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# DEVELOPMENT OF A PERSONAL VALUES SCALE AND NON-ASIAN TOURISTS' PREFERRED ATTRIBUTES FOR A ONE DAY SEOUL TOUR PACKAGE: A DISCRETE CHOICE EXPERIMENT

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## ABSTRACT

The purpose of this study is (1) to develop cross-cultural value measurement scales that overcome established methodological problems, (2) to test dimensional frameworks of the scale with non-Asian respondents, and (3) to show whether those who have different value orientations hold heterogeneous preferences regarding tour packages. Drawing on literature from the fields of psychology and marketing, this study hypothesizes that cultural values are tied to tourists' distinct tour package preferences. The study applies a mixed-method approach to observe intrinsic nationally-distinct values and develop a generalized values measurement scale. The dimensional frameworks of the developed values scale were then used with a Stated Preference Choice Experiment (CE) to capture the systematic heterogeneity of preferences in a non-Asian tourists group. The results of the CE show the Marginal Willingness to Pay (MWTP) pecuniary value for the attributes' changes by one unit for multiple attributes of Seoul tour packages. This study's results partially support the link between respondent values and heterogeneous choice behaviors.

The results show that a respondent who emphasizes money and enjoyment and authenticity values is more likely to choose a package tour that includes more chances to go to shopping and historical/cultural sites, respectively. Historical/cultural destinations had the highest MWTP value of all tour sites in Seoul, which was estimated to be $74.32. "Local food served," "Modern sightseeing sites," "Shopping tour sites" and "Entertainment tour sites" were also significant tour attribute/destinations that increase the number of Seoul package tours purchased. An increase of one unit of "Local food served," "Modern sightseeing sites," "Shopping tour sites," and "Entertainment tour sites"

was worth $37.98, $ 54.64, $24.05, and $28.34, respectively. The study contributes to tourism research by introducing a values measurement scale that identifies value orientations relevant when planning international trips and developing heterogeneous travel profiles.

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# Chapter 1

## Introduction

Values refer to the general and fundamental standards that become the foundation of behaviors and thoughts and characterize personal viewpoints. Rokeach (1973) defined value as an internal principal that can structure personal beliefs and thoughts, thereby producing corresponding patterns of behaviors. Several scholars similarly describe a value as an internal norm that conceptualizes the personal logic of thoughts/attitudes leading to courses of actions (Erez & Earley, 1993; Hofstede, 1980; Kroeber & Kluckhohn, 1952; Trompenaars,1993). Likewise, values have long been introduced as abstract criteria that influence individuals' attitudes and behaviors.

Given the fact that values affect individuals' behavioral decisions and actions, numerous studies have researched the association between values and their resultant behaviors (Beatty et al., 1985; Conner & Becker, 2003; Ekinci & Chen, 2001; Kamakura & Mazzon, 1991; Kamakura & Novak, 1992; Madrigal & Kahle, 1994; Munson, 1984; Pitts & Woodside, 1986; Pizam & Calantone, 1987; Rokeach, 1973; Shrum & MacCarty, 1997; Watkins, 2011). Values are constructs that can elucidate behavioral similarities within or differences across groups/cultures. In this regard, some marketing studies have identified a causal relationship between values and ensuing consumption behaviors, which in turn contribute to segmenting groups/customers and to predicting decision making (Ekinci & Chen, 2001; Pitts & Woodside, 1986; Muller, 1991). For example, Grunert and Grunert (1995) explained that since values are formed by different

individuals, the gaps create dissimilar purchase patterns. Therefore, values have been examined frequently by scholars in order to better understand behavior dissimilarities for market segmentations.

Since the late 1980s, tourism researchers have also begun to look at the concept of values in earnest. Similar to marketing, tourism studies have concentrated on values' role in distinguishing travel-related behaviors/decisions such as destination, activities, and accommodation choices (Ekinci & Chen, 2001; Madrigal & Kahle, 1994; McCleary & Choi, 1999; Muller, 1991; Pitts & Woodside, 1986; Pizam & Calantone, 1987; Sharpley, 1999). For example, the main purpose of Muller's study (1991) was to develop tourist profiles for various segments in an international tourism market. The author believed that various tourism destination criteria could be attributed to personal values. He measured values and preferred destination attributes and found a statistical correlation between values and the choice of certain destination attributes. In this way, tourism market segmentation is considered to be the primary reason for using the concept of value, which corresponds to the previous studies' purposes.

As values have been recognized as essential human characteristics, the literature revealed several value measurement scales. Representatively, five values frameworks have been developed and applied in various disciplines (Crotts & Erdmann, 2000; Grunert & Muller, 1996; Li, Zinn, Chick, Absher, Graefe, & Hsu, 2007; Madrigal & Robert, 1995; McCleary & Choi, 1999): Value Survey (RVS), Schwartz's Values Survey (SVS), the Values and Lifestyle Survey (VALS), Hofstede's cultural values, and the List of Values (LOV). Among the five, LOV, VALS, and Hofstede's cultural values have frequently been employed in a tourism context. The LOV avoids the weaknesses of RVS

by decreasing the number of questions by removing irrelevant value questions. VALS, on the other hand, has been considered a more appropriate measurement scale when considering values and lifestyles together. Lastly, Hofstede's cultural values scale takes into account values with cultural concepts. He proposes four representative cultural dimensions and claims all individuals' behaviors could be explained by the dimensions.

Although the scale developers have defended the validity of their measurement systems, some studies have expressed concerns about the trustworthiness of these existing scales in different cultural settings (Chan & Rossiter 1997; Li et al., 2010; Watkins, Leah, & Gnoth, 2005). That is, the abovementioned value scales have been unconditionally adopted from value studies; however, some recent cross-cultural tourism studies have been unable to generalize their dimensional frameworks (Li et al., 2010; Watkins et al., 2005). Contrary to Kahle's (1986) argument that the existing values scale are adaptable in all cases, these studies have questioned whether or not the scales always correctly measure individuals' values. For example, numerous studies have examined the validity of the existing value scales in cross-cultural settings, finding that the scales cannot reflect subtle idiosyncratic cultural values (e.g., Japanese values) (Berrien, 1967; Berry, 1969; Brislin, Lonner & Thorndike 1973; Frijda & Jahoda, 1966; Malpass 1977; Li, 2010; McCarty& Shrum 2000). This literature asserted that standard measurement scales do not capture certain cultural characteristics, which causes a discrepancy in the dimensional frameworks of value scales in cross-sectional settings (Chan & Rossiter, 1997). Therefore, the contentious issue that the current studies have considered is not about the fundamental relationship between values and related behaviors, but the measurement issues threatening validity.

Moreover, cross-cultural studies on values have criticized the conceptual paradigms in which the existing scales theoretically originated. Earlier research asserted that the representative value scales were developed on the basis of Western conceptual paradigms (Watkins, 2006), so the application of Western conceptual models into other cultures caused misleading problems (Malhotra & McCort, 2001; Vandenberg & Lance, 2000). Considering that the cultural values are not identically formed in backgrounds and the philosophies of the existing scales originated from Western cultures, it seems impractical to unconditionally use the scales in different cultural settings. According to Vinson, Scott, and Lamont (1997), personal values form through a socio-cultural process, which in turn shapes different value orientations across the cultures. This ultimately causes variations in preferences for products and services. Also, Morris (1990) argued that individuals' values are completely affected and formed during the socialization period from 13 to 21 years, so that culturally diverse structures could establish variances of values. Thus, the acceptance of the existing scales in cross-cultural studies would cause the failure of generalization of the conceptual framework. Instead, cultural values must be acknowledged and re-evaluated while supplementing the existing measurement scales (Sun, Horn, & Merritt, 2004).

Sets of values are shaped differently in cultures and societies; therefore, it is necessary to avoid unconditional applications of the existing scales across different ethnic backgrounds. Critics of the Western-based formulaic scales have recently increased in number, asserting that the scales do not address ethically endemic values (Watkins, 2006). However, the issue has rarely been considered in the previous studies (Schaffer & Riordan, 2003; Smith & Reynolds, 2002; Steenkamp & Baumgartner, 1998; van Herk,

Poortinga & Verhallen, 2005). In order to overcome these limitations, Watkins (2006 & 2011) emphasized the need to reinvestigate the scales by employing emic and etic approaches. From the emic perspective, researchers do not need to consider the importance of a priori notions and ideas, but instead should take cultural phenomena the way they are within the context (Berry et al., 2002). On the contrary, etic is a research method that describes the behaviors of belief by an observer, where researchers compare and generalize the observed facts (Douglas, Morrin, & Craig, 1994). Emic and etic approach are dissimilar in terms of where observations are located. Although they have pros and cons, combining the two approaches has also been recommended as the most defensible way to study values (Berry, 1969, 1989; Davidson et al, 1976; Smith & Schwartz, 1997). Smith and Schwartz (1997) suggested using both methods together, which enables researchers to seize generalization and singularity.

Following the recommendation of several studies, this cross-cultural study will use in-depth questions as an emic approach to grasp the subtle nuances of cultural values and make comparisons and generalizations as an etic approach to draw valid value conceptualizations. In order to perform both approaches, the Means-End chain and laddering technique will be employed. This theory and technique systematically chases psychologically hierarchical value orders (Gutman & Vinson, 1978). That is, the laddering technique adopts deductive reasoning to reach the highest level (End) from services'/goods' attributes (Means). By identifying and generalizing the values' idiosyncrasies, this study will suggest a wider, but more elaborate, sense of value scale that abandons the Western paradigm. In this study the scale will be referred to as the Value Scale developed by Mixed Method (MMVSS).

In addition to developing this scale, this research will test theoretical frameworks of values related to tourists' choice behaviors. This study will measure respondents' values using the MMVS and test variances of tour-related behaviors based on their underlying values. However, unlike previous research, this study will apply a Discrete Choice Experiment (DCE). DCE is a method that models individuals' preferred sets of attributes and demonstrates trade-offs between the attributes based on a probabilistic reference in a particular context. The second phase of the study primarily focuses on the correlations between individuals' values and choice preferences regarding Seoul, Korea's touristic attributes.

The Korean Ministry of Culture, Sports and Tourism (KMCST) carried out the Visit Korea Year Campaign 2010 through the end of 2012. The main aims of the two-year campaign were to introduce Korea to the world through advertising and to attract potential foreign travelers through incentive tour initiatives such as exclusive discounts and promotions (http://www.visitkorea.com). As a result of the campaign, the growth rate of visitation during this period increased by 12% on average, which eventually exceeded 10 million visitors in 2012 (http://stat.tour.go.kr). Of foreign inbound tourists, visitors from China and Japan ranked first and second, respectively. Additionally, visitors from the U.S. comprised a large portion of the total number of tourists. Although U.S. visitors ranked third, they have been steadily increasing and reached seven hundred thousand in 2012. Also, the number of non-Asian tourists has continuously increased and comprised a large part of the total number of visitors. Furthermore, according to KMCST, international inbound tourists mostly visited three areas: Seoul, Seoul metropolitan areas, or Jeju Island, one of the biggest and most famous vacation spots in Korea. The fact that

over 80% of Korean inbound tourists visited Seoul and the importance of non-Asian tourists comprising a large proportion of Korean inbound tourists justifies the study subject and place. Additionally, the KMCST statistics show the diverse activities in which tourists desire to participate. For example, Japanese tourists prefer shopping/ food experiences while U.S. tourists do cultural/nature-based activities. This study assumes that these variances of touristic behaviors will be associated with individuals' values. Considering that fact, it is necessary to systematically investigate diverse touristic preferences for Seoul tour attributes to reflect tourists' tastes, which also justifies the need for the choice model study.

## Statement of the Problem

This study first recognizes the need for development of more integrated cross-cultural value scales not only to grasp the delicate nuances of cultural values but also to prevent unconditional application of a value scale developed under a Western paradigm. In this sense, the study attempts to develop a more universal values scale, named the Mixed Method Value Scale (MMVS). Scale development will expand the values literature by suggesting a more precise scale that could be used for further cross-cultural value studies. This study also will reevaluate theoretical relevance between values and their effects on tourism-related choices by using DCE. Researchers define DCE as an appropriate modeling technique that systematically investigates trade-offs between goods' and services' attributes (Han, Kwak, & Yoo, 2008; Hearne & Salinas, 2002; Morley, 1994).Therefore, the main purpose of the study is to (1) develop a cross-culturally

applicable values scale and (2) use the scale and test the relationship between personal values and choice of tourism attributes. This study practically contributes to finding trade-offs of hypothetical Seoul tour attributes, which ultimately capture the most preferable congruity of a certain values group and provide directions for tour package classification tactics.

## Research Hypotheses

This study proposes not only to develop a values scale but also to examine tourists' heterogeneous choice preferences. Qualitative theory and technique (e.g. MECT and laddering technique) and DCE were employed as the preferred elicitation method for these choice preferences. The MECT/laddering technique and qualitative interpretation found 19 value themes among ethnically different respondents. In order to investigate the connection between the values found and their influences on tourists' choice preferences, this study formulated research hypotheses based on previous literature. The following paragraphs provide literature evidence regarding values and ensuing behavioral patterns.

First, the concept of curiosity has been defined in previous studies as a cognitive factor, which motivates individuals to learn and to endeavor new experiences (Blosser, 2009; Cohen,1974; Tes & Crotts, 2005; Weaver, McCleary, Han & Plog, 2002;). In the tourism context, Cohen (1974) and Plog (1974, 2001) explained that the level of touristic experiences tourists pursue varies by the extent of their curiosity, which commonly is described as the interest in the new and the desire to explore the different. In particular, Tse and Crotts (2005) identified a positive link between tourists' level of uncertainty

avoidance and its role in broadening culinary trials. This study assumes that cognitive factors related to curiosity are significant values affecting openness to ethnic cuisines. Therefore I investigate the values and "the level of Korean food served" attributes that were included in the hypothetical Seoul daily tour package. I propose the following research hypothesis:

*R1: A tourist who values "curiosity" highly is more likely to choose a Seoul daily tour package that includes more chances to have local food.*

Shopping in a destination has been regarded as a leading touristic action that has increased significantly in recent years (Chubb & Chubb, 1981; Jackson, 1991;Jansen-Verbeke, 1987, 1991; Johnson & Mannell, 1983; Prus & Dawson, 1991; Roberts, 1987; Ryan, 1991; Westwood, 2006; WTTC, 2010). Thus, studies of the fundamental motivations/values for shopping activities in the tourism context have been frequently conducted to analyze tourists' profiles for marketing strategies (Park & Reisinger, 2009;Prus & Dawson, 1991; Roberts, 1987; Ryan, 1991;). Researchers have mainly identified that shopping tourists are motivated by either hedonic or utilitarian values. The hedonic seekers represent those who primarily pursue enjoyment and pleasure experiences derived from the shopping activities (Bellenger & Korgaonkar, 1980). On the other hand, utilitarian shoppers represent tourists who look for an advantage in price of items across the shopping destinations (Babin & Attaway, 2000; Babin et al., 1994; Darden & Reynolds, 1971; Dholakia, 1999; Holbrook & Hirschman, 1982; Lesser & Hughes, 1986; Overby & Lee, 2006;Timothy & Butler, 1995 ). Given the fact that the

shopping tour is one of the representative tour types in Seoul and the abovementioned values' role in motivating tourists to shop, the following hypothesis will be tested in this study:

*R2: A tourist who values "hedonism" highly is more likely to choose a Seoul daily tour package that includes more chances to visit shopping sites.*

In recent years, cultural tourism has received much attention and generated a growing body of studies. In particular, heritage tourism has appealed to visitors with socio-cultural tourism goods so that they are strongly motivated to go and see the sites (Fyall & Garrod, 1998; Poria et al, 2003). Zeppal and Hall (2001) argued that understanding visitors' motivations and perceptions helps to explain management techniques such as instituting price policies and apprehending visitors' profiles. One of the well-known motivational reasons tourists visit cultural/heritage sites or primary principles to succeed in cultural tourism development is to seek or to make visitors feel authentic experiences (Boniface & Fowler, 1993; Fischer, 1999; Taylor, 2001; Waitt, 2000). For example, Chhabra, Healy, and Sills (2003) argued that authenticity is a prerequisite for cultural tourism success and examined the relationship between sense of authenticity and its role in increasing visitors' satisfaction in a festival setting (subset of heritage tourism). The authors found that authenticity perceived by those attending the festival is positively related to their overall satisfaction. Numerous scholars have made similar claims, mentioning that the quality of heritage tourism is enhanced by the pursuit of authentic experiences (Boorstin, 1991; Bruner, 1991; Clapp, 1999; Cohe, 1988;

MacCannell, 1976; Van den Berghe, 1984). Considering the richness and diversity of Seoul's cultural/ historical experience sites, these sites are segmented as a representative tour type in Seoul and involved in the hypothetical Seoul package tour. Also, authenticity was found as one of the 19 personal values from qualitative interpretation, so this study will test the role of authenticity in preference for a tour package including "chances to go to more cultural/historical sites."

*R3: A tourist who values "authenticity" highly is more likely to choose a Seoul daily tour package that includes more chances to go to cultural/historical sites.*

# Chapter 2

## Review of Literature

The purposes of the study are to develop a cross-cultural values measurement scale and to examine the relationship between personal values and their role in tourism decision behaviors. Therefore, this chapter provides a definition of value, a critique of existing value scales, justification of a new measurement scale, and a review of Mean-End Chain Theory and Discrete Choice Modeling.

## Values

A value is an internal standard that establishes the beliefs of an individual and causes internal decisions or external courses of actions. Rokeach's accepted definition of value describes it as a stepping stone to constructing a personal belief, mission, or philosophy that serves to guide individuals' lives (Rokeach, 1973). That is, values contribute to establishing the foundation of a person's cognitive baselines and can explain a person's decisions/behaviors. Numerous value studies in psychology and marketing have investigated and found mutual relationships between values and a number of human behaviors (Beatty et al., 1985; Conner, 2003; Rokeach, 1973; Kamakura & Mazzon, 1991; Kamakura & Novak, 1992; Madrigal & Kahle, 1994; Munson, 1984; Shrum & MacCarty, 1997). For example, values have been statistically linked to individuals' behavioral decision-making such as cigarette smoking (Brube, Weir, Getzlaf, & Rokeach, 1984);

religious behavior (Feather, 1984); consumer behavior (Henry, 1976; Homer & Kahle, 1988; Kahle, Beatty, & Homer, 1986; Novak & MacEvoy, 1990); and charitable giving (Manzer & Miller, 1978).

Because individuals' values influence their behavior, several tourism studies have focused on the relationship between values and travel behavior (McCleary & Choi, 1999; Sharpley, 1999). The studies indicate that the personal values tourists possess are strongly correlated with the choices they make such as destination choices, preferences for accommodation types, and activities (Ekinci & Chen, 2001; Madrigal & Kahle, 1994; McCleary & Choi, 1999; Muller, 1991; Pitts & Woodside, 1986; Pizam & Calantone, 1987). For example, Pizam and Calantone (1987), whose study is recognized as the first to investigate values and behaviors in a tourism context, measured personal values and found their contribution to classifying and predicting tourists' behaviors. Pitts and Woodside (1986) also noted that tourists' choices and actual behaviors are contingent on their idiosyncratic values. Their study supported the significant role of tourists' values in leisure destination choice. Thus, from a theoretical standpoint, values have often been considered to be an explanatory variable in describing fundamental drives for tour-related actions and are used as a primary tool for market segmentation among travelers.

Personal values are highly influenced by cultural environments, which shape behavioral patterns and imprint culturally-characteristic thoughts (Erez & Earley, 1993; Hofsted, 1980; Kim & Lee, 2000; Kroeber & Kluckhohn, 1952; Mehmetoglu et al, 2010; Pizam & Calantone, 1987; Watkins 2011). That is, values have been shaped differently across cultures which contributes to the variances of behaviors. In the same vein, tour behaviors vary in accordance with tourists' cultural backgrounds (Pizam & Jeong, 1996;

Reisinger & Turner, 2002; Wong & Lau, 2001; Yamamoto & Gill, 1999). Multiple studies have supported this conceptual framework, arguing that the causes of the behavioral differences are related to tourists' cultural values. The cultural differences cause marked variance in tourist activities such as shopping, photographing, eating, and socializing with other tourists/local residents. For example, Asian tourists are more likely to travel with groups, shop more often, passively experience local cultural activities, depend on tour guide, and avoid anything unfamiliar (Pizam & Sussmann, 1995; Wong & Lau, 2001). On the other hand, American tourists prefer to take somewhat longer trips, taste local food, and participate in adventurous tour activities in a destination (Pizam & Jeong, 1996; Pizam & Reichel, 1996; Reisinger & Turner, 2002; Ritter, 1989). Therefore, tourism studies have tested the cultural effects on personal values and their association with noticeable differences in tour-related behavior patterns between those who have different cultural values (Li et al., 2010; Watkins & Gnoth, 2005).

Moreover, tourism studies have employed three generally used bases for the tourists' classification: demographic, socioeconomic, and psychographic (Lowyck, Van Langenhove, & Bollaert, 1990). Numerous studies, however, have argued that segmentation using psychometrics has been more convincing than the using demographics and socioeconomic variables (Prentice, Witt, & Hamer 1998; Andereck & Caldwell, 1994; Lowyck, Van Langenhove, & Bollaert, 1990). For example, Andereck and Caldwell (1994) noted that trip characteristics, motives, satisfaction, and enjoyment are more influential factors in segmenting tourists than demographic characteristics. Thus, considering the validity of use of psychometric variables, especially personal values'

segmentation power, this study is justified in using values as a criterion base for classification of tourists.

## Representative Value Instruments and Critiques

Three representative value-measurement scales have been widely employed in a tourism context: List of Values (LOV), Values and Life Styles (VALS) and Hofstede's cultural values. Kahle (1983) proposed the LOV in 1983, which modified Rokeach's (1973) value survey, RVS. In order to measure individuals' values, the RVS required respondents to rank values listed in a survey; however, the survey required too much time, caused a loss of ordering information, and lacked relevance to daily life (Beatty et al., 1985; Madrigal & Kahle, 1994). For these reasons, the LOV has been frequently employed in values research because of the way that it corrects those weaknesses by reducing the number of questions and adopting a list of values more related to consumer behaviors. VALS, based on Maslow's (1943) and Riesman's (1950) theories, is an alternative value measurement scale. Essentially, it categorizes individuals into nine representative types in connection with their motivation and individual resources (e.g. income, education, and self-conficence) (Michell, 1983). Lastly, Hofstede (1980) and his colleagues designed the Values Survey Module, which categorized cultural values into four dimensions describing ethnic differences: power distance, individualism, masculinity, and uncertainty avoidance. Hofstede (1980) argued that a society's culture effects personal values and that cultural groups show systematic differences in national cultures on the four dimensions.

Although the three representative measurement scales have been claimed as durable tools and actively applied to measure tourists' values, they have failed to generalize dimensional frameworks in recent cross-cultural tourism research (; Chan & Rossiter 1997; Li et al., 2010; Watkins & Gnoth, 2005). For example, Li et al. (2010) tested the validity of the LOV and Hofstede scales cross-culturally in tourism/outdoor settings. Their study's results did not coincide with Hofstede's original dimensions. Furthermore, contrary to Kahle's suggestion that the LOV is applicable for a cross-cultural comparison of values, Watkins'(2006) study demonstrated that Kahle's LOV does not mirror some distinctive Japanese values. The authors argued that methodological issues and limitations of standard measurement scales in cross-cultural studies, rather than weak relationships between values and behaviors, are the main reasons for the problem in measurement (Berrien, 1967; Berry, 1969; Brislin, Lonner & Thorndike 1973; Frijda & Jahoda, 1966; Li, 2010; Malpass 1977; McCarty & Shrum, 2000).

In particular, Watkins (2006) gave salience to the idea that applications of standard measurement scales based on the Western conceptual paradigm may be one of the biggest reasons the scales do not work, because they could not grasp delicate cultural features. That is, formulaic scales based on Western paradigms do not address nor understand ethnically different values (Malhotra & McCort 2001; Schaffer & Riordan, 2003; Smith & Reynolds, 2002; Steenkamp & Ter Hofstede 2002; Thompson & Troester 2002;van Herk, Poortinga, &Verhallen, 2005; Vandenberg & Lance 2000). Some studies testing the existing scales' validity in Eastern settings supported this contention. For example, Lee argued that the application of RVS, which is the theoretical foundation of LOV, can reflect values relevant to Korean culture; however, it still misses Korean

Confucianism values like filial piety, harmony with others, and loyalty. Also, the Chinese Culture Connection (1987) investigated the sets of most fundamental values of the Chinese and compared them with Hofstede's dimensions. It turned out that although a large portion of Chinese values overlapped with Hofstede's dimensions, one particular value factor called Confucian Work Dynamism was not found. Therefore, the unconditional applications of the standard value measurement scales in cross-cultural studies have been challenged. There is a need for verifying the validity of the existing value scales in cross-cultural settings (Watkins & Gnoth, 2011).

I realize the necessity of an in-depth approach to understanding ethnically distinct values. Therefore, Means-End Chain Theory (MECT), a qualitative approach that infers fundamental values from goods or services' attributes and benefits, has been employed (Klenosky, 2002; McDonald, Thyne, & McMorland, 2008; McIntosh & Thyne, 2005).

## Means-End Chain Theory/Laddering Technique and its Use in Tourism Context

Gutman's (1978) definition of Means-End Chain Theory is:

> Means are objects (products) or activities in which people engage (running, reading). Ends are valued states of being such as happiness, security, and accomplishment. A means-end chain is a model that seeks to explain how a product or service selection facilitates the achievement of desired end states. (p. 60)

The central idea behind the Means-End Chain Theory (MECT), developed by Gutman and Vinson (1978), is to identify higher order concerns that determine respondents' choices for certain objects and services (Dibley & Baker, 2001; Kaminski & Prado, 2005; Leão &Mello, 2001, 2002, 2003; Lin, 2002, Reynolds & Gutman, 1984; Perkins & Reynolds, 1988; Reynolds & Perkins, 1987; Valette-Florence & Rapacchi, 1991; Veludo-de-Oliveira & Ikeda, 2004; Vriens & Hofstede, 2000; Woodruff & Gardial, 1996). That is, MECT enables researchers to find the higher concerns by tracking linkages among products/services' attributes (Means), consumers' benefits from the attributes, and personal values (ends) that the benefits reinforce (Gutman, 1981; Leão & Mello, 2001, 2002, 2003; Mulvey, Olson, Celsi, & Walker, 1994; Reynolds & Gutman, 1984).

MECT has mainly been developed within the marketing fields and been employed to test the relationship between personal values and consumer behaviors (e.g., Aurifeille &Valette-Florence 1995; Gutman 1990; Perkins & Reynolds 1988; Pieters, Baumgartner, & Allen, 1995; Valette-Florence & Rapacchi 1991). For example, McIntosh and Thyne (2005) discussed the choice of low-fat food products and consumers' values, finding that consumers purchase low-fat food in order to gain slimming benefits and ultimately to achieve self-esteem as an idealistic motivation. Another example incorporating MECT is Klenosky, Gengler, and Mulvey's study (1993). The authors investigated skiers' higher concerns for purchasing ski packages, finding that the skiers mainly pursued social atmosphere by enjoying skiing with others.

Numerous tourism/hospitality studies have maintained that the MECT is an appropriate research method in the tourism context, examining the profound relationship

between values and tour-related behaviors such as tourists' destination choice (; Klenosky 2002; Klenosky et al. 1993); museum and heritage tourism (Crotts & Rekom,1999; McIntosh & Prentice, 1999; Thyne 2001); nature-based experiences (Frauman & Cunningham, 2001); and accommodation choice (Mattila, 1999). In particular, the laddering technique, which is an inductive-probing qualitative interview technique, has been increasingly adopted in tourism research (Watkins & Gnoth, 2011). This laddering technique enables researchers to investigate characteristics and benefits of tourism products/services, which contribute to outlining tourists' in-depth values. In this sense, I employed the laddering technique to capture the nuances of the cross-cultural values. I collected qualitative data by employing MECT with a laddering technique prior to the scale development. This method assisted in (1) identifying overall or peculiar values that ethnically different tourists consider and (2) outlining the differences, which ultimately contributed to developing scales that could reflect cultural differences.

## Stated Preference: Choice Experiment and its Use in a Tourism Context

In the second phase of this study, I examined the theoretical frameworks between values and heterogeneous behaviors. I measured participants' values using the developed value scale and related them to heterogeneous choice preferences. Unlike previous studies which have merely examined individuals' values and variances of tour-related behaviors, this study will employ the Stated Preference (SP) approach as the preferred elicitation method. The SP, an estimation technique for individuals' preferences

or values, is grounded on what people say in hypothetical situations rather than what they actually do in real situations.

This method is employed to seek individuals' preferences for goods and services or to estimate the individuals' willingness to pay for a non-market commodity or its attributes under hypothetical study scenarios (Holmes & Adamowics, 2003; Choi et al., 2010; Han & Lee, 2008; Louviere, Hensher, & Swait, 2000). The use of a hypothetical scenario contributes to changes of quality or quantity of products/services' attributes, which leads to collecting individuals' responses to such changes (Sorg & Nelson, 1987). Accordingly, a SP method can manipulate study topics' attributes, which ultimately enables researchers to distinguish marginal trade-offs between the manipulations based on individuals' stated preferences (Han & Lee, 2008; Kim et al., 2007; Lee & Han, 2002; Mmopelwa, Kgathi, & Molefhe, 2007; Reynisdottir et al., 2008).

There are two main SP methods: Contingent Valuation (CV) and Discrete Choice Experiment (DCE). DCE is the method that models individuals' behavioral preferences and estimates the most preferable congruity based on a probabilistic reference in a particular context. Ryan, Gerard, and Amaya-Amaya (2008) described DCE's definition and logic as follows:

DCEs are an attribute-based approach to collect SP data. They involve presenting respondents with a sequence of hypothetical scenarios (choice sets) composed by two or more competing alternatives that vary along several attributes, one of which may be the price of the alternative or some approximation for it. ( p.4)

DCE assumes that individuals will consider all information provided and choose the scenario that serves the highest respondents' values (utility). Based on the model, researchers can distinguish trade-offs between the attributes as a form of Marginal Willingness to Pay (MWTP) based on an alternative being chosen. The MWTP indicates individuals' pecuniary value for the attributes' changes by one unit.

By comparing the MWTPs, researchers are able to identify which attributes respondents prefer. This is regarded as the biggest advantage of DCE (Hearne & Salinas, 2002; Oh & Ditton, 2006). Since DCE was originally developed in transportation choice research by McFadden (1974), it has been widely employed in fields such as marketing, psychology, and environmental/health economics during the last decade. The DCE studies in these fields generally assess individuals' marginal willingness to pay for non-existing healthcare programs, products, and environmental policies (Bastell & Louviere, 1991; Choi et al, 2010; Han & Lee, 2008; Hensher, 1994; Louviere, 1988).

Similarly, there has been a drift toward applying DCE in tourism and outdoor recreation research. This drift began when Louviere and Hensher (1983) initially adopted the method in the context of cultural tourism, but DCM has been more commonly used since 2000. DCE in tourism has been considered a useful method that captures systematic heterogeneities of different groups of tourists'/ recreationists' preferences for a variety of multi-attribute tour/outdoor products and services (Correia, Santos, & Barros, 2007; Oh, Ditton, & Riechers, 2006). For example, Oh and Ditton (2006) clarified how different segments of anglers value and make trade-offs among regulatory attributes such as number/size of fish they are allowed to catch and cost of entrance fee. Another example of applying DCE in a tourism context is Apostolakis and Jaffry's study (2005). They used

DCE to look at the most favorable use preference of heritage resources in terms of visitor carrying capacity, what entrance price is appropriate, and what kinds of facilities are necessary in the area. In this sense, most CE studies in tourism/recreation focus on variations in tourists'/recreationists' preferences for multiple attributes and estimate preferred congruity across different groups. Considering these advantages of DCE, the study will employ DCE to investigate tourists' systematic heterogeneous preferences of non-existing Seoul tour package attributes across different value groups.

Despite SP's strong points, researchers have criticized the SP method. The most cited problem was hypothetical bias generated from the hypothetical nature of the SP question. Also, respondents misestimate target goods' value if they are not familiar with them (Champ et al., 2003). Therefore, the National Oceanic and Atmosphere Administration (NOAA) suggested that it is necessary to provide respondents with an accurate description of the hypothetical scenario (NOAA, 1993). In order to minimize the drawbacks, this study presents respondents detailed descriptions about characteristics of Seoul package tour attributes, which contributes to decreasing the hypothetical bias and to eliciting accurate preferences.

## Values Affecting Tourists' Preferences

A main purpose of this study is to examine tourists' heterogeneous choice preferences. DCE will be employed as the preferred elicitation method for this second purpose of the study.

The scientific study of curiosity began 25 years ago, led by Berlyn (1960). The author published a book called, “Conflict Arousal and Curiosity,” arguing that a sense of curiosity induces exploratory behaviors such as the search for new information/knowledge and the desire for new experience. This is because novel stimuli increase the extent of exploratory behavior. Likewise, the generally accepted definition of curiosity is intrinsically inquisitive thinking that leads to the pursuit of learning and the new/unfamiliar (Berlyne, 1954, 1978; Loewenstein, 1994; Olson, Camp, & Fuller, 1984). Similarly, numerous tourism studies have defined curiosity as a cognitive factor in which novelty-seeking affects a course of action. This might include the selection of destinations or activities (Lee & Crompton, 1992; McCleary, Han& Blosser, 2009; Mehrabian & Russell, 1974; Plog, 2002 Weaver, Tes & Crotts, 2005; Zuckerman 1979). For example, Hirschman (1984) asserted that individuals are classified as either novelty seekers or novelty avoiders. The author mentioned that knowledge of an individual’s propensity towards novelty contributes to the ability to predict the positions and types of tourist destination that they would visit. Additionally, Tes and Crotts (2005) hypothesized and confirmed that tourists with a low uncertainty avoidance index are more likely to be exploratory in broadening the scope and range of their culinary choices.

In addition to cuisine, shopping has been regarded as a leading touristic action and pervasive leisure activity (Choi, Chan, & We, 1999; Chubb & Chubb 1981; Ryan 1991; Snepenger, Murphy, O’Connell, & Gregg, 2003; Timothy & Butler, 1995). According to Reisinger and Waryzack (1996) and Resenbaum and Spears (2009), tourism demand is driven by different motives and one of the most popular is “to shop”. Shopping tours take precedence over other holiday activities for some tourists. In recent years,

interest in shopping as a touristic activity has increased significantly and become a great source of income (Westwood, 2006). Therefore, shopping has been considered a subject of research in the field of leisure and shoppers' motivations or the benefits associated with shopping activities have been actively studied (Moscardo, 2004).

Many studies have attempted to find motivations/values for shopping activities (; Chang, Yang, & Yu, 2006; Jansen-Verbeke, 1987, 1991; Johnson & Mannell 1983; Prus & Dawson 1991). In general, the marketing field considers shoppers to have two major types of motivations: rational (utilitarian) and hedonic (Bellenger & Korgaonkar, 1980; Malin Sundstrom, 2008). Similarly, shopping motives can be primarily divided into leisure and functional motives in the tourism context. One strand of thought in the literature maintained that pursuing hedonic pleasure is the principal drive for participating in shopping related activities. The hedonic pleasure typically represents the emotive aspects of the shopping experience such as interest, entertainment, and escape (Babin et al., 1994; Holbrook & Hirschman, 1982; Overby & Lee, 2006). Hedonic pleasure, however, has not been found to be the sole or primary motive when individuals shop. Another representative shopping motivation is related to the utilitarian aspect. Bergadaa et al. (1995) mentioned that some leisure shoppers seek social and relaxation benefits, whereas other shoppers focused on the economic aspect of shopping. Certain shoppers look for price advantages, which is one of the main reasons for shopping in a destination (Dholakia, 1999). Thus, the most common values/motivations that shoppers seek according to previous studies are either utilitarian/rational or hedonistic values.

Seoul is a common site for shopping tours. In Korea, sales taxes are included in the purchase price of each product. Seoul offers satisfying products to all kinds of

shoppers, from traditional souvenirs to art, luxury brands, and fashion. Additionally, travelers can go to duty free shops, which are located in many department stores in Seoul (www. visitkorea.or.kr).

In addition to shopping tours, in recent years, there has been a growing interest in heritage tourism. These types of sites have become the most visited tourist destinations and have received wide attention in the postmodern period (Alzua, O'Leary, & Morrison, 1998; Balcar & Pearce, 1996; Herbert, 1995, 2001; Hollinshead, 1988; McCain & Ray, 2003; Ryan, 1998). This is because tourism provides tourists with diverse cultural/historical experiences and contributes to the growth of the regional economy (Chhabra, Healy, & Sills, 2003; Gartner & Holecek, 1983; Hewison, 1987).

Researchers generally define heritage tourism as a tour for the purpose of experiencing socio-cultural assets in order to find a connection with histories and cultures (Fyall & Garrod, 1998; McCain & Ray, 2003). Poria, Butler, and Alrey (2001) and Zeppal and Hall (2001) mentioned that tourists who visit heritage tour places are more likely not to focus on specific site attributes but to find internal meanings such as nostalgia for the past. Hollinshead's definition of heritage tourism (1998) encompassed a range of tourism categories, including folkloric traditions, arts, and crafts, ethnic history, social customs, and cultural celebrations.

As the awareness of heritage tourism increases, there has been a growing body of literature. In particular, motivation studies for heritage tourists have investigated whether tourists' perception of the locations is linked to their choice of sites (Swarbrooke, 1994; Zeppal & Hall, 2001). Zeppal and Hall (2001), for example, argued that understanding the motivations of visitors contributes to visitation management and policies. A well-

known motivational reason to visit heritage tourism sites is to seek authentic experiences or at least the perception of them (Fowler & Boniface, 1993; Taylor, 2001; Waitt, 2000). Fischer (1999) argued that experiencing authenticity for tourists is the key element for heritage tourism. Chhabra et al. (2003) also investigated the relationship between the level of authenticity perceived and visitors' satisfaction, using the case of the Scottish Highland games in the state of North Carolina. They found that authenticity increases visitors' satisfaction, which in turn increases the intention to revisit the heritage sites. Therefore, authenticity has played an important role in enhancing the quality of heritage tourism and promoting intention to revisit (Boorstin, 1991; Bruner, 1991; Clapp, 1999; Cohen, 1988; MacCannell, 1976).

Seoul has five United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage Sites along with a number of other historical/cultural sites including palaces, gates, temples, and fortresses. The richness and diversity of Seoul's cultural and historical resources allows travelers to learn about Korean history and the architectural qualities of different eras. Considering the study sites' characteristics and the authenticity literature, this study hypothesizes that tourists who strongly value authenticity are more likely to choose the hypothetical Seoul tour package which includes more chances to go on a cultural/historic tour.

# Chapter 3

# Methodology

## Data Collection for the Pilot Study

A pre-test using an Internet survey was conducted in September, 2012. Such a survey has the advantages of low cost and fast response time (Göritz, 2004; Schleyer & Forrest, 2000); effective methods for recording multiple samples (Evans & Mathur, 2005); quick and easy access to research participants despite their geographic locations (Deutskens et al., 2006); and immediate data coding (Dillman, 2007). The pre-test was conducted with a convenience sample. A total of 111 individuals including post-doctoral, staff, and faculty members were drawn from a Pennsylvania State University list serve and invited to participate in the survey (using surveymonkey.com). Fifty-four non-Asians and 44 Asians participated in the pre-test and 13 surveys were excluded because of a lot of missing answers. Of the 54 Westerners, 48 were American. According to the International Travel Association (2010), the majority of U.S. outbound travelers are middle-aged professionals with average household incomes in excess of $100,000. I expected that household incomes of faculty and staff satisfy the baseline. Although postdoctoral fellows may not represent the outbound travelers because their household income is below the international travelers' average income, they were included in the pilot test because they were expected to increase the cultural diversity of the sample.

## Interview Process

The main purpose of this pilot study was to identify values that different ethnicities consider. In other words, this pre-test aimed not only to investigate general fundamental values, but also to develop a measurement scale that covers cultural differences. I employed means-end theory and laddering techniques to examine culturally intrinsic values reflecting cultural characteristics.

Laddering questions used in the pilot survey began with general questions regarding previous international traveling experiences. Respondents were asked to recall the most memorable international trip they had experienced in which they had a role in choosing the destination. The pre-test survey mainly consisted of three hierarchical laddering questions. As the questions went to higher stages, respondents were asked more abstract questions. At the first stage, they were asked about the main characteristics of destinations that fascinated them. They were then asked about the benefits gained from those characteristics. Two questions regarding the benefits are described as follows: "Based on your answers in characteristics questions, what benefits do you derive from these characteristics?" and "Why do you think they are benefits?" Lastly, two questions were included to draw out the respondents' overarching values: "Based on your answers in the benefit questions, why are those benefits important or desirable to you?" and "How do the benefits satisfy your life (desires)?" This hierarchical process assisted in systematically tracking and mapping their deeply placed values (Watkins & Gnoth, 2011).

## Item Generation Phase

After conducting qualitative research about values, I arranged the answers by the stage of questions (characteristics, benefits, and values) and sorted them into two representative ethnic groups: Asian or non-Asian. I then analyzed the answers to form groups with similar meanings. Once I determined the inclusive themes, I reevaluated the answers in the same categories to examine the finer shades of meanings. These processes contributed to clarifying what to include in the values measurement and to developing an instrument that not only covered general themes, but also captured specific sub-themes (DeVellis, 2011). Furthermore, I adopted "work and life balance," "tourists motivation," "uncertainty avoidance," "escapism," "enjoyment," "novelty," and "authenticity," items from studies conducted by Pichlers (2009), Fodness (1994), Sirakaya et al. (2003), Loker and Perdue (1992), Crompton and Mckay (1997), and Kolar and Zabker (2010). I also inserted them into the item pool when they exhibited similarities to those in the item pool.

Once the measurement themes/sub-themes were established, the next step was to develop an item pool that reflected the value themes and to decide on the items for eventual inclusion in the scale (Ap, 1992; Churchill, 1979;DeVellis, 2011; Lankford & Howard, 1994; Spector, 1992; Delamere, 1998). A total of 157 items were initially formulated and 7 to 8 items were assigned to each theme. I also followed scale development guidelines in terms of the statement level, the number of words in each statement, and the use of statement characteristics such as clarity, neutrality, un-ambiguity, and redundancy (Ap 1990; Ap & Crompton, 1998; DeVellis 1991; Lankford & Howard, 1994; Spector 1992; Schuman & Presser, 1996;).

In terms of validation of the items, four academic scholars were asked to review candidate items at the first verification stage. Second, 28 graduate students and staff members of the Department of Recreation, Park and Tourism Management at Penn State University evaluated the remaining items. They were asked to rate how appropriately the remaining items reflect each value theme. Finally, the four academic scholars assessed the items that still remained. They were also asked to check the items' clarity, ambiguity, and generality. Moreover, Exploratory Factor Analysis (EFA) was used to test for item consistency.

## Theoretical Background Consideration of Choice Experiment

To investigate whether individuals' value orientations (second phase of the study), this study tested the conceptual frameworks by employing the Choice Experiments technique. The discrete choice framework required respondents to choose among multiple alternatives, each of which is characterized by multiple attributes with varying levels. The objective of Discrete Choice Experiment (DCE) is to identify which attributes are important in determining preference and to show the preference as a form of Marginal Willingness To Pay (MWTP). Multinomial logit models were used to analyze relationships between a ranked response variable and a set of regressor variables (main attributes).

The DCE is based on two economic theories: Lancaster's characteristics approach (Lancaster, 1966) and Random Utility Maximization Theory (RUT) (Adamowicz et al., 1998). According to Lancaster's characteristics approach, consumers

derive utility from a bundle of goods or service attributes (Gravelle & Rees, 1992). Moreover, CE has a theoretical underpinning from micro economic theory, as does RUT (McFadden, 1974). According to RUT, two utilities exist: an observed component and an unobserved random component. Individuals' utility is derived not just from observable goods'/services' attributes but also from unobservable characteristics. Individuals are likely to choose goods and services that maximize their utility (Manski, 1977). The following equation shows the utility function for an alternative *j* of the $i^{th}$ individuals:

$$U_{ij} = V_{ij} + \varepsilon_{ij} \quad (1)$$

where $U_{ij}$ indicates indirect utility that individual *i* acquires when choosing *j* alternatives. As shown in Eq. (1), the utility is distinguished by two parts: $V_{ij}$ is called an observable utility or the deterministic component of utility, and $\varepsilon_{ij}$ is the unobserved stochastic component or unobserved idiosyncrasies of tastes, treated as random variables due to uncertainty factors to researchers (Louviere,1988). The unobservable error component explains that consumers' preferences are not always rational across the population (Apostolakis & Jaffry, 2005). That is, this error term stands for unexplained variation of an action between individuals, which the researcher cannot observe. Based on RUT, respondent *i* chooses alternative *j* $(1,2,\cdots,m)$ if the utility of selecting *j* alternative is greater than that of k ($U_{ij} > U_{ik}$ for all $j \neq k$). The equation of probability of choosing *j* alternatives is shown as:

$$P_{ij} = \Pr \{ U_{ij} \geq U_{ik} \}$$

$$= \{ V_{ij} - V_{ik} \geq \varepsilon_{ij} - \varepsilon_{ik} ; \ _{j \neq k, j,k} \in J_i \} \qquad (2)$$

McFadden (1974) argued that if random components, $\varepsilon_{ij}$ and $\varepsilon_{ik}$ (unobserved stochastic component ) in Eq. (2), are assumed to follow the Gambel-distribution (independently and identically distributed across alternatives), the probability can result in the conditional (or multinomial) logit model. The probability that individual *i* selects *j* alternative is described as follow:

$$P_{ij} = \exp ( \mu V_{ij} ) / \sum \exp( \mu V_{ik} ) \qquad (3)$$

where $\mu$ is a scale parameter, which is typically set to one for parameter estimation. Again, this logit model hypothesizes the Independence of the Irrelevant-Alternatives property (IIA), signifying that individuals' choice does not depend on any other alternatives (Ben-Akiva & Lerman, 1985). Parameters are estimated by log maximum likelihood estimation. The log likelihood function is as follows:

$$\ln L = \sum_{i=1}^{n} \sum_{j=1}^{m} \delta_{ij} \ln P_{ij} \qquad (4)$$

where $\delta_{ij}$ is a dummy variable such that $\delta_{ij}$ = 1 if alternative j is chosen and $\delta_{ij}$ = 0 otherwise. Once model parameters are estimated, the implicit price for each attribute can be derived by calculating:

$$\text{Marginal Willingness To Pay for a attribute} = \frac{\beta_{non-cost-attribute}}{-\beta_{cost-attribute}} \quad (5)$$

## List of Attributes and Levels

The main advantage of using DCE is the use of a hypothetical scenario, thereby allowing researchers to understand attribute-based measures of values. DCEs enable researchers to identify contributions of certain goods/services' attributes to preference or choice behavior. Thus, the first stage in a DCE is to define the target goods'/services' attributes and corresponding levels (Louviere & Timmermans, 1990, Louviere et al., 2000). In order to recognize the representative tour sites and package attributes, a close consultation with three tourism providers was conducted. Also, a pilot study was conducted to identify important tour elements that tourists consider. Twenty tourists visiting Seoul were met at the Incheon International Airport and asked to participate in a pre-test that asked which attributes they would most likely consider when purchasing a tour package. Furthermore, tourist behavior-related literature was reviewed to find the daily activity attributes most frequently cited.

Three tour experts who have worked for representative tour companies in Korea and experienced the development of tour packages were asked to recommend grouping destinations in Seoul. This is because numerous possible tour destinations exist in Seoul. According to the experts' opinions, all possible destinations to visit in Seoul could be representative of one of four types: historical/cultural experience sites, shopping sites, entertainment sites, and modern Seoul sightseeing sites. Besides destination types, basic tour element attributes were also included in the Seoul hypothetical package tour, including how much local food tourists want to try and the appropriate price for a daily tour. Once attributes were identified, "price" and "level of Korean food served" attributes were distinguished by three levels: $100 USD, $133 USD, and $166 USD and "About 25% or less of total meals," "About half," and "More than 75% of total meals." This ranking process assists in identifying and understanding heterogeneous preferences for types of tour sites across different value groups. The destination types were also divided into two levels: "visit this type of site one time" and "visit this type of site two times." Respondents exhibit preferred levels of attributes, which reflect their preferences. Table 1 shows selected attributes and corresponding levels of the hypothetical Seoul package tour.

Table 1

*Six Seoul city tour attributes and corresponding levels*

| | Attributes | Levels |
|---|---|---|
| Basic Tour Element | Level of Korean food served | 1. About 33% of total meals |
| | | 2. About 66% of total meals |
| | | 3.About 100% of total meals |
| | Tour prices | 1. About $100 |
| | | 2. About $133 |
| | | 3. About $166 |
| Destination Types | Number of Cultural/historical experience sites | 1. One |
| | | 2. Two |
| | Number of Shopping sites | 1. One |
| | | 2. Two |
| | Number of Entertainment sites | 1. One |
| | | 2. Two |
| | Number of City sightseeing sites | 1. One |
| | | 2. Two |

## Choice Sets and Experimental Design with Restrictions

The hypothetical Seoul Package tour in this study was composed of the six different attribute levels. This combined package is called a profile. A profile is a set of attributes that includes level of Korean food served, tour price, and the number of types of destination sites. In this study, three profiles, including one opt-out profile ("I would not take either tour"), made up a choice set. In case a tourist did not want to buy a Seoul Package tour, an opt-out alternative was included The opt-out alternative is defined as no participation in Seoul tour activities and no expenditure for the package. The choice set consisted of three profiles (Tour A, B, and opt-out alternative) of which respondents were asked to choose one. Respondents were provided with 8 choice sets. A sample choice set is shown in Table 2.

Table 2

*An example of a choice set sent to respondents*

| | Tour A | Tour B | I would not take either tour |
|---|---|---|---|
| Level of local food served | About 100% of total meals | About 33% of total meals | |
| Tour price | $100 | $133 | |
| Number of Cultural experience tour site | One | Two | |
| Number of Shopping tour site | Two | One | I will not take either tour |
| Number of Entertainment tour site | One | One | |
| Number of modern sightseeing tour site | Two | One | |

Tick one and only one box ☐ ☐ ☐

Based on the pre-determined attributes and corresponding levels listed in Table 1, there are 144 (3*3*2*2*2*2) possible choice combinations. Examining respondents' opinions with all possible combinations is called a full factorial design. It can be used to estimate all main effects and interaction effects; however, it is unrealistic to ask respondents' preferences for all 144 potential combinations in a survey questionnaire. A

survey questionnaire should be an appropriate length, which reduces respondents' fatigue (Yoo, 2011). Therefore, it is necessary to weed out a few sub-sets that could representatively estimate the effects of the six variables. Selecting subsets of certain choice sets from the whole combination is called a fractional factorial design. This design derives the reduced numbers of sets, but at the same time, draws the most efficient linear design. As an alternative to a full factorial design, a fractional factorial design is often used to analyze main effects with fewer experiment trials. Moreover, considering the traffic congestion in Seoul and limited time for the tour, I determined that the total number of tour destinations to visit could not be larger than six. Therefore, a fractional factorial design that reflected this constraint was programmed in the Statically Analysis System (SAS) Factorial choice sets reflecting the constraints were designed and respondents were asked to pick one preferred tour for each of the choice sets (see Appendix B).

## Model Specification

To reflect reality, this study assumes that visiting the same type of destination more than two times does not always increase individuals' utility. This restriction needs to be applied in the study's utility function to reflect the reality of the Seoul package tour. Tourists may or may not like to choose a tour package in which the same type of destination is visited twice during the one day tour. Therefore, this study incorporates and inserts four dummy variables into the utility function to mirror the non-linearity of the

four destination variables. The dummy variables are assigned the value 1 if an attribute level (destination types) is equal to 2 (visiting same destination two times), otherwise the dummy variable is assigned the value 0. In contrast, "Level of Korean food served" has levels 1, 2, and 3 and tour price has levels $100, $133, and $166, respectively. Also to avoid data entry problems, this study included the Alternative Specific Constant (ASC) variable in the study model. This variable also helps demonstrate the utility that individuals obtain when choosing tours. I coded 1 for choosing the tour A and B, and 0 for choosing opt-out case. Moreover, I assume that the marginal utility from increasing the amount of Korean food or the price from 1 to 2 is the same as the marginal utility from increasing the amount of Korean food or price from 2 to 3. In other words, I assume that utility is linear with respect to the quantity of Korean food and cost of the tour.

Considering the main variables' linearity and non-linearity, the utility function of the study includes six main variables plus four dummy variables. The probability of choosing a given alternative among the three options (tours A, B, or opt-out alternative) is determined by the following utility:

$$U^{Seoulpackagetour} = \beta_1 \cdot \mathrm{Price} + \beta_2 \cdot Localfoodserved + \beta_3 numberofHistoricaltoursites + \beta_4 \cdot numberofShoppingtoursites + \beta_5 \cdot numberofEntertainmenttoursites + \beta_6 \cdot numberofCitysightseeingtours + ASC + \varepsilon$$

## Survey and Data Collection

A survey questionnaire was presented to respondents who satisfy the following two qualifications: non-Asian and 80,000 USD household income or more. This study mainly concentrates on non-Asian's preferences for Seoul tour packages as a part of a cross-cultural study. Also, international inbound tourists are clearly characterized by Asian tourists and non-Asian respondents. Moreover, this study places limits about respondents' income level in order to reflect reality. Considering outbound travelers' average household income, this study set up an income baseline. This requirement helped to create more reliable data. A total of 489 respondents participated in the survey and 11,736 (486*8 sets *3 choices) data entries were analyzed.

The data collection was conducted through two external Internet sources: Survey monkey, a web survey, and Amazon's Mechanical Turk (AMT), an Internet crowdsourcing site that specializes in matching "requesters (task creators)" and "Workers (paid task completers)." The main advantage of AMT is to link workers who are willing to carry out online tasks for monetary rewards with requesters who would like to recruit respondents (Buhrmester, Kwang, & Gosling, 2011). Requesters can upload a task that can be done on a computer such as surveys, experiments, and writing tasks at the AMT website or link the task to an external web survey. Workers can browse and join available tasks (Buhrmester, et al., 2011). In this case, the online survey questionnaire was produced and posted on Survey Monkey and respondents were recruited through AMT and sent to Surveymonkey in order to join the survey. The workers received compensation in the amount set up by the researchers after completing the survey.

AMT has been recognized as a reliable survey source for conducting research in psychology and other social sciences. Buhrmester, et al. (2011) argued that AMT participants are more demographically diverse than standard Internet samples and American college samples. The authors found that AMT participants consisted of not only people from over 50 different countries but also ethnically diverse people. Additionally, Pontin (2007) stated that AMT workers are composed of over 100,000 users from over 100 countries who complete tens of thousands tasks daily. Moreover, AMT allows requesters to refuse payment for poor work, which makes workers concentrate more on the survey and provide quality data (Buhrmester, Kwang, & Gosling, 2011).

This study's questionnaire consisted of 10 pages. Three main parts made up the questionnaire used for the study: (1) open-ended values questions asking what types of values respondents consider when they plan an international trip, (2) items asking about personal values, (3) questions on choice preferences, and (4) questions on demographic characteristics. In the second part, 54 value items anchored by a 7-point Likert-type scale with answers ranging from strongly disagree to strongly agree were included. In the third part, a brief explanation of tour attributes and clear directions were provided before the questions. Following the explanation and directions, eight choice sets were presented. Respondents were asked to compare the profiles (different attributes' levels) in every set and to choose one that they prefer. The questionnaire is attached in Appendix A.

## Monte Carlo Simulation

The goal pursued in most CE is to estimate marginal willingness to pay (MWTP) and confidence intervals. Because MWTP measures are non-linear functions of estimated parameters (a ratio of two parameters), linear approximations will not yield symmetric confidence intervals (Haab & McConnell, 2002; Krinsky & Robb, 1986). Instead, Haab and McConnell (2002) and Creel and Loomis (1991) recommend using Krinsky and Robb's (1986) simulation method to obtain empirical distributions which can describe the confidence intervals. Following their recommendation, this study employed the standard Monte Carlo simulation (MC) developed by Krinsky and Robb (1986). The basic idea of the MC simulation approach is to approximate the probability of certain outcomes by running multiple trials with random variables. That is, random variables are taken from a multivariate normal distribution and simulated repeatedly. The performances of each simulation can be recorded and assembled into a probability distribution. This empirical distribution, then, provides statistical information. The numbers in brackets in Table 11 are 99% confidence intervals, obtained using the methods of Krinsky and Robb (1986) and based on 1,000 random draws (see Appendix B).

# Chapter 4

# Results

## Pretest Survey Respondents' Profiles

A total of 111 pre-test surveys were distributed. However, 13 of them were excluded because of missing responses. Of the recorded responses, 54 non-Asians and 44 Asians participated in the survey. Ninety-five percent of the participants had travelled overseas. Participants' average age was 46 and the proportion of males to females was almost equal (51.2 and 48.8, respectively). The respondents listed their occupation as professors (38%), staff (45%), and post-docs (17%). In order to look closely at cross-cultural differences or exclude culturally educated responses, 14 surveys were also distributed to Koreans who currently live in Korea.

## Interpretations of the non-Asian Group's Answers

Each respondent was asked to answer laddering questions. I interpreted and categorized the answers and four scholars reviewed and screened the interpretation process. Below is one example of the interpretation of a non-Asian participant. The respondent, the 30$^{th}$ non-Asian, was a female faculty member and a 49 year-old American citizen. First, she was asked to describe three characteristics that influence her choice of an international destination. She identified "attractive culture," "natural parks or other wildlife areas," and "difference from the United States" as the main three characteristics

of her preferred destination. Also, she indicated that the benefits derived from the three attributes should "expose me to different ways of thinking and living, which enhances my understanding of the world." She also answered that "travel gives me opportunities to see wildlife or environments and other cultures with which I am not familiar and to learn ways of living from different standpoints." In response to the most abstract questions (value questions), she replied:

> Both types of experience improve my understanding of the world and of alternative ways of thinking or living. I take away a new appreciation of different types of music, art, clothing, and so on. Exposure to a wider range of environment and species also broadens my experiences and sense of wonder.

In analyzing these answers, I paid attention to the nuances of respondents' stated desires and expectations in order to catch unstated values. Her responses implied that she is more likely to have the following latent values: adventurousness, desire for intellectual growth, curiosity, and openness to the new. According to the pre-test survey, the five most often revealed values among non-Asian participants were appreciably different from Asian participants' responses: "Intellectual drive," "Rest and Relaxation," "Fun and enjoyment," "Curiosity," and "Authenticity." Specifically, non-Asian expressed a high desire for broadening intellectual growth in different ways: "creative thinking," "professional development," and "personal growth." For example, a respondent stated that "one of my primary criteria for travel is personal growth," and "Travel expands my

awareness of others. I want to understand history and the story of individuals through time." According to the results of the study, intellectual drive is one of the most important internal categories for non-Asian tourists.

## Interpretations of the Asian Group's Answers

I also interpreted and analyzed the Asian group's answers. The following example is a response from the 29th Asian respondent. This respondent was a female faculty member and a 47 year-old Korean. First, she stressed the importance of finding an appropriate destination for celebrating her fathers' retirement. Also, she mentioned that history sites and beautiful landscapes were preferable characteristics of a tour destination. She described the benefits of the destination, saying that "I was satisfied with the family trip because my parent and I spent a lot of time together and they seemed very happy with it. Also, I was able to learn part of Indonesian history and enjoy traditional foods." Additionally, she said,

> Travel is one of my hobbies. This is the way of getting rid of my daily life stresses. Also, it provided me with good opportunities to better understand my family's thoughts and values that I have not recognized because we shared a lot of conversation there.

Through her answers, she implied that a trip may be used as a means to strengthen family bonding, relieve daily stresses, and learn about other cultures. The five values

most often featured among Asian participants' responses were "Rest & relaxation," "Fun & enjoyment," "Intellectual growth," "Emotional growth," and "Finding life-balance." In particular, numerous Asian placed more emphasis on "Rest and Relaxation" and "Fun & Enjoyment" values. As the 31st respondent pointed out, "I am sick and tired of current routine life so travelling provides me with rest times, which cause peace of mind." Moreover, the 33rd respondent revealed that "It was a great time. We enjoyed luxurious hotels and shopping, which helps relieve stress." Since a number of Asian possess and place value on "rest and relaxation," the value is considered one of the most significant internal values for Asian.

## Major Themes comprising the Mixed Method Value Scale

Through the textual analysis, 19 common values for the 54 non-Asian and 44 Asian were found. In the examination process, four academic scholars with research experience in scale development reviewed the interpretation and categorization of themes. Themes and sub themes were re-evaluated and re-interpreted if the scholars did not agree with the interpretation and assignment of sub-themes. The iterative process continued until the four researchers were satisfied with the theme assignment. As result of these processes, each main theme had a minimum of one sub-theme, and a maximum of six. Table 3 indicates the main themes and their sub-themes.

Table 3.

*Themes and Sub-themes of MMVS*

| Main theme | Sub-themes |
|---|---|
| Nature-lover | Appreciate nature |
| | Prefer nature |
| | Preservation of nature |
| | Enjoy nature |
| | Opportunity to see new nature |
| | Fresh air |
| Finding life-balance | More energy /better stamina |
| | Bodies and mind in a positive posture |
| | Increase health/balance |
| | Anticipation |
| | Need to get away/take break from work |
| | Feel better |
| Relaxation | Rest /relaxation |
| | Stress relief/reduction |
| | Convenient |
| | Peaceful |
| Security | Overall safety |
| | Fear of being in a foreign country |
| | Fear of disasters |
| | Importance of hygiene |
| Escapism | Chance to get away from work & daily life |
| | Want to be isolated |
| Fun & Enjoyment | Had a good time |
| | Stress relief |
| | Entertainment/fun |
| | Enjoy unusual things |
| Reward Oneself | Self-compensation |
| Intellectual drive | Personal growth |
| | Education |
| | Think out of the box |
| | Professional development |
| Curiosity | Satisfies curiosity |
| | Look for differences/sensations |
| | Sense of adventure |
| Authenticity | Look the genuine |
| | Be there |
| Adventurousness | Adventurous spirit |
| | Wanderlust |
| Harmony with others | Meet people |
| | Learn from other people |

| | |
|---|---|
| Independence | Self-reliance |
| Rationality | Satisfy my utility<br>Time/money management<br>To get the most out of your time |
| Openness to the new | Willing to take something new<br>Seek to know "new"<br>Make me think differently |
| Pricing | Price-elasticity<br>Seek rational ways to have fun<br>Cheap/reduced price |
| Emotional growth | Self-identify<br>Inner peace<br>Maturity<br>Self-examination |
| Family Union | Family togetherness<br>Family bonding<br>Sacrifice for family |
| Friendship | Spending time with friends<br>Increase friendship |

The 19 themes remained common over non-Asian and Asian; however, one interesting finding was that two values were more common in the Asian group: "Family union" and "Friendship." More than 15 Asian indicated that traveling was scheduled to spend time with family, celebrate family events, or strengthen family bonding. These cases suggest that Asian place an emphasis on achieving family-related goals rather than travelling for the trip itself. Another value identified was "Friendship." This was also observed in the non-Asian group; however, the subject was more often expressed in the Asian group. Asian participants schedule travel as a means of having a great time with friends and building close friendships through traveling. The purpose of the trip, ultimately, is not to travel but to spend meaningful time with friends. For example, the 9$^{th}$ Asian respondent stated,

> My friend and I did not see each other very often. It is not easy for us to find available time to get together as we are working men. We had decided to take a trip; however, we did not make a specific travel plan. It mattered little where we went. I was happy once we came to a decision for the trip. Also, we had a great time and made an enjoyable memory with my close friends through the travel. We feel closer than before after the trip.

Friendship and family values have not been found in existing value measurement scales. Yet, the findings of this study are supported by Watkins (2006). She argues that Asian respondents are more likely to be influenced by Confucian Work Dynamism, which accentuates family-oriented values and sacrifice for family. This philosophical principle may have an effect on placing family/friendship above any other things.

## Development of Mixed Method Value Scale

The objective of this qualitative component (the first phase) of the study was to scrutinize values' cross-cultural idiosyncrasies and to develop an inclusive value instrument, i.e. Mixed Method Value Scale (MMVS) It was hypothesized that personal values will be greatly influenced by cultural environments, thereby leading to dissimilar behavior priorities and differences. Numerous studies have revealed that values have influence on individuals' behaviors and the idiosyncratic cultural values should differently affect their actions. The existing value scales such as VALS, LOV, and

Hofstede's cultural values, however, have been developed under the Western paradigm. Therefore, the scales may overlook the Asian based view (Watkins, 2006). This fact justifies a reexamination of the existing value scales and the development of a new value scale.

The next step of scale development was to create a large item pool reflecting themes found from the qualitative study (DeVellis, 2011). Each value typically included one to six sub-themes, so an item pool reflecting themes and sub-theme was created. Also, some items were drawn or modified if they were found to be identical or similar to domains in existing scales that have shown validity and reliability in tourism or other disciplines. For example, the results indicated that there were four sub-themes under the "Fun and enjoyment value: "had a good time," "stress relief," "entertainment," and "enjoy unusual things." Loker and Perdue (1992) identified "Fun" values in their tourism motivation study. Since the definition of "Fun" in their study mirrors "entertainment" and "enjoy unusual things," this study took some items from their scale and included them in the item pool. Also, VALS has fun-related items which mirror the "entertainment" sub-theme. Therefore, this study incorporated those items. However, "had a good time," and "stress relief" were considered new sub-themes, so items reflecting the sub-themes were created and added to the item pool. Due to claims that multiple items will constitute a more reliable measure than individual items (Churchill, 1979), I developed multiple items for each sub-theme.

A total of 157 items were initially formulated, representing 7 to 8 candidate items per theme. The items were developed in accordance with scale development guidelines, which include statement level, the number of words in each statement, and the

use of statement characteristics such as clarity, neutrality, un-ambiguity, and redundancy (Ap 1990; Ap & Crompton, 1998; DeVellis, 1991; Lankford & Howard, 1994; Schuman & Presser, 1996; Spector, 1992). To ensure adequacy, created items have to be reviewed by panels. In the first review process step for the items, a researcher who has worked extensively with the construct in question reviewed and evaluated the validity of the corresponding items. Two additional scholars rated how relevant they think each value and item was to what the study intends to measure. They pointed out awkward or confusing items and suggested alternative wording or deletion of the item. As a result, 86 items were deleted out of the 157 items in the first step.

Then, 28 graduate students and staff members of the Department of Recreation, Park, and Tourism Management at Penn State University were asked to verify how well the items reflect the themes. Based on their ratings and comments, 15 items were excluded and some items were modified. Finally, three academic scholars re-assessed the items' clarity, ambiguity, and generality, and recommended removing two more items. After the review and modification processes, 52 items remained.

## Validation and Consistency of MMVS

A total of 1,498 respondents initially joined the on-line survey; however, 1,000 respondents were denied because they did not meet the two criteria (income and ethnicity). Ultimately, 498 individuals were asked to complete the on-line survey. Exploratory Factor Analysis (EFA) using principal component analysis with varimax rotation was performed on the 52 value items. EFA contributes to identifying the

underlying dimensions, based on the correlations between measured variables. The principal component analysis identifies patterns in the data based on the variance of the items, thereby expressing the data in such a way as to highlight their similarities and difference. Moreover, varimax is an orthogonal rotation method that minimizes the number of variables with high loadings on a factor, while in turn enhancing the interpretability of the factors. Table 4 shows the dimensions' name, numbers of items, mean, standard deviation, factor loadings, and communality. Factor loadings stand for the simple correlations between the variables and the factors; whereas, communality, a correlation statistic, represents the proportion of variance accounted for in each variable.

Table 4

*Exploratory Factor Analysis of Mixed Method Value Scale items*

| Factor Number & Name | Item description | M | SD | FL | COMM |
|---|---|---|---|---|---|
| Factor1: Inquisitiveness | There are lots of things that should be discovered in the world | 5.420 | 1.302 | .809 | .733 |
| | I am open-mined | 5.120 | 1.304 | .791 | .712 |
| | I tend to feel curious rather than anxious when traveling to foreign environments | 5.410 | 1.418 | .787 | .787 |
| | When I travel, I am willing to try local food that I have never tried before | 5.370 | 1.249 | .785 | .734 |
| | I like experiencing new/different places | 5.320 | 1.436 | .770 | .657 |

| | | | | | |
|---|---|---|---|---|---|
| | I speak quite openly even with people who I meet for the first time | 5.040 | 1.303 | .748 | .663 |
| | I like meeting new people | 5.170 | 1.230 | .689 | .663 |
| | I believe that the main purpose of travel is to learn something new | 5.100 | 1.585 | .606 | .722 |
| | I like mixing with local people when I travel | 4.630 | 1.445 | .570 | .568 |
| | I like to see how other people live | 5.050 | 1.589 | .552 | .572 |
| Factor2: Nature-Lover | Just resting and relaxing is vacation enough for me | 4.230 | 1.615 | .923 | .903 |
| | I Prefer natural destinations rather than man-made destination | 4.130 | 1.562 | .914 | .925 |
| | I long for something new to relieve the monotony of my everyday life | 4.450 | 1.605 | .897 | .886 |
| | Travel can be a temporary escape from the daily routine | 4.670 | 1.737 | .826 | .840 |
| | I love nature | 4.320 | 1.565 | .798 | .819 |
| | I enjoy outdoor activities rather than indoor activities | 4.300 | 1.565 | .774 | .787 |
| Factor3: Sense of Independence | Without adventures, life would be far too dull | 4.830 | 1.620 | .835 | .836 |
| | I am self-reliant | 4.980 | 1.557 | .831 | .800 |
| | I believe that a happy life is the result of my own efforts | 5.040 | 1.533 | .789 | .727 |
| | I am always looking for | 4.740 | 1.550 | .721 | .671 |

| | | | | | |
|---|---|---|---|---|---|
| | excitement | | | | |
| | I like the challenge of doing something I have never done before | 4.570 | 1.637 | .639 | .667 |
| | I enjoy challenges and adventures in recreation | 4.650 | 1.382 | .632 | .630 |
| Factor4: Relaxation | I think that taking a break is as important as work | 5.430 | 1.406 | .839 | .827 |
| | I keep worrying about work when I am not working | 5.390 | 1.383 | .818 | .806 |
| | Relaxing is as important as working hard | 5.540 | 1.383 | .776 | .741 |
| | I should be rewarded for my effort | 5.010 | 1.528 | .629 | .625 |
| | I like a trip that is well organized by time | 4.770 | 1.534 | .580 | .624 |
| Factor5: Self-realization | My travel experience helps me to look back at my life | 4.410 | 1.870 | .839 | .831 |
| | Traveling provides me with chances to know myself | 4.230 | 1.804 | .808 | .791 |
| | I know who I am as a person | 4.170 | 1.793 | .738 | .798 |
| Factor6: Money & Enjoyment | I prefer name-brand products even though they are more expensive | 4.160 | 1.712 | .669 | .542 |
| | I place more importance on enjoying life than anything else | 5.290 | 1.503 | .651 | .700 |
| | Fun and enjoyment have priority in my life | 5.020 | 1.494 | .628 | .650 |
| | My main purpose when traveling is to experience pleasure and have fun | 5.530 | 1.438 | .614 | .711 |

| | | | | | |
|---|---|---|---|---|---|
| Factor7: Family & Friend | I must work hard for my family | 3.590 | 1.675 | .836 | .783 |
| | I like hanging out with friends | 3.390 | 1.654 | .746 | .726 |
| Factor8: Authenticity | I am willing to buy a fake designer product if it is similar to the original | 3.720 | 1.789 | .809 | .734 |
| | I enjoy original art rather than replications | 4.580 | 1.833 | .668 | .727 |
| | I like to visit historical site | 4.690 | 1.820 | .637 | .701 |
| Factor9: Security | I prefer package tours because they are the safest way to travel abroad | 3.630 | 1.664 | .727 | .587 |
| | I would be hesitant to travel to a country where English is not commonly spoken | 3.600 | 1.648 | .649 | .553 |
| | Traveling alone is dangerous | 3.580 | 1.800 | .622 | .605 |

Note: FL: Factor Loading; COMM: Communality

Table 5 shows factor analysis results including eigenvalues, which show the total variance explained by each factor; the percentage of variance attributed to each factor; Cronbach's alpha, which is an index of reliability of the underlying construct; the Kaiser-Meyer-Olkin measure (KMO), an index used to examine the appropriateness of factor analysis; and Bartlett's Test of sphericity, a test statistic used to examine the hypothesis that the variables are uncorrelated in the population.

Nine factors were initially labeled as follows: Factor 1 = Inquisitiveness (10 items; alpha = .922); Factor 2 = Nature-Lover (6 items; alpha = .944); Factor 3 = Sense of Independence (6 items; alpha = .903); Factor 4 = Relaxation (5 items; alpha = .855); Factor 5 = Self-realization (3 items; alpha = .919); Factor 6 = Money & Enjoyment (4

items; alpha = .774); Factor 7 = Family & Friend (2 items; alpha = .706); Factor 8=Authenticity (3 items; alpha=.790); and Factor 9= Safety (3 items; alpha=.625).

Table 5

*Eigenvalue, Variance explained, and Cronbach's Alpha of MMVS items*

| | | | | | | |
|---|---|---|---|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling adequacy 0.887 | | | | | | |
| Bartlett's Test of Shpericity 18080.647 | | | | | | |
| Factor | Number of Items | Mean | SD | Eigenvalue | Variance(%) | $\alpha$ |
| Factor1 | 10 | 5.164 | 1.066 | 7.103 | 14.205 | .922 |
| Factor2 | 6 | 4.348 | 1.423 | 5.049 | 10.098 | .944 |
| Factor3 | 6 | 4.818 | 1.303 | 4.575 | 9.151 | .903 |
| Factor4 | 5 | 5.228 | 1.152 | 3.894 | 7.787 | .855 |
| Factor5 | 3 | 4.272 | 1.691 | 3.844 | 7.689 | .919 |
| Factor6 | 4 | 5.001 | 1.190 | 2.939 | 5.878 | .799 |
| Factor7 | 2 | 3.490 | 1.409 | 2.229 | 4.459 | .895 |
| Factor8 | 3 | 4.326 | 1.521 | 2.009 | 4.018 | .790 |
| Factor9 | 3 | 3.605 | 1.289 | 1.745 | 3.491 | .625 |

Note1: N = 489
Note2: Extraction method: Principa Component Analysis
Note3: Rotation Method: Vaimax with Kaiser Normalization

Cronbach's alpha is one of the most widely used reliability indexes (Ap, 1992; Delamere, 1998; Lankford & Howard, 1994). The minimum and maximum value range of Cronbach's alpha is from 0 to 1. Although there is some controversy in the literature

about alpha's acceptance levels, values of .7 or higher have generally been considered as the desired level of reliability; while higher than .6 but less than .7 is generally regarded as the minimum acceptance level (Nunnally & Bernstein, 1994). Cronbach's alpha coefficients for the study's individual MMVS domains ranged from .625 to .944.These alpha levels illustrate that the factor groupings are moderately to strongly reliable.

Also, the KMO, a measure of sampling adequacy, is .892. This score is a good indication that the factor analysis is useful for the items. High values (between 0.5 and 1.0) signify that the data used is suitable for factor analysis. Values below 0.5 imply that the correlations between pairs of variables cannot be explained by other variables and that factor analysis may not be appropriate. Also, the result of the Bartlett test was significant at the .01 level (Norusis, 1993). This result can be interpreted as illustrating that there are correlations in the data set that are appropriate for factor analysis. According to the factor' means, respondents regarded Factor 4 (relaxation) as being the most important value, Factor 9 (security) as the least important value.

## Orthogonal Design and its Validity

After the qualitative interpretation and scale development, the second phase of the study demonstrated whether tourist segment groups characterized by MMVS show heterogeneous preferences when making tour-related choices. I expected varied preferences for the different attributes of the hypothetical Seoul package tour among non-Asians. The tours' attributes and corresponding levels were determined through in-depth interviews with tourism experts who have worked at representative tour companies in

Korea, opinions of international tourists who visited Seoul, and evidence in the tourism literature.

After aggregating the information, I determined that the six most important attributes and their levels for a hypothetical Seoul package tour were: “level of Korean food served (three levels)”; “tour price (three levels)”; “Number of cultural experience sites (two levels)”; “Number of shopping tour sites (two levels)”; “Number of entertainment tour sites (two levels)”; and “Number of modern sightseeing sites (two levels).” Considering the number of attributes and levels, there were 144 (3*3*2*2*2*2) possible combinations of levels; however, it is impractical to ask respondents their preferences for all cases in a survey questionnaire. Therefore, I employed fractional factorial design, which is an experimental design consisting of carefully chosen sub-sets of all possible combinations. The main advantage of the fractional factorial design is to effectively estimate the main effects of a model with a few sub-sets. By so doing, one does not need to measure every possible combination, but only a very carefully chosen few. In this study, eight sub-sets out of one hundred forty-four combinations were chosen and designed by the Statistical Analysis System (SAS). SAS drew an orthogonal design that maximized the determinant of the information matrix under the given condition (D-efficiency). Table 6 shows the 8 sub-sets chosen. Each subset has a different level of values.

Table 6

*Fractional Factorial design*

| Set | Profile | Level of Korean food served | Price | # of Cultural/ historical experience sites | # of Shopping tour sites | # of Entertainment tour sites | # of Modern city sightseeing sites |
|---|---|---|---|---|---|---|---|
| 1 | A | 3a | 3b | 1c | 1d | 2e | 1f |
| | B | 1a | 1b | 1c | 1d | 1e | 2f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | A | 3a | 1b | 1c | 1d | 1e | 2f |
| | B | 1a | 3b | 2c | 1d | 1e | 1f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | A | 3a | 3b | 2c | 1d | 1e | 1f |
| | B | 1a | 1b | 1c | 1d | 2e | 1f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | A | 1a | 1b | 2c | 1d | 1e | 1f |
| | B | 3a | 3b | 1c | 2d | 1e | 1f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | A | 1a | 3b | 1c | 1d | 1e | 1f |
| | B | 3a | 1b | 2c | 1d | 1e | 1f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | A | 3a | 3b | 1c | 1d | 1e | 2f |
| | B | 1a | 1b | 1c | 2d | 1e | 1f |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | A | 3a | 1b | 1c | 1d | 2e | 1f |
| | B | 1a | 3b | 1c | 2d | 1e | 1f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | A | 3a | 1b | 1c | 1d | 1e | 1f |
| | B | 1a | 3b | 1c | 1d | 1e | 2f |
| | C | 0 | 0 | 0 | 0 | 0 | 0 |

Note:1a: 33% Korean food served of total meals; 3a:100% Korean food served of total meals; 1b: $100USD; 3b: $166USD; 1c: visit cultural sites one time; 2c: visit cultural two times; 1d: visit shopping site one time; 2d: visit shopping sites two times; 1e: visit entertainment site one time; 2e: visit entertainment sites two times; 1f: visit modern city sightseeing sites one time; 2f: visit modern city sightseeing sites two times; 0: none

After creating the fractional factorial design, the next step was to test whether the eight sets can estimate parameters in the right direction. Specifically, a verifying procedure was needed to validate how well the design could estimate parameters (Yoo, 2011). A way to systematically confirm the appropriateness of the design is to compare the estimated parameters from the simulated data to predetermined parameters. In order to perform this test, a researcher intuitively and rationally assigns arbitrary numbers as true $\beta$s (main effects). Next, individuals' utility is calculated by multiplying attributes' levels and the determined parameters. Since the error term is assumed to be identically and independently distributed, the probability formulation can be determined (see Eq.3). Considering the utilities obtained and probability function, a researcher can estimate the choice probability. That is, probabilities of whether an individual would select certain alternatives is calculated, which enables the researcher to obtain simulation SP data sets

(choice data). After Multinomial Logit (MNL) analysis was conducted with the stated preference data, the researcher compared the estimated parameters with predetermined parameters. If they are reasonably consistent at a statistically significant level, I assumed the fractional factorial design was appropriately designed. In this study the 14,400 (600 individuals * 8 sets * 3 profiles) simulation choice data were analyzed by MNL and parameters were estimated by maximum likelihood. Table 7 shows parameter estimates of the 600 simulation data.

Table 7

*Parameter estimates of simulation data*

| Parameter Estimates | | | | | |
|---|---|---|---|---|---|
| Parameter | DF | Estimate | Standard Error | t Value | Approx Pr> $\|t\|$ |
| Level of food served | 1 | 0.4114* | 0.0177 | 23.28 | <.0001 |
| Price | 1 | -0.3179* | 0.0190 | -16.70 | <.0001 |
| Historical/Cultural sites | 1 | -0.1942* | 0.0596 | -3.26 | 0.0011 |
| Shopping sites | 1 | -0.1820* | 0.0698 | -2.61 | 0.0091 |
| Entertainment sites | 1 | -0.2710* | 0.0666 | -4.07 | <.0001 |
| Modern sightseeing site | 1 | -0.2923* | 0.0610 | -4.79 | <.0001 |

* indicates significance at .05 level

All variables were statistically significant at the 95% confidence level. Table 8 shows the pre-determined and estimated coefficients from the simulation data.

Table 8

*A comparison of estimated coefficients with pre-determined coefficients*

| | Estimated Values | Pre-determined Values |
|---|---|---|
| Level of local food served | 0.411 | 0.4 |
| Price | -0.317 | -0.3 |
| Historical/cultural sites | -0.194 | -0.2 |
| Shopping sites | -0.182 | -0.15 |
| Entertainment sites | -0.271 | -0.2 |
| Sightseeing sites | -0.292 | -0.2 |

As shown in Table 8, the size and signs of the estimated coefficients and pre-determined coefficients estimates were fairly consistent. Therefore, the fractional factorial design properly represented the main effects of the variables.

**Estimation Results of the Model Without Interaction Terms**

I inserted four dummy variables instead of four destination variables (main variables) in the study models. The four dummy variables were added into the model to reflect the non-linearity of the four destination variables. I coded 1if attribute level is equal to 2, and 0 if the level is equal to 1. However, since both the main variable and the dummy variables were included in the same model together, a multicollinearity problem was encountered. Therefore, only dummy variables were inserted in the utility function (Gujarati & Porter, 2009). Also this study included the Alternative Specific Constant (ASC) variable in the study model. The coefficient of the variable will show the utility that individuals obtain when choosing any tours (tour A or B).

Table 9 shows that the study model included the main variables for "level of Korean food served," "price" and dummy variables for the four destination types. Respondents were asked to answer 8 sets of choice questions and 11,736 data entries were analyzed. The estimated parameters indicated how utility changed when an attribute changed by one unit and all variables were statistically significant at the .05 % level. Table 9 shows the MNL results.

Table 9

*Estimation results of the MNL model without interaction terms*

| Parameter Estimates | | | | | |
|---|---|---|---|---|---|
| Parameter | DF | Estimate | Standard Error | t Value | Approx Pr> $\|t\|$ |
| Level of food served | 1 | .4406* | .0245 | 17.96 | <.001 |
| Price | 1 | -.0116* | .0007 | -15.58 | <.001 |
| Historical/cultural sites | 1 | .8621* | .0866 | 9.95 | <.001 |
| Shopping sites | 1 | .2790* | .0931 | 2.99 | <.001 |
| Entertainment sites | 1 | .3287* | .0895 | 3.67 | <.001 |
| Modern sightseeing sites | 1 | .6338* | .0864 | 7.34 | <.001 |
| ASC | 1 | 2.2144* | .1357 | 16.31 | 0.000 |
| Number of observations | | 11736 | | | |
| Log-Likelihood | | -6251.0419 | | | |

* indicates significance at .05 level

Table 9 contains the estimated coefficient for each variable. The coefficient estimates for a historical/cultural sites is .8621 with a corresponding p-value of <0.001. This indicates that the coefficient statistically indicated that a one unit change in the variable number of Historical/cultural sites would result in .8621 changes on the log-odds if other variables are fixed at the same level. Other variables were also statistically significant judging from the t-statistics. Because all variables were significant, the result signified that respondents were likely to visit any of the sites in Seoul. Moreover, the sizes of the estimates implied that a "Historical/cultural sites" had the greatest effect on respondents' utility, followed by modern sightseeing sites, entertainment sites and shopping sites. Respondents' interest in Korean food, conversely, had a relatively small effect on respondents' utility. In terms of the tour price, the parameter was negative and significant. It can be interpreted that an increase in tour price is not preferred by respondents. ASC was found to have a significantly positive effect on individuals' choices, indicating that respondents would obtain more utility when they join tours.

## Estimation Results of the Model with Interaction Terms

Individual characteristics of the variables cannot enter into the choice utility function alone because individual characteristics are invariant across choice alternatives. Therefore, in order to investigate the effect of individuals' characteristics on choice alternatives, the researcher must insert the interactions with choice attributes. Yoo (2011, p.41) mentioned that "Incorporating respondent characteristics/attribute level interactions

can help identify systematic heterogeneity in preferences that are tied to respondent characteristics."

Adding to the tourism literature regarding the relationship about personal values and their significant effect on changing tourists' behaviors, this study investigated how inquisitive, fun, and authentic values affect respondents' choices of Seoul tour packages. In order to investigate the relationships between these values, three interaction terms (number of Korean food served * Inquisitiveness; Number of shopping sites * money and enjoyment values; number of historical/cultural sites * authenticity) were inserted in the study model. The model tested the following hypotheses: a tourist who values inquisitiveness, money and enjoyment experience, or authenticity highly is more likely to choose a Seoul daily tour package that includes more chances to try/have local food, shopping tour sites, or historical/cultural sites. Table 10 shows that the study model included two main basic element variables, four dummy variables for the four destination types, and three interaction terms.

The results indicated that ASC had a significantly positive effect on individuals' choices, indicating that respondents would obtain more utility when they join tours. Moreover, the first interaction term (number of historical/cultural tour sites *inquisitiveness) was not statistically significant, which does not support the first hypothesis. This is because the "level of Korean food served" variable was significant, meaning that all respondents, not just the more inquisitive, were more likely to try Korean food. On the other hand, the second and third hypotheses were supported, as more money and enjoyment oriented/authentic seekers were more likely to visit shopping/cultural sites. The marginal utility for shopping sites is the sum of two terms

Table 10

*Estimation results of the MNL model with interaction terms*

| Parameter Estimates | | | | | |
|---|---|---|---|---|---|
| Parameter | DF | Estimate | Standard Error | t Value | Approx Pr>\|t\| |
| Level of Korean Food Served | 1 | 0.4008* | 0.0591 | 6.78 | <.001 |
| Price | 1 | -0.0116* | 0.0007 | -15.58 | <.001 |
| Historical/cultural sites | 1 | 0.7590* | 0.1004 | 7.56 | <.001 |
| Shopping sites | 1 | 0.2255 | 0.1240 | 1.82 | 0.069 |
| Entertainment sites | 1 | 0.3289* | 0.0895 | 3.67 | <.001 |
| Modern sightseeing site | 1 | 0.6342* | 0.0864 | 7.34 | <.001 |
| ASC | 1 | 2.0557* | 0.1701 | 12.09 | <.001 |
| KFS * Inquisitiveness | 1 | 0.0077 | 0.01032 | 0.75 | 0.454 |
| NSS *Money & enjoyment | 1 | 0.0932* | 0.203 | 7.06 | <.001 |
| NCS *Authenticity | 1 | 0.0246* | 0.0122 | 6.03 | 0.043 |
| Number of observations | | 11,736 | | | |
| Log-Likelihood | | -6247.5181 | | | |

* indicates significance at the .05 level

Note 1 : KFS * Inquisitiveness: Interaction term between “Korean food served” and Factor1; NSS * Money & enjoyment value: Interaction term between “Number of Shopping Sites” and Factor 2; NCS * Authenticity: Interaction term between Number of Cultural Sites and Factor 8

between the main effect and the interaction effect. Since the main effect is statistically insignificant, while the interaction term is significant, I cannot judge whether respondents have significant WTP for additional shopping unless I consider both terms. The same is true for local food. As expected, the estimate of the tour price was negative, meaning that increasing the price negatively affected individuals' likelihood to choose a package tour.

Table 11 shows Marginal Willingness-To-Pay (MWTP). This MWTP is important for welfare analysis on the grounds that it presents insights about which attributes make respondents better or worse off based on changes in feasible management options. The DCE provides researchers and decision-makers with monetary values equal to one unit of attribute level, which enables them to find an attribute combination that makes respondents better or worse off. Table 11 shows the MWTP of significant variables.

I calculated the 99% confidence intervals of Marginal Willingness-To-Pay (MWTP). "Number of cultural/historical tour sites" had the highest value of all of the existing resources, followed by "Number of modern sightseeing sites," "Level of Korean food served," "Number of entertainment tour sites," and "Number of shopping tour sites." Again, MWTP stands for the benefit a person receives from consuming one more unit of a good. In terms of the MWTP, respondents are willing to pay $ 54.64, $74.32, $24.05, and $ 28.34, for one more visit to a modern sightseeing, historical/cultural tour, shopping sites, or entertainment site, respectively. Likewise, they are willing to pay $ 37.98 to try one more level of Korean food. Lastly, a WTP for going on a "baseline" tour is estimated to be worth almost $190.90.

Table 11

*Marginal Willingness-To-Pay*

| | |
|---|---|
| Level of Korean food served | $ 37.98 [ 30.40 - 45.86] |
| Number of historical/cultural tour sites | $ 74.32 [51.28 - 98.06] |
| Number of entertainment tour sites | $ 28.34 [6.37 - 50.70] |
| Number of modern sightseeing tour sites | $ 54.64 [33.34 - 76.28] |
| Number of shopping sites | $ 24.05 [3.34 - 44.50] |
| ASC (Baseline tour) | $ 190.90 [163.93 - 218.43] |

Note: The numbers in brackets are 99% confidence intervals, obtained using the methods of Krinsky and Robb (1986) and based on 1,000 random draws.

# Chapter 5

## Conclusions

This study applied a conceptual framework regarding personal values and their role in causing heterogeneous human-behaviors to a choice modeling study in a tourism context. Researchers have examined the importance of personal values and their intermediary role in secondary behaviors (Beatty et al., 1985; Conner & Becker, 2003; Ekinci & Chen, 2001; Kamakura & Mazzon, 1991; Kamakura & Novak, 1992; Madrigal & Kahle, 1994; Munson, 1984; Pitts & Woodside, 1986; Pizam & Calantone, 1987; Rokeach, 1973; Shrum & MacCarty, 1997; Watkins, 2011). Tourism researchers have also tried to identify the causes of behavioral differences. Personal values is one of the known factors of behavioral differences. Numerous tourism studies have confirmed values' role in distinguishing travel-related behaviors such as destination, activities, and accommodation choices (Madrigal & Kahle, 1994; McCleary & Choi, 1999; Sharpley, 1999). While personal values have been treated as contributory factors in establishing the cause of heterogeneous tour-behaviors, their measurement has not been the center of attention (Ekinci & Chen, 2001; Pitts & Woodside, 1986; Pizam & Calantone, 1987).

In terms of the measurement of values, the argument that the three representative measurement scales (LOV, VALS, & Hoftstede' cultural scale) are robust has been criticized when applied to cross-cultural settings. These standard value scales, which have been widely used in numerous disciplines, have failed to accurately generalize dimensional frameworks in recent examples of cross-cultural tourism research (Chan &

Rossiter, 1997; Li et al., 2010; Watkins, Leah, & Gnoth, 2005). The main cause of this discrepancy was not the theoretical link between values and behaviors, but a methodological issue based on the limitations of existing scales. Namely, the scales have not grasped culturally influenced values (Berrien, 1967; Berry, 1969; Li, 2010; McCarty, John, & Shrum, 2000;). Another reason for the failure of dimensionality is that the values scales were developed based on Western philosophies (Watkins, 2006). This fact also makes the scales' dimensionality inconsistent in Eastern contexts (Malhotra & McCort, 2001; Vandenberg & Lance, 2000).

Several studies argued that new value measurement scales should be considered (Brislin, Lonner & Thorndike 1973; Frijda & Jahoda, 1966; Malpass 1977; McCarty & Shrum 2000). However, few studies have successfully developed a values scale that not only covers general values but also captures their specific nuances (Watkins, 2011). The absence of an integrated values scale has meant that researchers have not been able to grasp the exact state of individuals' values. These arguments illustrate the necessity of developing universal measurement scales. Therefore, the first phase of this study was to develop a cross-cultural values measurement scale that complements the existing scales' flaws. By scrutinizing the deep seated values and generalizing them, this study suggested a wider but more elaborate values scale that abandons the Western paradigm: the Mixed Method Value Scale. In this way, the study represents the first empirical examination of worldwide values scale development in a tourism context.

In order to develop a valid and reliable value scale, this study applied a mixed-method approach to observe intrinsic nationally-distinct values and to generalize the findings. Qualitative methodology was employed to find deep seated personal values.

Subtle nuances of cultural values were systematically studied via in-depth open-ended questions. Then, respondents' answers were generalized through quantitative verification tests. In order to increase the content validity of the items generalized, multiple scholars, graduate students, and staff members went through 159 initial items over three stages, finally leaving 54 items. An exploratory factor analysis was performed. The reliability of the items was tested by Cronbach's alpha. The alphas indicated that the developed items were internally consistent. The results showed that the MMVS was reliable. Thus, a scale that is developed using these mixed method methodologies is capable of finding culturally-influenced values and standardizing the findings. This study found new value dimensions which have not been found in previous value studies (i.e. life balance, emotional growth, family union, and friendship) and to provide segmentalized sub-dimensions (i.e. balancing between work and rest, time management, rewards of investment, and self-examination). In this way, the study complements and enhances the current body of knowledge on values measurement. The future use of the MMVS will enable tourism administrators and researchers to accurately measure personal values, which will strengthen the outcomes of future tourism studies.

Another phase of the study was to examine the theoretical frameworks regarding values' role in causing heterogeneous tour behaviors. This study measured respondents' values with the MMVS and employed a Discrete Choice Experiment (DCE) to investigate respondents' tour-related preferences. According to the logic behind DCE, individuals are likely to choose goods and services that maximize their utility. Therefore, the study hypothesized that individuals who possess different value orientations will place emphasis on certain attributes of tour packages, which in turn will lead to

heterogeneous choices. The main advantage of the DCE is to distinguish trade-offs between price and tour attributes as a form of economic value (Marginal Willingness To Pay) represents individuals' pecuniary value as changes in attributes of one unit. The DCE enables researchers to derive a fixed amount of money for the additional gain or loss of one unit of an attribute. By comparing the MWTP between attributes, researchers or decision-makers can recognize which attributes are more attractive to a certain group (Hearne & Salinas, 2002; Oh & Ditton, 2006).

The results of this study show MWTP values for multiple attributes of Seoul tour packages. The Historical/cultural tour sites had the highest value of all tour sties in Seoul. This conclusion is supported by the report issued by the Korean Tourism Organization. According to the report in 2011, foreign tourists wanted to visit Changdeokgung (one of the "Five Grand Palaces") and Gyeongbokgung (the main and largest palace of the Five Grand Palaces), which are two of the representative historic palaces in Seoul. Modern sightseeing, entertainment and shopping tour sites were also important tour destinations that increase the number of Seoul package tours purchased. An increase of one unit of modern sightseeing, entertainment and shopping tour sites were worth $ 54.64, $28.34, and $24.05 respectively. Shopping sites, however, have the least appeal to the non-Asian, as providing more chances to visit shopping sites did not influence the likelihood to purchase a Seoul package tour as much as other sites did. This finding may be because the present study excluded the sample of Asian respondents in the study analysis. According to the report issued by the Korea Tourism Organization in 2011, shopping was a main tour attraction for Japanese and Chinese tourists; however, non-Asian tourists did not participate in this tour activity as much as the Asians. The report indicated that

only .5 percent of non-Asian tourists mentioned that the shopping tours are what brought them to Korea. Excluding the Asian sample in the study analysis would make the shopping tour insignificant sites. Therefore, further studies should expect different results based on different cultural samples.

Another interesting finding is that the inquisitiveness value does not influence their preference for Korean food. According to the KMO report, inbound tourists were drawn to the culinary experience of Korean food. The report described that more than 40 % of all respondents would like to experience Korean food. Therefore, all tourists, regardless of inquisitiveness level, appear to be equally likely to select a tour package that featured opportunities to try Korean food.

This study result partially supports the link between respondent values and heterogeneous choice behaviors. The results supported the hypotheses that a respondent who emphasizes enjoyment/authentic value is more likely to choose a package tour that includes more chances to go to shopping/cultural tour sites. These findings provide tourism managers with deeper insight into the value behind tourists' choices of Seoul tour packages. With greater awareness of personal values, managers can offer heterogeneous tourism products or tailor customized tour programs for distinct types of tourists, thereby satisfying tourists' demands. In fact, most of the one day tours provided by the Korean Tourism Organization or Korean tourism companies are single-theme travel. Tourism providers should be urged to serve foreign tourists who stay in Korea for a short time with tour packages that supply diverse tour experiences. In order to do this, the providers must try to reflect tourists' preferences when designing their tour goods/services. Homogeneous marketing strategies do not correspond to the preferences of the tourists in

this study. Segmentation should be carried out based on the scientific research outcome. In this sense, this study contributes to the notion that segmentation can be based on the sizes of MWTP. For policy purposes, this type of study provides useful information to help policy-makers. The quantitative information indicates the economic values of multiple tour attributes, which can help tour providers to organize the attributes depending on tastes.

## Limitations

Given the difficulty of obtaining ethnically diverse samples this study only examined non-Asian preferences. This control made it difficult to generalize the study results, so further study will be needed to test preferences with more diverse sample.

Also, although an acceptable values scale was developed, this study represents the first in developing a values scale for tourists. This study used a limited sample, which cannot provide a satisfactory level of construct validity. In the initial stages of scale development, EFA can be a satisfactory technique for scale construction. However, confirmatory Factor Analysis (CFA) should be used when validating the hypothetical relationship between a construct and its descriptors (Bagozzi & Yi 1988; Floyd & Widaman 1995) and modifying instruments to improve their psychometric capabilities (e.g., Anderson & Gerbing 1988; Bagozzi & Yi, 1988). Thus, further research is needed to test the scales' reliability and validity within other cross-cultural settings using CFA (see Joreskog, 1969).

Random Utility Theory (RUT) is a theoretical background of Stated Preference DCE. The idea behind RUT is that individuals compare product/services and choose one that best satisfies their utility. DCE formulizes the RUT algorithm, which includes two utility parts: observable utility and unobserved stochastic idiosyncrasies of tastes. The latter reflects the unexplained variation of an action between individuals, which the researcher cannot observe in the individuals' behavior. DCE hypothesizes the Independence of the Irrelevant-Alternatives property (IIA), implying that individuals' choice probability across one alternative does not depend on the choice probability of any other alternative (Ben-Akiva & Lerman, 1985). It is a known fact that this assumption has been criticized because the DCE is unable to deal with the unobserved heterogeneity of the individuals' preferences. Therefore, calibration approaches have been suggested to mitigate the IIA assumption.

Two models have been suggested in the literature: the Mixed Logit Model (MLM) (Greene & Hensher, 2003; Train, 1998) and Latent Class Model (LCM) (Boxall & Adamowicz, 2002; Scarpa & Thiene, 2005). According to Yoo (2011), LCM relaxes the homogenous preference assumption of the random utility model while MLM is considered a breakthrough in terms of its flexibility and its wide range of capturing consumer heterogeneity. Therefore, I suggest the use of these models to obtain respondents' heterogeneous preferences for the future study.

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## Appendix A

## Survey Questionnaire

**a. Part A:** The following questions will help us to understand your thoughts associated with international travel. There are no right answers.

1. Have you ever travelled overseas? ___ Yes ___ No

a. If yes, what countries did you visit?

_____

b. If yes, please recall your most impressive international trip that you have been on. This trip must be one in which you had a role in choosing the destination.
Why did you choose it as a destination? (Please indicate at least three characteristics that influenced your travel decision)

_____

c. what benefits did you derive from these characteristics?

_____

d. Again, based on your answers to question d, why are those benefits important or desirable to you?

_____

**Part B:** People value many different things when the travel. Please indicate how much you agree or disagree with each statement listed below. Circle one number for each item.

| | | |
|---|---|---|
| | Strongly | Strongly |

| | Disagree | | | | | | Agree |
|---|---|---|---|---|---|---|---|
| I enjoy outdoor activities rather than indoor activities | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I enjoy original art rather than replicas | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I prefer traveling alone rather than traveling with friends | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I place more importance on enjoying life than anything else | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| One of my mottos is to save nature | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Traveling alone is dangerous | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I want to be alone occasionally | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I prefer package tours because they are the safest way to travel abroad | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I would be hesitant to travel to a country where English is not commonly spoken | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like a trip that is well organized by time | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Travel can be a temporary escape from the daily routine | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Relaxing is as important as working hard | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Fun and enjoyment have priority in my life | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I prefer natural destinations rather than man-made | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| destinations | | | | | | | |
| I am open-minded | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I long for something new to relieve the monotony of my everyday life | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like to see how other people live | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I believe that the main purpose of travel is to learn something new | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I enjoy challenges and adventures in recreation | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I am willing to buy a fake designer product if it is similar to the original | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like to visit historical sites | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I ask for people's advice when I have problems | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| There are lots of things that should be discovered in the world | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I speak quite openly even with people who I meet for the first time | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like experiencing new/different places | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I am always looking for excitement | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Just resting and relaxing is vacation enough for me | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Without adventures, life would be far too dull | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| I must work hard for my family | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My friendships with others are precious to me | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like the challenge of doing something I have never done before | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My main purpose when traveling is to experience pleasure and have fun | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| When I travel, I am willing to try local food that I have never tried before | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like mixing with local people when I travel | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I think that taking a break is as important as work | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like meeting new people | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Money plays an important role in my life | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I have a good sense of where I am headed in my life | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Traveling provides me with chances to know myself | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I am self-reliant | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| My travel experience helps me to look back at my life | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I should be rewarded for my effort. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I would sacrifice myself to support my family | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I prefer name-brand products even though | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| they are more expensive | | | | | | | |
| I believe that a happy life is the result of my own efforts | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I know who I am as a person | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I love nature | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I tend to feel curious rather than anxious when traveling to foreign environments | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I need an occasional escape from work | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I prefer traveling alone rather than traveling with family | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I keep worrying about work when I am not working | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| I like hanging out with friends | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Part C:** In this section you will be asked to(a) read a brief introduction to Seoul, South Korea; (b) respond to a series of scenarios; and (c) provide some background information.

**Brief introduction to Seoul, South Korea:**

Seoul, South Korea is the largest city in the Organization for Economic Co-operation and Development (OECD) and home to more than 10 million people. To help tourists learn more about Seoul, **four types** of tours are offered to visitors: cultural tours, shopping tours, entertainment tours, and city sightseeing tours.

**1. Historical/Cultural sites**

First, Seoul has five UNESCO World Heritage Sites along with a number of other historical/cultural sites including palaces, gates, temples, and fortresses. The richness and diversity of Seoul's cultural and historical resources allow travelers to learn about Korean history and the architectural qualities of different eras. The following pictures are examples of representative historical/cultural sites in Seoul.



## 2. Shopping sites

Seoul is also a great place for shopping. In Korea, sales taxes are included in the purchase price of each product. Seoul offers satisfying products to all kinds of shoppers, from traditional souvenirs to art, luxury brands, and fashion. Additionally, travelers can go to duty free shops, which are located in many department stores in Seoul.


## 3. Entertainment sites

The entertainment tour, referred to as the Korean Wave tour, is the third type of tour. The sites visited on this tour include film locations for movies, where fans can meet movie stars and see concert venues.



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## 4. Modern Seoul sightseeing

Seoul also has a number of sightseeing attractions. They include the N Tower, a cylindrical tower, Cheonggyecheon Stream, a modern public recreation space in downtown Seoul, and Itaewon, an area with many restaurants serving international dishes.


**Hypothetical scenario:**

Now, let's assume that you (only yourself) are going to Seoul for some reason and will considering taking 1 day tour. You are purchasing a tour package because you are not familiar with Seoul.

Following this page, you will be exposed to eight different scenarios. Each scenario presents how different types of tours that include multiple attribute.

All tour begins promptly at 9:00a.m. and finishes at 5:00 p.m. A shuttle bus will be provided and breakfast, lunch, and dinner will be served during the tour.

Please review the number and type of attributes in each tour package and choose the tour package you prefer. If you do not like tour pacakge, then please choose "I would not take either tour.**"**

Set 1

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and types of level of local meals served | 3 Korean meals | 2 familiar meals & 1 Korean meal | I would not take either tour |
| Number of historical/cultural experience sites | 1 | 1 | |
| Number of shopping tour sites | 1 | 1 | |
| Number of entertainment tour sites | 2 | 1 | |
| Number of modern Seoul sightseeing sites | 1 | 2 | |
| Tour price | **$166** | **$100** | |

Q1.Please indicate which tour you you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 2

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and types of level of local meals served | 3 Korean meals | 2 familiar meals & 1 Korean meal | I would not take either tour |
| Number of historical/cultural experience sites | 1 | 2 | |
| Number of shopping tour sites | 1 | 1 | |
| Number of entertainment tour sites | 1 | 1 | |
| Number of modern Seoul sightseeing sites | 2 | 1 | |
| Tour price | **$100** | **$166** | |

Q2. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 3

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and types of level of local meals served | 3 Korean meals | 2 familiar meals & 1 Korean meal | I would not take either tour |
| Number of historical/cultural experience sites | 2 | 1 | |
| Number of shopping tour sites | 1 | 1 | |
| Number of entertainment tour sites | 1 | 2 | |
| Number of modern Seoul sightseeing sites | 1 | 1 | |
| Tour price | **$166** | **$100** | |

Q3. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 4

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and tpes of level of local meals served | 2 familiar meals & 1 Korean meal | 3 Korean meals | I would not take either tour |
| Number of historical/cultural experience sites | 2 | 1 | |
| Number of shopping tour sites | 1 | 2 | |
| Number of entertainment tour sites | 1 | 1 | |
| Number of modern Seoul sightseeing sites | 1 | 1 | |
| Tour price | **$100** | **$166** | |

Q4. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 5

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and tpes of level of local meals served | 2 familiar meals & 1 Korean meal | 3 Korean meals | I would not take either tour |
| Number of historical/cultural experience sites | 1 | 2 | |
| Number of shopping tour sites | 1 | 1 | |
| Number of entertainment tour sites | 1 | 1 | |
| Number of modern Seoul sightseeing sites | 1 | 1 | |
| Tour price | **$166** | **$100** | |

Q5. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 6

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and tpes of level of local meals served | 3 Korean meals | 2 familiar meals & 1 Korean meal | I would not take either tour |
| Number of historical/cultural experience sites | 1 | 1 | |
| Number of shopping tour sites | 1 | 2 | |
| Number of entertainment tour sites | 1 | 1 | |
| Number of modern Seoul sightseeing sites | 2 | 1 | |
| Tour price | **$166** | **$100** | |

Q6. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 7

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and tpes of level of local meals served | 3 Korean meals | 2 familiar meals & 1 Korean meal | I would not take either tour |
| Number of historical/cultural experience sites | 1 | 1 | |
| Number of shopping tour sites | 1 | 2 | |
| Number of entertainment tour sites | 2 | 1 | |
| Number of modern Seoul sightseeing sites | 1 | 1 | |
| Tour price | **$100** | **$166** | |

Q7. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Set 8

| Attribute | Tour A | Tour B | |
|---|---|---|---|
| Number and tpes of level of local meals served | 3 Korean meals | 2 familiar meals & 1 Korean meal | I would not take either tour |
| Number of historical/cultural experience sites | 1 | 1 | |
| Number of shopping tour sites | 1 | 1 | |
| Number of entertainment tour sites | 1 | 1 | |
| Number of modern Seoul sightseeing sites | 1 | 2 | |
| Tour price | **$100** | **$166** | |

Q8. After you compare the activities, please choose only the one that you prefer

① Activity A ② Activity B ③ I would not take either tour

Q9. Overall, what do you emphasized on your selections? [Check one of the every following question]

(1) ____ less level or ____ more level of familiar meal

(2) ____ less level or ____ more level of Korean meal

(3) ____ less number or ____ more level of cultural/historic sites

(4) ____ less number or ____ more level of shopping tour sites

(5) ____ less number or ____ more level of entertainment tour sites

(6) ____ less number or ____ more level of modern sightseeing sites

Q10. How likely are you to actually visit Seoul?

(1) impossible (2) unlikely(3) maybe (4) likely (5) very likely

## b.**PART F: Background Information**

1. What is your gender? ____ Female____ Male
2. What is your age?
3. What is the highest level of education you have completed? [Check one of the following categories]

| | |
|---|---|
| __ 8th grade or less | _____ College graduate |
| __ Some high school | _____ Some graduate school |
| _____ High school graduate or GED | _____ Masters or Doctorate |

4. Are you presently:

____ Employed (Occupation: _____)
____ Unemployed
____ Retired → (Previous occupation:_____)
____ Full-time homemaker
____ Student→ __ full time __ part time

5. What was your total household income (before taxes) in 2012? [Check one of the following categories]

_ Less than $20,000 ____ $40,000 to $59,999 ____ $80,000 to $99,999

_ $20,000 to $39,999 ____ $60,000 to $79,999 ____ $100,000 or more

6. What is your nationality?_____

7. What is your marital status?

____ Married ____ Single

Thank you for your assistance.

## Appendix B

## Matlab code for Monte Carlo Simulation

```
% Matlab Code for Empirical Distribution


% Step1: Insert estimated results for parameters of multivariate normal

% distribution of betas


load('cov4.mat')

Mu = [.4405753  -.0115777  .8621079 .2789529  .3286874  .6337724 2.214439 -

2.255962 ]; %insert estimated six estimates

SIGMA = cov4;

%{

SIGMA=[sig11 sig12 sig13 sig14 sig15;...

    sig21 sig22 sig23 sig24 sig25;...

    sig31 sig32 sig33 sig34 sig35;...

    sig41 sig42 sig43 sig44 sig45;...

    sig51 sig52 sig53 sig54 sig55];


%}

% step 2: Choose Replication and Sample sizes
```

```
 R=1000;
N=1;

% Step 3: Draw N beta vectors from the multivariate normal distribution for
% each replication
%Price = -.0115848;

MWP = zeros(R,1);
for r=1:R
    Sim_r = mvnrnd(Mu, SIGMA,N); %simulated betas
    Local = Sim_r(:,1);
    Price = Sim_r(:,2);
    Cul = Sim_r(:,3);
    Shop = Sim_r(:,4);
    Ent = Sim_r(:,5);
    City = Sim_r(:,6);
    ASC = Sim_r(:,7);
 MWTP(r,1) = sum(ASC./(-Price))/N;
end
%Step 4: Draw Emprical distribution

MWTP = sort (MWTP);
[cdf_value,x_value]=ecdf(MWTP);
```

```
plot(x_value,cdf_value)

[ff,xx]=ksdensity(MWTP);

ff=ff/sum(ff);

mean= sum(ff.*xx)

var=sum(ff.*((xx-mean).^2));

sd=sqrt(var)

LHS0= mean-1.645*sd

RHS0= mean+1.645*sd

LHS1= mean-1.96*sd

RHS1= mean+1.96*sd

LHS2= mean-2.58*sd

RHS2=mean+2.58*sd


price= -.0115777 ;

local = .4405753

Cul = .8621079

Ent = .3286874

City = .6337724

Shop = .2789529

ASC = 2.214439

xx= ASC/-price


[LHS0 xx RHS0]
```

[LHS1 xx RHS1]

[LHS2 xx RHS2]

# Vita

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RESEARCH INTEREST

Tourism Economics: Contingent Valuation Method / Choice Modeling

Finance and Tourism: Risk Management

EDUCATION

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PEER-REVIEWED PUBLICATIONS

**Lee, W**., Graefe, A., & Hwang, D. (2013) Willingness to pay for an ecological park experience. *Asia Pacific Journal of Tourism Research* Vol.18, 3.(Social Sciences Citation Index)

**Lee, W**., Kim, J., Graefe, A., & Chi, S. (2013) Valuation of eco-friendly hiking trail using a contingent valuation method: An application of psychological ownership theory. *Scandinavian Journal of Hospitality and Tourism* (Social Sciences Citation Index)

**Lee, W**., Moon, J., Lee, S-K., & Kerstetter D. (Accepted) Systematic risk determinants of the US online tour agencies industry. *Tourism Economics* (Social Sciences Citation Index)