

ICHRIE Research Report

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Translating Research Implications to applications: Industry's commentary

Where Do Tourists Stay Overnight in Macau?

Sunny Sun
School of Hotel and Tourism Management
The Hong Kong Polytechnic University
15901578r@connect.polyu.hk

Rob Law
School of Hotel and Tourism Management
The Hong Kong Polytechnic University
rob.law@polyu.edu.hk

Davis KaChio Fong
Faculty of Business Administration
University of Macau
davisfong@umac.mo



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Recently, diverse accommodation choices such as clubs have become an extremely important topic for hotel guests, imposing an unprecedented challenge to hoteliers. Examples of other accommodation choices are clubs, karaoke bars, casinos and saunas. It is well-known that tourists' accommodation choice is an important issue for destinations. The present study thus tried to understand the tourists' characteristics such as demographics, geographic region, psychographic factors, and behavioral patterns, among different accommodation choice, and provided managerial implications for hotel and tourism practitioners. Since Macau is an entertainment-oriented tourist destination with a variety of accommodation choices, findings are expected to help hotels in Macau to gain competitive advantages over other types of accommodation, find out their most profitable customers, with the ultimate goal of contributing to revenue, and to boost tourism growth of a destination.

A survey of Macau tourist

Data from 3,994 respondents was collected through a self-reported survey conducted at the Macau (a popular travel and gaming destination in Asia) border gates, Macau ferry terminals, and the Macau International Airport.

Decisiveness of tourists' country of origin

Based on market segmentation theory, previous study assumed that each of the following four factors, demographics, geographical regions (i.e., country of origin), psychographic factors, and behavioral patterns has a similar impact on the accommodation choices of tourists. Findings of the present study found that tourists' country of origin have the biggest impact on their accommodation choices whereas demographics have the smallest impact. Since tourists from different countries of origins have their unique characteristics, the most effective way for hotels to attract potential customers is to set different strategies based on the preferences and characteristics of tourists from different geographic regions rather than consider the demographics of tourists.

Macau should devote more efforts in attracting tourists from the major source market of Mainland China, Hong Kong and Taiwan. Overall, although destinations aim to attract international tourists, destinations should identify and target the major source market. On the other hand, since well-educated Mainland Chinese male tourists with higher income are more likely to stay overnight in casinos, saunas, and Karaoke televisions (KTVs) than tourists from other countries or regions, hotels in Macau should devote more efforts in targeting this type of tourists. In other words, hotels in other destinations should be clear about their hotel guest profile and devote efforts in attracting other types of potential hotel guests by integrating entertainment elements.

Entertainment while lodging?

For Macau, Mainland China, Hong Kong, and Taiwan are its major tourism source markets. Hence, knowing the unique characteristics of tourists from these countries or regions would

be an advantage for hotels in Macau to target them accurately. Compared with tourists from other countries or regions, Mainland Chinese tourists prefer to stay overnight in casinos, saunas, clubs, and KTVs instead of hotels, showing that Mainland Chinese tourists prefer entertainment elements during their overnight stay. Hence, hotels can consider integrating small casino games to meet the demands of Mainland Chinese tourists. In addition, hotel managers can consider cooperating with nearby saunas or KTVs to provide a one-stop experience to Mainland Chinese tourists. Similarly, Hong Kong tourists prefer to stay overnight in saunas, reflecting their needs for relaxation. As such, hotels can provide relaxing facilities for Hong Kong tourists. In contrast, Taiwanese tourists do not have an obvious preference for a specific type of places to stay overnight, hotels can highlight hotel booking information on trip booking websites to gain more exposure to Taiwanese tourists.

Regarding the application of the findings to other tourist destinations, destination managers can target their visitors more accurately considering geographic regions of tourists (i.e., tourists' country of origin) and their unique characteristics. In summary, in order to effectively target tourists, tourism and hotel managers should consider which countries or regions should a destination target with the highest return on investment and return to visit and how to meet the current integrated needs of tourists' "entertainment while lodging"?

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Note:

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This research report provides a summary of the useful findings, as well as policy and managerial implications to hotel managers in tourism destinations.

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