

# Buying Behaviour of Tourists in Goa: A Case Study of Domestic and Foreign Tourists

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**Abstract:** *Tourism Industry is one of the largest, Eco friendly and non polluting industries in the world, contributing towards the economic growth. Tourism is recognized world over as an important instrument of economic development and employment generation, particularly in remote and backward areas. Tourism has the potential to grow at a high rate and ensure consequential development of the infrastructure of the destinations. Today, tourism in Goa is not restricted only to beach tourism. The new areas like Eco Tourism, Medical Tourism, Water Sports & Adventure Tourism, Heritage Tourism etc. are other tourism attractions, attracting tourists to Goa from world over. Shopping is an important tourist activity and its contribution to the economy is significant. For many tourists, no trip is complete without having spent time in shopping and tourists often feel they cannot return home without buying something. This research paper aims at examining the domestic and international tourists' perceptions of service provided by the retail organizations catering to the shopping needs of tourists and attempt to understand whether domestic and international tourists differed in their service evaluation and shopping item preferences.*

**Keywords:** Tourism, Tourist's Shopping Behavior, Tourist's, Shopping needs, Shopping Experience & Satisfaction

## 1. Introduction

Tourism Industry is one of the largest, Eco friendly and non polluting industries in the world, contributing towards the economic growth. Tourism is recognized world over as an important instrument of economic development and employment generation, particularly in remote and backward areas. Tourism has the potential to grow at a higher rate and ensure consequential development of the infrastructure of the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth.

India's performance in tourism sector has been quite impressive. The World Travel and Tourism Council have calculated that tourism sector has generated INR 6.4 trillion or 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs in India, i.e. 7.7% of country's total employment. This sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade. United Nation World Tourism Organization (UNWTO) data shows that, international tourist arrival in India has grown by 13 per cent during the first nine months of 2013 and India is among the top 25 largest international tourism earners.

## 2. Demographic Overview of Goa

Tourism industry of Goa is a major engine for the economic growth of the state after mining. It has a multiplier effect on the employment generation, economic development and impetus for rural regeneration. Given the potential of attracting tourists, the development of tourism is an obvious choice for the state of Goa. Goa is the only state after Kerala where beaches are the focal points of the tourism industry.

Most of the tourism in Goa is concentrated in the coastal stretches of Bardez, Salcete, Tiswadi and Marmagao. Over 90 per cent of domestic tourists and over 99 per cent of the foreign tourists frequent these areas. Goa is known for its Temples, Churches, Forts, Palm-fringed beaches, Coconut groves, Ferry rides, and Bubbly folk music. With its 106-km-long coastline, Goa is an important locale in every tourist's itinerary in India and the world. Sun, sea and sand being the major attractions, Goa is a perfect heaven for those who need and want relaxation.

## 3. Rationale of the Study

Despite the fact that the importance of retail tourism and its' economic contribution is recognized, it is less clear how an understanding of consumer shopping behaviour can contribute to a continued growth in retail tourism. Increased understanding can obviously assist with planning and marketing. However, it is also important to recognize that the purchasing behaviour of a tourist is different from purchasing behaviour of an ordinary consumer (Yuksel, 2004).

Today, tourism in Goa is not restricted only to beach tourism. The new areas like Eco Tourism, Medical Tourism, Water Sports & Adventure Tourism, Heritage Tourism etc. are other forms of tourism, attracting tourists to Goa from world over. Shopping is an important tourist activity and its contribution to the economy is significant. For many tourists, no trip is complete, without having spent time in shopping and tourists often feel that they cannot return home without buying something.

Goa is famous for Cashew Nuts, Cashew Fenny (Country Liquor), Wines, Indian Made Foreign Liquor (IMFL), Dry Fruits, Handicraft Items, Apparels and other souvenirs like Caps, T Shirts etc. There are a large number of traditional and modern retail outlets selling these items. This research paper aims at examining the domestic and international

tourists’ perceptions of service provided by the retail organisations catering to the shopping needs of tourists and attempt to understand whether domestic and international tourists differed in their service evaluation and shopping item preferences.

**4.Objectives of the Study**

1. To identify the factors attracting Domestic and Foreign tourists towards the state of Goa.
2. To examine the domestic and foreign tourists’ perceptions of service provided by the retail organisations catering to the shopping needs of tourists.

**5.Research Methodology**

For the purpose of the study, the following hypotheses were developed:

- **H<sub>1</sub>**: There is no significant difference with regards to factors attracting Domestic and Foreign tourists towards the state of Goa.
- **H<sub>2</sub>**: There is no significant association between the perceptions of domestic and foreign tourists’ with regards to various factors influencing shopping satisfaction.
- **H<sub>3</sub>**: There is no significant association between shopping satisfaction of domestic and foreign tourists with regards to select shopping goods..
- **H<sub>4</sub>**: There is no significant difference with regards to shopping satisfaction in respect of select shopping goods between domestic and foreign tourists.

The study was conducted in the State of Goa. A sample size of 240 respondents, 115 Foreign Tourists and 125 Domestic Tourists were selected and studied using convenience sampling technique. The primary data is procured using Structured Questionnaire with five point likert scale and is processed by using Descriptive Statistics, Chi Square Test, ANOVA and Factor Analysis.

**6.Results and Discussion**

**Table 1:** Reasons for the Tourists visit to Goa

Group Statistics	Foreign			Domestic		
	Mean	Std. Deviation		Mean	Std. Deviation	
Enjoy Beauty of Nature and Beaches		3.43	1.001	Entertainment	3.49	.968
Holiday and Relaxation	3.29	1.205		Holiday and Relaxation	3.48	1.086
Entertainment	3.23	1.176		Enjoy Beauty of Nature and Beaches	3.31	1.199
Sports and Adventure	2.47	1.353		Boat Cruises	2.65	1.504
Gambling	2.12	1.440		Shopping	2.54	1.462
Health and Beauty Care	1.76	1.136		Gambling	2.24	1.428
Shopping	1.59	.712		Visiting Friends and Relatives	1.94	1.345
Boat Cruises	1.58	1.084		Sports and Adventure	1.75	.772
Visiting Friends and Relatives	1.35	.918		Health and Beauty Care	1.70	1.112
Work	1.12	.328		Work	1.27	.827
N = 240	115			125		
Source: Compiled from Primary Data						
<b>ANOVA</b>						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	11.11645	9	1.235161	8.040101	0.001555	3.020383
Within Groups	1.53625	10	0.153625			
Total	12.6527	19				

Based on the above descriptive statistics about reasons for the Tourists visit to Goa, it is evident that, foreign tourists have given first preference for Enjoyment of Beauty of Nature and Beaches with a mean score of 3.43, Second preference for Holiday and relaxation with a mean score of

3.29, third preference for Entertainment with a mean score of 3.23, Fourth preference for Sports and Adventure with a mean score of 2.47 and fifth preference for Gambling with a mean score of 2.12. While Domestic tourists have first preference for Entertainment with a mean score of 3.49,

Second preference for Holiday and relaxation with a mean score of 3.48, Third preference for Enjoying Beauty of Nature and Beaches with a mean score for 3.31 and fourth preference for Boat Cruises.

The ANOVA results reveal that the P value is 0.001555 which is < 0.05 hence it is significant. Therefore the (H<sub>1</sub>) that there is no significant difference with regards to factors attracting domestic and foreign tourists towards the state of Goa is rejected.

**Table No. 2:** Factors Influencing Customer Satisfaction among Retail Tourist Shoppers in Goa

<i>Rotated Component Matrix<sup>a</sup></i>				
	<i>Customer Service</i>	<i>Product Attributes</i>	<i>Convenience</i>	<i>Ethical Values</i>
Advertised merchandise was in stock	0.705			
Customer service representatives are Courteous	0.580			
I would recommend this Retail stores to others	0.541			
Prices are reasonable		0.716		
A Good selection of products was present		0.694		
Store Hours were convenient			0.715	
Stores are conveniently located			0.705	
Retail stores in Goa are Trust Worthy				0.819
<b>Eigen Value</b>	<b>1.414</b>	<b>1.336</b>	<b>1.205</b>	<b>1.112</b>
<b>% of Variance</b>	<b>15.712</b>	<b>14.842</b>	<b>13.391</b>	<b>12.352</b>
<b>Cumulative Variance</b>	<b>15.712</b>	<b>30.554</b>	<b>43.944</b>	<b>56.296</b>
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 5 iterations.				

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.503
Bartlett's Test of Sphericity	Approx. Chi-Square	75.256
	df	36
	Sig.	.000***

The factors influencing customers satisfaction among retail shoppers was analyzed using factor analysis. The results revealed four significant factors viz. Customer Service, Product Attributes, Convenience and Ethical Values. This model explains 56.296 percent of variance. Customer Service emerged as an important factor with an Eigen value of 1.414. This includes Availability of sufficient stock of Merchandise (.705) Courteous Sales Staff (.580) I would recommend this store to others (.541). These explain 15.712 percent of variance. Prices are reasonable (.716) and Good selection of products (.694) emerged as second important factor titled as Product Attributes with an Eigen value of 1.336 explaining 14.842 percent of the variance. The third important factor titled as Convenience consisting of Store Hours were convenient (.715) and Stores are conveniently located (.705) with an Eigen value of 1.205 explaining 13.391 percent of variance. While Ethical Values with factor loading of (0.819) and Eigen value of 1.112 emerged as fourth important factor explaining 12.352 percent of variance.

tourists and the study rejects the null hypothesis (H<sub>2</sub>) that there is no significant association between the domestic and foreign tourists' perceptions with regards to various factors influencing shopping satisfaction and accept the alternate hypothesis.

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy statistics is .503, Chi Square value is 75.256 and D.F. is 36 and P Value is 0.000, hence it is significant at 0.001. Therefore it can be said that there is significant association between these factors across the domestic and foreign

**Table No 3:** Chi-square test results of shopping satisfaction of domestic and foreign tourists with regards to select shopping goods preferred by tourists in the state of Goa.

Products	Cashewnuts				Wines and IMFL (Indian Made Foreign Liquor)				Cashew Fenny			
	F	D	Total	%	F	D	Total	%	F	D	Total	%
Quality is Satisfactory	54	29	83	35%	13	19	32	13%	13	12	25	10%
Prices are Reasonable	12	21	33	14%	6	47	53	22%	68	52	120	50%
Merchandise Assortment was Satisfactory	4	23	27	11%	16	16	32	13%	25	41	66	28%
Sales personnel were responsive	18	24	42	17%	32	18	50	21%	6	12	18	7%
I Would recommend this Product to Others	27	28	55	23%	48	25	73	31%	3	8	11	5%
<b>Total</b>	<b>115</b>	<b>125</b>	<b>240</b>	<b>100%</b>	<b>115</b>	<b>125</b>	<b>240</b>	<b>100%</b>	<b>115</b>	<b>125</b>	<b>240</b>	<b>100%</b>
$\chi^2$	24.640 <sup>a</sup>				42.783 <sup>a</sup>				10.296 <sup>a</sup>			
D. F.	4				4				4			
Sig.	.000				.000				.036			

domestic and foreign tourists with regards to select shopping

Products	Apparels				Souvenirs			
	F	D	Total	%	F	D	Total	%
Quality is Satisfactory	33	59	92	38%	40	24	64	26%
Prices are Reasonable	17	13	30	12%	34	23	57	24%
Merchandise Assortment was Satisfactory	26	31	57	24%	10	6	16	7%
Sales personnel were responsive	34	21	55	23%	6	40	46	19%
I Would recommend this Product to Others	5	1	6	3%	25	32	57	24%
<b>Total</b>	<b>115</b>	<b>125</b>	<b>240</b>	<b>100%</b>	<b>115</b>	<b>125</b>	<b>240</b>	<b>100%</b>
$\chi^2$	13.587 <sup>a</sup>				33.409 <sup>a</sup>			
D. F.	4				4			
Sig.	.009				.000			

(Source: Compiled from primary data) (\*\*F = Foreign Tourists and D= Domestic Tourists)

The Chi-Square value in the above table with regards to shopping satisfaction of domestic and foreign tourists with regards to select shopping goods i.e. Cashewnuts is 24.640 and D.F. is 4 and P Value is 0.000, Wines and IMFL (Indian Made Foreign Liquor) is 42.783 and D.F. is 4 and P Value is 0.000, Cashew Fenny is 10.296 and D.F. is 4 and P Value is 0.036, Apparels is 13.587 and D.F. is 4 and P Value is 0.009 and in respect of Souvenirs it is 33.409 and D.F. is 4 and P Value is 0.000. Hence it can be interpreted as; there is a significant association between shopping satisfaction of

goods. Therefore, the null hypothesis (**H<sub>0</sub>**) is rejected and the alternate hypothesis is accepted.

Further it can be see that both the domestic and foreign tourists are highly satisfied with the quality and price of the products in respect of Cashewnuts, IMFL Liquor, Apparels and Souvenirs and that they would recommend this product to others. However though they are satisfied with the price of Cashew Fenny, they are not satisfied with the Quality of the product and that they would not recommend this product to others. It is also worth noting that they are not satisfied with the service of sales personnel.

**Table No. 4:** One Way ANOVA results of shopping satisfaction with regards to select shopping goods across the Domestic and Foreign Tourists

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Cashewnuts	Between Groups	11.635	1	11.635	4.574	.033
	Within Groups	602.893	237	2.544		
	Total	614.527	238			
Wines and IMFL (Indian Made Foreign Liquor)	Between Groups	55.425	1	55.425	29.868	.000
	Within Groups	439.796	237	1.856		
	Total	495.222	238			
Cashew Fenny	Between Groups	6.656	1	6.656	7.706	.006
	Within Groups	204.716	237	.864		
	Total	211.372	238			

Apparels	Between Groups	16.876	1	16.876	10.819	.001
	Within Groups	369.709	237	1.560		
	Total	386.586	238			
Souvenirs	Between Groups	36.918	1	36.918	16.088	.000
	Within Groups	543.869	237	2.295		
	Total	580.787	238			

The above ANOVA results show that the P Value in respect of Wines and IMFL (Indian Made Foreign Liquor) is 0.000, Cashew Fenny is 0.006, Apparels is 0.001 and Souvenirs is 0.000, hence it is significant at 0.001, while in respect of Cashewnuts it is 0.033 hence it is significant at 0.05. Therefore the null hypothesis ( $H_0$ ) that there is no significant difference with regards to shopping satisfaction of domestic and foreign tourists in respect of select shopping goods generally preferred by tourists in the state of Goa is rejected.

## 7. Conclusions

Shopping is one of the important tourists' activities besides visiting places of interest and entertainment. It is also a major contributor for the economy. The present paper attempted to identify the factors attracting domestic and foreign tourists towards the state of Goa and also examined the domestic and international tourists' perceptions of service provided by the retail organizations catering to the shopping needs of tourists. The study revealed that though the arrival of foreign and the domestic tourists in India and Goa is increasing, the percentages of the Arrivals in the state of Goa as compared to all India tourist arrival have shown a declining trend. With regards to reasons for the tourists to visit Goa, it is seen that both foreign and domestic tourists visit Goa mainly for the purpose of enjoying beauty of nature and Beaches, holiday and relaxation, entertainment, gambling, sports and adventure.

The factor analysis results with regards to, factors influencing customer satisfaction among selected tourist shoppers in Goa, it was seen that four significant factors play an important role viz. Customer service, Product Attributes, Convenience and Ethical values. In respect of domestic tourists, the Product Quality and Price were the key factors influencing the purchasing decisions. While in respect of foreign tourists, Personalized Services and Quality of the product play a key role.

The tourist shoppers satisfaction was also analysed with regards to select shopping goods mostly preferred by tourists in Goa, i.e. Cashewnuts, Wines and Indian Made Foreign Liquor, Cashew Fenny, Apparels and Souvenirs. Both domestic and foreign tourists were highly satisfied with the Quality, Merchandise Assortment, and Price of all the products, except Apparels and Cashew Fenny. With regards to choice of products preferred in the order of preference, the foreign tourists preferred Souvenirs, Cashewnuts, and Wines while the domestic tourists preferred, Indian Made Foreign Liquor, Cashewnuts and Souvenirs.

It can be concluded that, for enhancing the Tourism potential of the state, shopping satisfaction of tourists is an important factor to be considered by the tourism service providers.

Collaboration between retailers and tourism stakeholders such as accommodation providers, restaurants, transport providers, and Tourism Development Corporation should not be underestimated. Understanding tourists' purchasing behaviour allows the destinations to offer tailor made products to suit their key consumer segments. It is therefore essential that stakeholders identify key consumer segments and respond to their specific purchasing behaviour.

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