributed to favourable economic factors and intense competition in short-haul air travel which has seen the cost of international travel decrease relative to the cost of travelling domestically. However, despite this trend domestic tourism continues to make a significant contribution to the New Zealand economy.

Against this background the need to understand the factors that influence consumer behavior becomes increasingly important for those marketing both domestic and international destinations. This is especially so with regard to distribution-related behavior as distribution is increasingly being recognized as a critical source of competitive advantage in the marketing mix. In this regard Kotler *et al.* (1996: 473) observe: "Designing the distribution channel starts with determining the services that consumers in various target segments want…". Yet, few studies so far have systematically compared the behavior of domestic and international travelers with regard to such distribution-related matters as booking, purchase and channel choice. To date, most of the marketing studies involving domestic and international tourists consider issues such as image, perception and demand modelling (Demir, 2003; Yuksel 2003; Awaritefe, 2004; Bonn *et al.*, 2005; Salman *et al.*, 2007). Studies that have compared aspects of distribution have usually taken a destination-based approach and dealt with complementary segments (domestic/inbound) rather than competing ones (domestic/outbound) (Pearce and Schott, 2005; DiPietro *et al.*, 2007).

It is in this context that this paper aims to:
1) analyze the extent to which New Zealand domestic and outbound travelers book components of their trip in advance or at their destination and explore the factors that influence this;
2) compare the distribution channels used by domestic and international travelers to purchase different travel products and examine why these channels have been selected.

Thus, while the focus is on New Zealand, the problem addressed and the approach taken have a much more general application and the paper seeks to make a broader contribution to the literatures on travel behavior, tourism distribution and domestic and international travel.

Literature Review

The distribution-related behavior of travelers has been addressed in two frequently non-convergent literatures: one dealing with tourism distribution, the other with tourist decision-making more generally. In the former, the ways in which different distribution channels are employed to reach particular market segments are a central part of the research but the perspective taken has generally been that of the suppliers and intermediaries while the consumers' views and behavior are often only considered indirectly (Buhalis and Laws, 2001;

Alcázar Martínez, 2002; Pearce *et al.*, 2007). Relatively few authors have positioned the analysis of travel behavior squarely in the context of distribution (Pearce and Schott, 2005; Smith, 2007). More commonly, aspects of distribution-related behavior are considered in the broader tourist decision-making literature, with a particular emphasis on information search (good reviews are provided by Fodness and Murray, 1997; Gursoy and McCleary, 2003; and Cai *et al.*, 2004) and to a lesser extent booking and purchase (Woodside and King, 2001; Card *et al.*, 2003; Wolfe *et al.*, 2004; Jun *et al.*, 2007).

A key theme that comes through in these inter-related fields of study is the complexity of the distribution process and the associated tourist behavior. Part of this complexity arises out of the increasingly diverse range of direct and indirect channels available to channel members online (O'Connor, 1999; Green, 2005) and offline (Pearce and Tan, 2006; Pearce and Sahli, 2007). Both the supply-side and behavioral studies emphasize variations in the use of different channels by market segment and sector although certain commonalities are also found (Card *et al.*, 2003; Wolfe *et al.*, 2004; Jun *et al.*, 2007; Pearce and Sahli, 2007; Pearce *et al.*, 2007). Recent supply and demand side studies further highlight the spatial and temporal complexity of distribution, drawing attention to issues of the timing and location of distribution functions, differentiating activities that occur pre-trip and in transit from those carried out at the destination (Bieger and Laesser, 2004; Fesenmaier and Jeng 2004; Pearce and Tan, 2004; DiPietro *et al.*, 2007; Hyde, 2006; Jun *et al.*, 2007).

In many of these empirical studies the analysis is limited to the patterns of behavior with the authors subsequently speculating on why they have come about. In their 'at destination' study of information sources, for example, DiPietro *et al.* (2007) found that lodging and transportation decisions were primarily made prior to departure while 'at destination' decisions related more to dining and entertainment, with differences occurring in the latter between domestic and international travelers. Similarly, Jun *et al.* (2007) considered the level of agreement between pre-trip information search and purchase behavior using online and offline sources across six product categories. Differences were found and interpreted in terms of the type of products. In carrying out an 'at destination' study of domestic and international visitors travel behavior in Wellington and Rotorua, Pearce and Schott (2005) explicitly examined the factors underlying aspects of distribution behavior as well as detailing patterns of channel use. Ease and convenience was the dominant influence on channel choice; secondary factors included those related to price and payment, time and availability.

Most of these empirical studies have not been underpinned by a substantial and explicit conceptual framework. By synthesizing and reinterpreting a large body of empirical material from New Zealand in light of the fundamental principles of distribution, Pearce (2008) developed a generalized model of tourism distribution. The needs of the different segments are expressed here in terms of the broader form, possession, time and place utilities identified by Stern and El-Ansary (1992). Time and place utility refer to when and where the various services sought by different market segments are needed; possession utility relates to when and where tourists need to book and pay for which services.

Pearce's model shares some similarities with channel choice models developed in other sectors but it also highlights some of the specific attributes and particularities of tourism distribution. Schoenbachler and Gordon (2002) developed a model of multi-channel shopping behavior based on five key factors: perceived risk, past direct marketing experience, motivation to buy from a channel, product category and web site design. Black *et al.* (2002) focused on consumer choice of distribution channels in the financial services sector, noting that most work in that field examined the factors influencing the adoption of new channels or

buying behavior in general rather than channel choice in particular; a similar situation occurs with tourism. They then proposed a model of product channel selection involving the interaction of four sets of factors: consumer, product, organization and channel. Both papers developed a set of propositions to test the importance of these factors and the inter-relationships between them but no empirical findings were reported.

The importance of product categories is common to all three models, in the case of tourism this is expressed as different sectors (e.g. transport, accommodation and attractions), and a range of factors directly influencing channel choice are identified. While Pearce's model does not include risk it is an explanatory factor mentioned in some of the empirical tourism studies (Money and Crotts, 2002; Jun *et al.*, 2007). A key difference between the tourism model and the shopping and financial services models is the spatial component, with the nature of tourist travel opening up a wider range of possibilities in terms of the time/space utilities included in Pearce's framework; that is, carrying out functions in the origin or at the destination. The time/space utilities associated with tourist travel also give greater weight to the practice of booking compared with many retail activities.

All three models emphasize that a range of consumer characteristics are likely to influence channel choice but none dealt with differences between domestic and international consumers. Earlier, Buhalis (2000:111) had observed that "Domestic tourists usually make direct arrangements and often use their own transport, whereas international leisure travelers tend to be more influenced by intermediaries". He did not elaborate on why this is so but Pearce and Schott (2005) found significant differences between domestic and inbound international visitors in terms of several facets of their distribution-related behavior where the patterns generally support Buhalis's observation. In the light of some of the other studies there are also good *a priori* reasons why differences might be expected between domestic and outbound travelers. If perceived risk is a key factor in channel choice behavior, then the risks of international travel might be expected to be greater than those for domestic trips given the usually greater distances involved and the lesser familiarity with the destination. For these same reasons ease and convenience may be more significant factors in channel choice involving international trips compared with those made domestically.

At the same time, while differences in the behavior of domestic and outbound travelers might be expected, the amount of work done in this area does not yet provide a sufficient basis to hypothesize what the nature and strength of those differences might be, suggesting that for an exploratory study such as this a more open-ended approach is appropriate. Considerable scope thus exists to extend this research with more detailed empirical studies that explore the booking and channel choice behavior exhibited by domestic and outbound travelers for products at different phases of their trip and to examine the reasons underlying this behavior.

Methodology
A nationwide household survey was deemed to be the most appropriate means of data collection to pursue the aims of analyzing differences in the behavior of domestic and outbound travelers. This approach enables domestic and outbound travelers to be drawn from the same sample frame, allows for the full range of trips taken and distribution channels used to be incorporated, and provides greater scope for 'why-type' questions to be explored–these latter issues are often problematic in 'at destination' intercept surveys.

To this end a specially commissioned nationwide telephone survey was undertaken by an established national survey research firm using computer assisted telephone interviewing (CATI). Random digit dialing was used to derive a representative national sample of New Zealand residents over the age of 18 who were involved in the planning of either an overseas or domestic trip of two or more nights which they had taken within the previous 12 months Participants were telephoned at their homes on weekdays, evenings and weekends between November 20 and December 17, 2006.

One thousand interviews were completed, representing an effective response rate of 10.5%. Quotas were set for 500 respondents who had taken an overseas trip and 500 who had traveled domestically. Provision was also made for respondents who had taken both forms of trips to provide details on each and 94 individuals elected to do so. This resulted in information being collected on 546 outbound trips and 548 domestic ones.

When checked against national migration statistics for short-term departures from New Zealand the outbound sample was found to be largely representative along a variety of dimensions including the regional propensity for outbound travel The sample very closely approximates the pattern of international departures in terms of destinations visited. The mean trip length of the sample (19.6 days) is virtually identical to that of the national migration statistics (19.5 days). Directly comparable data are less readily available for domestic travel but figures on overnight trips from the Ministry of Tourism (2006) suggest some regional under- and over-sampling In terms of gender, there is a skew to female respondents (64%) for domestic and outbound respondents.

The questionnaire was structured around an introductory set of questions relating to the trip characteristics of the respondents' last overseas or domestic trip, followed by the main set of questions relating to their distribution behavior before concluding with a set of profile questions. As one of the key objectives of the study was to examine distribution behavior across a range of functions and travel components (transport to and at the destination, accommodation, attractions and activities) consideration had to be given to keeping the questionnaire to a manageable length. This resulted in respondents being asked to answer the questions with respect to the main destination they traveled to, the main channels they used and so forth. In terms of destinations, differences occur with regard to the scale at which this was recorded for the domestic and outbound travelers - for the former it was the place they went to, for the latter, the country they visited. Each questionnaire took on average just under 18 minutes to complete. The majority of the questions were open-ended. For example, respondents were asked questions such as 'Why did you book your transport at the destination in this way?' and 'Why did you decide to purchase the accommodation component of your trip from this travel provider?' A pilot study of 50 respondents was conducted to pre-test the questionnaire and methodology; as a result minor changes were made to the questionnaire. The results from the pilot survey also assisted the researchers in developing a coding frame used in the CATI process, for example compiling a list of factors that influenced the way respondents made their bookings or determined their channel choice. The coded data file was then made available to the researchers who analyzed it using SPSS.

The analysis begins with an examination of the profile characteristics of the respondents segmented into three categories: those who took a domestic trip, an international trip, and a smaller group who traveled both domestically and internationally in the last 12 months. The subsequent analysis and presentation of the results is based on the two sets of trips; domestic and outbound. After the trip characteristics are compared, consideration is given to the extent

to which booking occurs in advance of the trip or at the destination and which factors influence this pattern. The type of channels used for booking and purchase and the reasons for their selection are then analyzed. Following Pearce's (2008) needs-functions model, the analysis examines these questions with regard to the four main classes of travel products or trip components: transport to the destination, transport at the destination, accommodation and attractions and activities. The distinction between transport to and at the destination has largely been neglected in previous studies but is crucial as it often involves different modes and costs and thus, *a priori*, different patterns of distribution. Consideration is also given to how those purchasing packages arrange their travel.

Statistical differences in the patterns of domestic and outbound travelers and trips are tested using chi-square. Some variations occur from table to table in the way in which the data are reported. Firstly, only relevant responses are included; for example, respondents were not asked how they had booked and purchased their transport and accommodation when they were traveling by private car or staying privatelyIn Table 4, the responses of those who had not made any bookings at all in advance are reported globally at the bottom of the table under the category "No bookings made at all". The component specific responses relate to those who had booked some but not all components in advance: the responses relate to why they had not booked particular components and are thus variable in number. In all tablesthe small percentage of non-responses is excluded from the analysis and small similar categories have been merged or included under 'other'. In cases where the data did not meet the assumptions of the chi-square test (notably there were more than 20% of cells with expected frequencies of less than 5), the significance level for the Likelihood Ratio (LR) is reported (Cavana *et al.,* 2001). In Tables 1 and 2 differences are reported as statistically significant at the p=0.05 level. The Bonferroni correction has been used to adjust the significance levels in Tables 3 to 8 to take account of the effects of multiple testing (Kang *et al.,* 2007).

Results

Profile characteristics

Analysis of the profile characteristics of the three groups of respondents revealed few statistically significant differences (Table 1). No significant differences were found at the 0.05 level for gender, occupation, locality (city, town, rural), access to the Internet or Internet use. Significant differences occurred with respect to age and region. The outbound travelers were older than the domestic travelers. There were proportionally more outbound travelers in Auckland and Northland.

[Insert Table 1 about here]

Trip Characteristics

An examination of the key trip characteristics identified that all but one variable displayed statistically significant differences between domestic and outbound trips (Table 2). Proportionately more outbound trips are for holidays and a greater share of domestic trips are for 'other' purposes (e.g. sports, education, health). The majority of trips in each case involved a repeat visit but the proportion of these was much higher for domestic (87.4%) than for outbound trips (69.5%). Similarly, there was a larger proportion of independent travel on domestic trips (88.9%) compared to overseas ones (69.5%). Other outbound trips involved a

6

higher share of packages (10.6%) and an intermediate category designated 'package plus' (19.9%) on the basis that respondents had indicated that 'some of my travel arrangements were part of a package and some were made independently'. The mean length of trips abroad (19.6 nights) was almost four times that of trips within the country (5.6 nights), but there was no significant difference in the mean number of traveling companions (2.7 on domestic trips, 2.5 on outbound trips).

[Insert Table 2 about here]

Booking in advance and at the destination

Table 3 depicts the booking patterns for domestic and outbound trips showing which components had been booked in advance and which were booked at the destination. Significant differences were found between the two segments for the four main components with those traveling overseas showing a greater propensity to book in advance compared to those traveling domestically. Advance bookings for transport to the destination were made for virtually all outbound trips but only 41.8% of domestic trips. Just under half of the transport at international destinations was booked in advance compared with 18.4% of transport at destinations within New Zealand. Accommodation was the second most important sector in terms of advance bookings, with outbound travelers (66.5%) again showing a greater propensity to book ahead. In contrast, relatively low levels of bookings were reported for attractions and activities but those for outbound trips (28%) were twice as common as on domestic trips (14.8%). Only a small proportion of both domestic (1.8%) and outbound travelers (2.8%) booked any other products (e.g. restaurants) and will not be considered further here. In all but 3.3% of outbound trips some form of reservation was made ahead of travel but almost a quarter of the domestic trips involved no advance bookings at all.

[Insert Table 3 about here]

Two thirds of the domestic and half of the outbound respondents reported making no bookings at all once at the destination. At destination bookings for transport were significantly more frequent for outbound travelers than for domestic but this was not the case for accommodation. For both components the levels of booking are much lower than those made ahead of travel. The difference between domestic and outbound trips is statistically significant for attractions and activities. At destination bookings for this component are comparable to those made prior to departure and are similar to the booking levels for transport and accommodation at the destination. Reservations for other products were again minimal and the differences not significant.

The majority of the domestic travelers who had made no bookings at all in advance, reported that there simply was no need to, for example, because they were traveling by private vehicle, staying with friends and relatives and not visiting any attractions or activities (Table 4). Others though cited flexibility/spontaneity (10.9%) or indicated that they prefer to book once they arrive (9.3%). No comparisons with the small (3.3%) proportion of outbound travelers is possible here as it had not been anticipated that no advance bookings at all would be made on such trips and thus reasons for not doing so were not sought in the survey. In terms of the specific components, with the exception of accommodationstatistically significant differences were found between the domestic and outbound trips in terms of the reasons for not making bookings in advance. Virtually all domestic travelers who booked no transport to the destination were traveling by private car; this was also the case with three quarters of

domestic respondents in terms of travel at the destination. Outbound travelers not booking transport at the destination frequently had access to private vehicles, used public transport or transport provided by others. Domestic and outbound respondents not booking accommodation in advance mainly stayed with friends and relatives; others were uncertain of what they were going to do or preferred to book on arrival. About a third of those on both domestic and outbound trips indicated they did not want to visit any attractions nor do any activities but the two segments varied in the relative importance of other reasons for not booking in advance.

[Insert table 4 about here]

Statistically significant variations occur in terms of how transport to the destination, accommodation and packages for domestic and outbound trips were booked (Table 5). For instance, while two thirds of transport reservations for domestic destinations were booked online, bookings for international travel were shared relatively evenly between online bookings (42.9%) and those made in person (40.9%), Almost half of the domestic accommodation booked was reserved by phone, while a similar share of international accommodation was booked online.

[Insert Table 5 about here]

Table 6 shows statistically significant differences occurred in the reasons domestic and outbound travelers reported for making their booking in the way they have for transport to the destination and for accommodation but not in terms of transport at the destination nor attractions and activities. Ease and convenience was the dominant factor influencing how bookings were made for both segments across all four components. Price related factors ranked next for transport to the destination; previous relationships and other factors (e.g. complicated trip, want flexibility/control) were secondary factors that were more important for international trips than domestic ones. In terms of accommodation, factors differentiating the selection of the means of booking included the greater weight attached to price and the lack of choice for international trips and the speed with which domestic travel bookings were made. The distinguishing feature of attractions and activities is that flexibility/spontaneity ranks second overall compared to price for the other three components.

[Insert table 6 about here]

Channel use

Table 7 demonstrates that different distribution channels were used when purchasing products for domestic and outbound travel. The differences between domestic and outbound trips are statistically significant for each of the components examined. Travel agents were the dominant channel for the purchase of international travel followed by airlines. The agents played a lesser role for transport to domestic destinations with purchases from airlines and directly from the operator being more important. For transport at both domestic and international destinations direct purchases were favored; travel agents and other intermediaries were important secondary channels for outbound travelers while airlines ranked second for domestic travelers. Direct purchase was the dominant channel for domestic accommodation; purchases of international accommodation were shared relatively evenly by direct sales and travel agents. Direct purchase from the operator was also the most common channel for attractions and activities, especially for domestic trips. Three quarters of outbound travelers purchased their packages from travel agents. The few domestic travelers who bought a package used travel agents, went directly to the provider or through an airline.

8

[Insert Table 7 about here]

Table 8 depicts the various factors which influenced the choice of channel in purchasing the different components of domestic and outbound trips. Significant differences between the two segments are found in terms of the channel choice factors for buying transport to the destination, attractions and activities, and packages but not for transport at the destination nor accommodation. In the case of transport to the destination, ease and convenience and price are the two leading factors but their ranking varies from domestic to outbound travel. A greater proportion of domestic travelers reported they had no choice in the selection of the channel used; this was largely a function of company policy or the preferred provider for conferences. Previous relationships and service/referral were important secondary factors for outbound travel. Ease and convenience was the key factor affecting the choice of channel for attractions and activities, especially on domestic trips. A greater proportion of domestic travelers again indicated that they had no choice – many attractions and activities operators in New Zealand focus heavily on direct sales (Pearce and Tan, 2006; Schott, 2007). Important secondary factors for outbound travelers were price, inclusion in a package and recommendations. A more evenly spread set of reasons is given by outbound travelers who purchased packages: price-related factors; previous relationships; service/referrals and ease and convenience. The small number of domestic travelers buying packages cited ease and convenience, price and no choice as the leading factors. Both domestic and outbound travelers express their channel choice for transport at the destination and accommodation primarily in terms of ease and convenience and price although quite a wide range of other factors also come into play such as service/referral and previous relationships.

[Insert Table 8 about here]

Discussion and conclusions

The systematic comparison of domestic and outbound travel has revealed significant differences across nearly all the dimensions examined in this paper (Tables 1 to 8). The results in Table 1 are a notable exception with significant differences occurring only in terms of age and region but not the other profile characteristics. The general comparability of the profile characteristics suggests a convergence of the outbound and domestic segments and supports the trend noted in the Ministry of Tourism's (2006) report that domestic travel is being substituted by travel abroad. Table 2 showed pronounced differences in terms of the domestic and outbound trip characteristics. In particular, a higher level of independent, repeat travel is exhibited by domestic respondents while outbound travelers take much longer trips. It would appear that it is the trip characteristics rather than the profile attributes that influence patterns of distribution-related behavior.

Tables 3 to 6 demonstrate clearly that the booking and purchasing behavior for domestic trips differs markedly from that associated with outbound travel. Significant differences occur between the two types of travel across three or all four trip components in terms of the extent of booking in advance or at the destination (Table 3), reasons why advance bookings were not made (Table 4), and the channels used (Table 7). The pattern is less consistent with regards to how and why bookings were made (Tables 5 and 6) and the factors affecting channel choice (Table 8). In Tables 5 and 6 significant differences occurred between domestic and outbound travelers with regard to transport to the destination and accommodation but not for transport at the destination and attractions and activities. In Table 8 the differences are

significant for transport to the destination, attractions and activities and purchasing a package but not for transport at the destination nor accommodation.

These findings corroborate and extend the emerging literature relating to issues of the timing and location of travel decision-making and distribution (Di Pietro *et al*., 2007; Jun *et al.,* 2007; Pearce, 2008). Considerable variation occurs between domestic and outbound travel in terms of the extent of booking prior to departure and at the destination, with those traveling abroad exhibiting much higher reservation levels in both cases (Table 3). A simple lack of need is the main reason why bookings are not made, this tendency being greater amongst the domestic travelers who have higher rates of traveling by private vehicle, staying with friends and relations and not taking part in any attractions and activities (Table 4). Outbound travelers equally expressed a lack of need in many cases but also exhibited higher levels of uncertainty and/or a preference for making decisions once at the destination.

The survey results also illustrate the complexity of distribution and decision-making issues and support other recent research in this field, for example the greater pre-trip purchase of transport and accommodation compared with attractions and activities (Pearce and Schott, 2005; Di Pietro *et al*., 2007; Jun *et al.,* 2007). In addition, this study has underlined the need to differentiate between transport to and transport at the destination. Differing modes of transport use, varying levels of need and uncertainty, and the aptness of different channels give rise to quite distinct patterns of use and behavior between the domestic and outbound travelers and in terms of the extent to which bookings are made prior to departure or at the destination. The patterns of behavior related to attractions and activities are also often quite distinctive, notably with regard to the nature and extent of booking and channel use.

The more direct focus here on explaining the patterns identified provides additional insights into why 'in advance/at destination' differences occur and what gives rise to inter-channel and inter-sectoral variations. Moreover, the examination of these with regard to both domestic and outbound travel also draws attention to the influence of trip characteristics on visitor behavior and decision-making. Quite simply, the nature and extent of travel booking and purchase prior to departure or at the destination will depend on where that destination is and what types of trip are being undertaken, fundamental points that have often been overlooked in previous studies. Attempts to develop a greater theoretical understanding of the booking and channel choice aspects of travel decision-making behavior to complement the work on information search (Gursoy and McCleary, 2003; Bieger and Laesser, 2004) therefore need to not only incorporate spatial and temporal dimensions and inter-sectoral variations but also make more explicit the role trip characteristics play in such behavior. Additional insight into how domestic and international behavior varies may also come from extending empirical analyses to other settings, for example examining booking behavior in large domestic markets/destinations such as the United States or analyzing channel choice where international travel is over relatively short distances to neighboring destinations as is the case in many parts of Europe.

Tables 6 and 8 have identified ease and convenience and price as key factors influencing how bookings are made and how channels are selected. Previous relationships and service/referral are common secondary factors while flexibility/spontaneity plays an important role with regards to attractions and activities. In some cases respondents also reported having no choice, indicating that it was corporate policy that determined which channels were used or the provider only offered a single channel. Some commonalities are found between the dominant patterns reported here and Black *et al*.'s (2002) financial services model where

convenience and costs were proposed as two channel choice factors along with perceived risk and personal contact. While various forms of personal contact are evident, perceived risk does not come through in the present study. The travel respondents here appear to be taking a more positive approach, expressing the importance of previous relationships and in person bookings, relying on referrals or stressing the merit of flexibility and spontaneity. Scope exists to extend this empirical work through similar studies in other contexts and through more specific examination of particular constructs now that the key factors are emerging. Of particular interest is closer examination and tighter specification of what ease and convenience means to particular travelers given that respondents here and in Pearce and Schott's (2005) study reported different sorts of channels were easiest for them to use.

Finally, as noted in the introduction, New Zealand providers will continue to face growing competition from overseas destinations. Differences in distribution practices and behavior would not appear to be a major factor in choosing between holidays at home and abroad but domestic providers must continue to ensure they develop effective distribution strategies if they are to meet this competition. At present, many New Zealand providers rely heavily on direct distribution and 'at destination' strategies (Pearce et al., 2004; Pearce and Tan, 2006; Schott, 2007). While the former is largely consistent with the visitor behavior reported here dependence on the latter is less so. Particular attention must be given to the ease and convenience with which different channels can be used. The results presented suggest multi-channel distribution strategies will continue to be needed to meet consumer preferences. Travel agents in New Zealand should also take some heart from these results. While direct sales are now an important component of travel abroad, many outbound travelers still rely on their services and as the overall number of outbound travelers continues to expand these trends should counterbalance the inroads made by other forms of distribution.

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Table 1: Respondent profile attributes according to type of travel

Profile Attributes	χ^2	df	sig.
Gender	1.181	2	.554
Age	33.409	12	.001
Occupation (LR)	29.834	22	.123
Locality	2.542	4	.637
Region (LR)	57.158	28	.001
Access to Internet	3.951	2	.139
Internet use	7.918	8	.442

Table 2: Domestic and outbound trip characteristics

Characteristics	Domestic (n=548)	Outbound (n=546)	Total (n=1094)
Purpose of visit	*%*	*%*	*%*
Holiday/leisure	35.9	52.8	44.4
VFR	36.1	30.7	33.4
Business	15.7	12.1	13.9
Other	12.2	4.4	8.3
χ2=42.824 sig.=.000			
First/repeat visit	*%*	*%*	*%*
First	12.6	30.5	21.6
Repeat	87.4	69.5	78.4
χ2=52.104 sig.=.000			
Travel arrangements	*%*	*%*	*%*
Independent	88.9	69.5	7.6
Package	4.6	10.6	13.2
Package plus	6.6	19.9	79.2
χ2=63.070 sig.=.000			
Length of stay	*mean*	*mean*	*mean*
Nights	5.6	19.6	12.6
t-value 9.869 sig.=.000			
Number of companions	*mean*	*mean*	*Mean*
Companions	2.7	2.5	2.6
t-value -0.568 sig.=.570			

Table 3: Pattern of advance and at destination booking on domestic and outbound trips

Component	Booked in Advance		
	Domestic	Outbound	Total
Transport to	(n=546)	(n=546)	(n=1092)
	%	%	%
booked	41.8	92.3	67.0
did not book	58.2	7.7	33.0
χ2=315.666 sig.= .000			
Transport at	(n=544)	(n=544)	(n=1088)
	%	%	%
booked	18.4	47.1	32.7
did not book	81.6	52.9	67.3
χ2=101.605 sig.= .000			
Accommodation	(n=545)	(n=547)	(n=1092)
	%	%	%
booked	54.5	66.5	60.5
did not book	45.5	33.5	39.5
χ2=16.590 sig.= .000			
Attractions and activities	(n=546)	(n=546)	(n=1092)
	%	%	%
booked	14.8	28.0	21.4
did not book	85.2	72.0	78.6
χ2=28.196 sig.= .000			
Other	(n=541)	(n=542)	(n=1083)
	%	%	%
booked	1.8	2.8	2.3
did not book	98.2	97.2	97.7
χ2=1.014 sig.= .314			
No component booked in advance	(n=545)	(n=545)	(n=1090)
	%	%	%
	23.9	3.3	13.0

Component	Booked at Destination		
	Domestic	Outbound	Total
Transport at	(n=545)	(n=542)	(n=1087)
	%	%	%
booked	9.9	33.0	21.4
did not book	90.1	67.0	78.6
χ2=86.237 sig.= .000			
Accommodation	(n=545)	(n=546)	(n=1091)
	%	%	%
booked	14.3	15.6	14.9
did not book	85.7	84.4	85.1
χ2= .338 sig.= .561			
Attractions and activities	(n=547)	(n= 543)	(n=1090)
	%	%	%
booked	13.5	28.4	20.9
did not book	86.5	71.6	79.1
χ2=36.242 sig.= .000			
Other	(n=543)	(n=542)	(n=1085)
	%	%	%
booked	1.5	2.6	2.0
did not book	98.5	97.4	98.0
χ2=1.682 sig.= .195			
No component booked in advance	(n=548)	(n=545)	(n=1093)
	%	%	%
	68.8	49.5	59.0

NB * significant at the .01 level (Bonferroni correction was used, .05/5 = .01)
     # significant at the .0125 level (Bonferroni correction was used, .05/4 = .0125)

Table 4: Reasons why bookings for domestic and outbound trips were not made in advance

Component	Domestic	Outbound	Total
Transport to destination	(n=186)	(n=32)	(n=218)
	%	%	%
Used private vehicle	97.3	0.0	83.0
Did not need to	2.2	65.6	11.5
Someone else booked/organized	0.5	31.3	5.0
Urgent trip	0.0	3.1	0.5
$\chi2= 183.913$ $sig.= .000*$			
Transport at destination	(n=307)	(n=286)	(n=593)
	%	%	%
Used private/company vehicle	73.9	33.6	54.5
Used public transport	10.0	30.1	19.7
Others provided transport	4.2	8.0	6.1
Unsure what was going to do	3.3	7.7	5.4
Did not need any	4.2	3.5	3.9
Was not traveling around	2.9	4.5	3.7
Other	0.3	7.3	3.7
Someone else booked/organized	1.0	2.4	1.7
Flexibility/spontaneity	0.0	2.8	1.3
$\chi2= 114.563$ $sig.= .000*$			
Accommodation	(n=117)	(n=188)	(n=305)
	%	%	%
Stayed with friends/relatives	88.0	78.7	82.3
Other	2.6	10.6	7.5
Unsure what was going to do	3.4	4.8	4.3
Someone else booked/organized	4.3	2.7	3.3
Prefer to book once arrive	1.7	3.2	2.6
$LR=9.571$ $sig.= .048$			
Attractions and activities	(n=322)	(n=393)	(n=715)
	%	%	%
Did not want to visit/do anything	34.2	32.1	33.0
Prefer just to turn up	14.3	9.7	11.7
Went for other reasons	14.6	8.7	11.3
Unsure what was going to do	8.7	11.5	10.2
Prefer to book once arrive	5.9	13.2	9.9
No need/been before	2.5	9.9	6.6
Did not know what was on offer	3.1	4.8	4.1
Other	2.8	4.6	3.8
Flexibility/spontaneity	4.7	2.5	3.5
Someone else booked/organized	3.4	3.1	3.2
Time related	5.9	0.0	2.7
$\chi2= 63.085$ $sig.= .000*$			
No bookings made at all	(n=129)		
	%		
No need	60.5		
Flexibility/spontaneity	10.9		
Went for other reasons	10.1		
Prefer to book when arrive	9.3		
Someone else booked/organized	7.0		
Price related	1.6		
Off-season	0.8		

NB * significant at the .0125 level (Bonferroni correction was used, .05/4 = .0125)

18

Table 5: Means by which bookings were made for domestic and outbound trips

Component	Domestic	Outbound	Total
Transport to destination	*(n=198)*	*(n=445)*	*(n=643)*
	%	*%*	*%*
Online	65.7	42.9	49.9
In person	8.6	40.9	30.9
Phone	23.7	15.3	17.9
Other	2.0	0.9	1.2
$\chi2= 67.282$ *sig.= .000**			
Transport at destination	*(n=81)*	*(n=269)*	*(n=350)*
	%	*%*	*%*
In person	27.2	43.1	39.4
Online	33.3	32.0	32.3
Phone	37.0	20.8	24.6
Other	2.5	4.1	3.7
$\chi2= 11.164$ *sig.= .011*			
Accommodation	*(n=279)*	*(n=315)*	*(n=594)*
	%	*%*	*%*
Online	36.2	47.3	42.1
Phone	48.0	21.0	33.7
In person	13.6	29.8	22.2
Other	2.2	1.9	2.0
$\chi2= 54.111$ *sig.= .000**			
Attractions and activities	*(n=94)*	*(n=197)*	*(n=291)*
	%	*%*	
In person	46.8	62.9	57.7
Online	24.5	18.8	20.6
Phone	25.5	14.7	18.2
Other	3.2	3.6	3.4
$\chi2= 7.976$ *sig.= .047*			
Package	*(n=59)*	*(n=167)*	*(n=226)*
	%	*%*	*%*
In person	10.2	52.7	41.6
Online	42.4	22.8	27.9
Phone	44.1	19.2	25.7
Other	3.4	5.4	4.7
$\chi2= 35.871$ *sig.= .000**			

NB * significant at the .01 level (Bonferroni correction was used, .05/5 = .01)

Table 6: Factors influencing choice of how bookings were made for domestic and outbound trips

Component	Domestic	Outbound	Total
Transport to destination	(n=187)	(n=433)	(n=620)
	%	%	%
Ease/convenience	70.6	59.8	63.1
Price related	13.4	14.1	13.9
Other	5.9	8.5	7.7
Previous relationship	0.5	8.1	5.8
Habit	2.7	3.2	3.1
Internet related	2.1	2.5	2.4
Faster	3.7	1.4	2.1
Airpoints/Flybuys	1.1	2.3	1.9
χ2= 21.183 sig.= .004*			
Transport at destination	(n=69)	(n=257)	(n=326)
	%	%	
Ease/convenience	73.9	63.4	65.6
Price related	10.1	9.7	9.8
No choice	2.9	8.6	7.4
Other	10.1	9.7	9.8
Faster	2.9	4.7	4.3
Previous relationship	0.0	3.9	3.1
χ2= 6.381 sig.= .271			
Accommodation	(n=261)	(n=301)	(n=562)
	%	%	%
Ease/convenience	63.6	56.1	59.6
Price related	7.3	13.6	10.7
No choice	2.3	9.6	6.2
Other	6.5	4.3	5.3
Faster	7.3	1.7	4.3
Previous relationship	1.9	5.3	3.7
Wanted to talk in person	2.3	3.7	3.0
Someone else booked/organized	2.7	3.0	2.8
Flexibility/spontaneity	2.7	1.7	2.1
Habit	3.4	1.0	2.1
χ2= 40.080 sig.= .000*			
Attractions and activities	(n=86)	(n=194)	(n=280)
	%	%	%
Ease/convenience	59.3	63.9	62.5
Flexibility/spontaneity	14.0	9.3	10.7
No choice	7.0	7.2	7.1
Prefer to talk in person	3.5	5.2	4.6
Price related	2.3	5.2	4.3
Other	14.0	9.3	10.7
χ2= 4.108 sig.= .534			

NB * significant at the .0125 level (Bonferroni correction was used, .05/4 = .0125)

Table 7: Channels used to purchase domestic and outbound trips

Component	Domestic	Outbound	Total
Transport to destination	(n=195)	(n=446)	(n=641)
	%	%	%
Travel agent	17.9	51.3	41.2
Airline	40.0	32.5	34.8
Directly from operator	23.1	7.2	12.0
Via the internet	7.2	5.4	5.9
Other intermediary	8.7	2.5	4.4
Other	3.1	1.1	1.7
$\chi2= 83.395$ $sig.= .000*$			
Transport at destination	(n=82)	(n=279)	(n=361)
	%	%	%
Directly from operator	62.2	49.8	52.6
Travel agent	7.3	22.9	19.4
Other intermediary	9.7	9.8	9.7
Airline	14.6	6.5	8.3
Via the internet	3.7	5.4	5.0
Other	2.4	5.7	5.0
$\chi2= 16.682$ $sig.= .005*$			
Accommodation	(n=262)	(n=322)	(n=584)
	%	%	%
Directly from supplier	67.6	36.6	50.5
Travel agent	3.4	34.5	20.5
Via the internet	8.8	13.0	11.1
Other	11.8	8.7	10.1
Other intermediary	6.9	3.7	5.1
Airline	1.5	3.4	2.6
$\chi2= 103.602$ $sig.= .000*$			
Attractions and activities	(n=98)	(n=210)	(n=308)
	%	%	%
Directly from operator	69.4	43.8	51.9
Travel agent	2.0	26.7	18.8
Other intermediary	12.2	16.7	15.3
Via the internet	7.1	4.8	5.5
Airline	2.0	1.4	1.6
Other	7.1	6.7	6.8
$\chi2= 31.652$ $sig.= .000*$			
Package	(n=50)	(n=167)	(n=217)
	%	%	%
Travel agent	40.0	76.0	67.7
Directly from operator/supplier	34.0	3.6	10.6
Other intermediary	6.0	9.0	8.3
Airline	14.0	6.0	7.8
Other	6.0	5.4	5.5
$LR=38.175$ $sig.= .000*$			

NB * significant at the .01 level (Bonferroni correction was used, .05/5 = .01)

Table 8: Factors influencing channels used to purchase domestic and outbound trips

Component	Domestic	Outbound	Total
Transport to destination	*(n=182)*	*(n=429)*	*(n=611)*
	%	*%*	*%*
Price related	26.4	32.2	30.4
Ease/convenience	31.9	21.9	24.9
Previous relationship	7.1	16.8	13.9
No choice	17.0	3.5	7.5
Service/referral	1.1	10.3	7.5
Airpoints/Flybuys	2.7	7.2	5.9
Part of package	0.0	4.2	2.9
Internet related	6.6	0.0	2.0
Habit	3.3	1.2	1.8
Other	3.8	2.8	3.1
$\chi2= 104.323$ *sig.= .000**			
Transport at destination	*(n=73)*	*(n=264)*	*(n=337)*
	%	*%*	*%*
Ease/convenience	35.6	38.6	38.0
Price related	21.9	24.6	24.0
Previous relationship	9.6	12.1	11.6
Service/referral	8.2	9.5	9.2
Part of package	4.1	6.4	5.9
No choice	9.6	3.0	4.5
Internet related	2.7	1.9	2.1
Time related	1.4	2.3	2.1
Other	6.8	1.5	2.7
LR=11.227 sig.=0.189			
Accommodation	*(n=247)*	*(n=303)*	*(n=550)*
	%	*%*	*%*
Ease/convenience	36.0	31.4	33.5
Price related	22.3	21.8	22.0
Previous relationship	13.4	14.2	13.8
Service/referral	7.3	8.6	8.0
Proximity to event/destination	6.5	4.6	5.5
Part of package	2.4	6.6	4.7
Internet related	4.0	3.0	3.5
Someone else booked/organized	2.4	2.6	2.5
No choice	2.4	1.7	2.0
Other	3.2	5.6	4.5
$\chi2= 9.706$ *sig.= .375*			
Attractions and activities	*(n=82)*	*(n=199)*	*(n=281)*
	%	*%*	*%*
Ease/convenience	47.6	37.2	40.2
Price related	8.5	15.1	13.2
Part of package	4.9	12.6	10.3
No choice	18.3	6.0	9.6
Flexibility/spontaneity	9.8	8.5	8.9
Recommendation/referral	3.7	9.5	7.8
Previous relationship	3.7	3.5	3.6
Other	3.7	7.5	6.4
$\chi2= 19.887$ *sig.= .006**			
Package	*(n=54)*	*(n=167)*	*(n=221)*
	%	*%*	*%*
Price related	24.1	21.6	22.2
Ease/convenience	25.9	15.6	18.1
Previous relationship	9.3	20.4	17.6
Recommendation/referral	7.4	21.0	17.6
Other	3.7	15.0	12.2
Someone else booked/organized	11.1	6.6	7.7
No choice	18.5	0.0	4.5
$\chi2= 45.881$ *sig.= .000**			

NB * significant at the .01 level (Bonferroni correction was used, .05/5 = .01)