DETERMINANTS OF TOURISTS' INTENTION TO PURCHASE HANDICRAFTS

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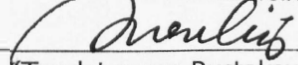|		
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ABSTRACT

There were many research studies on tourism souvenir but research on tourists' intention to purchase local handicraft is limited. This is particularly evident in developing countries, such as Malaysia. The study proposed and tested an extended Theory of Planned Behavior (TPB) model to examine the determinants of tourists' intentions to purchase local handicraft. The study collected 344 usable responses from domestic and foreign tourists in Sabah. Data analyses were conducted in two phases. In the first phase, preliminary analysis including descriptive analysis, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), correlation analysis, t-test and reliability tests were undertaken. The second phase concentrated on model and hypotheses testing via structural equation modelling (SEM) using AMOS 20.0. After refining the proposed model, the results from maximum likelihood estimation procedures using AMOS indicated that all the three main determinants (attitude, subjective norm and perceive behavioural control) in the TPB were statistically significant in predicting tourists' intention to purchase local handicraft, indicating that TPB can be used to predict tourists buying intention for local handicraft. Past travel experience with local handicraft purchases was also significant in predicting tourists' intention to purchase local handicraft but shopping experiences only has minor influence on tourists' behavioural intention to purchase local handicraft. The independent-samples t-test was used to explore behavioural beliefs differences between local and foreign tourists about purchasing local handicraft and out of the 24 attributes being measured, only 11 attributes produced significant results. Further testing at their effect size using eta squared, proved to be of little use when the effect size of almost all the attributes was small. Only one attribute (makes a good gift) has a moderate effect size. Based on the independent-samples t-test results and the effect size test, it can be concluded that there is little differences between local and foreign tourists' behavioural beliefs about purchasing local handicraft. This study is significant because it has identified a new model to predict tourists' intention to purchase local handicraft and its contribution to research methodology via the use of CFA. Outdated data is one of the obstacles of this research.

Keywords: handicraft, souvenir, tourist experiences, theory of planned behaviour, structural equation modelling.

ABSTRAK

FAKTOR PENENTU NIAT PELANCONG UNTUK MEMBELI KRAFTANGAN

Kajian ini menggunapakai dan menguji Teori Tingkah Laku Terancang (Theory of Planned Behaviour - TPB) untuk menilai faktor penentu yang menyokong kecenderungan pelancong untuk membeli kraftangan tempatan. Seramai 344 responden terlibat dalam kajian ini dan mereka terdiri daripada pelancong tempatan dan asing yang melawat Sabah. Pengujian data dibuat berdasarkan dua peringkat. Peringkat pertama merupakan pengujian awalan yang terdiri daripada ujian diskriptif, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), ujian korelasi, ujian-t and ujian kebolehpercayaan. Manakala ujian peringkat kedua tertumpu kepada ujian hipotesis dan model dengan mengguna maximum likelihood estimation procedures yang terdapat dalam perisian AMOS 20.0. Selepas model kajian dikemaskini, keputusan analisis maximum likelihood estimation procedures mendapati terdapat hubungan yang signifikan di antara ketiga-tiga faktor penentu (sikap terhadap kelakuan, norma subjektif dan tanggapan kawalan tingkah laku) dengan kecenderungan untuk membeli kraftangan tempatan. Oleh itu, TPB boleh digunakan untuk meramal niat pelancong untuk membeli kraftangan tempatan. Hubungan yang signifikan juga diperolehi di antara pengalaman membeli kraftangan sewaktu melancong pada masa lalu dengan kecenderungan untuk membeli kraftangan tempatan. Walau bagaimanapun, shopping experiences menunjukkan kaitan yang agak lemah dengan kecenderungan untuk membeli kraftangan tempatan. Ujian independent-samples t-test diguna untuk menguji perbezaan kepercayaan tingkalaku berkait dengan pembelian kraftangan tempatan di antara pelancong domestik dengan pelancong asing. Dari 24 atribut yang dinilai, cuma sebelas atribut sahaja yang menunjukkan perbezaan yang signifikan. Selepas dinilai dengan lebih rapi, didapati cuma satu atribut sahaja (sesuai untuk dijadikan buah tangan) mempunyai nilai efek yang sederhana. Justeru itu, berdasarkan kepada keputusan independent-samples t-test, boleh disimpulkan bahawa tiada perbezaan yang ketara berhubung dengan kepercayaan tingkalaku kecenderungan untuk membeli kraftangan tempatan di antara pelancong domestik dengan pelancong asing. Kajian ini adalah penting kerana ia telah mengenalpasti satu model baharu untuk meramal niat pelancong untuk membeli kraftangan tempatan. Menggunapakai data yang agak lama merupakan salah satu daripada keleman kajian ini.

Kata Kunci*: Kraftangan, cenderahati, teori tingkah laku terancang*

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LIST OF ABBREVIATIONS

AGFI	Adjusted Goodness of Fit Index
AMOS	Analysis of Moment Structures
AT	Attitude
AVE	Average Variance Extracted
BB	Behaviour Beliefs
BI	Behavioral Intention
BBa	Beliefs about local handicraft quality and craftsmanship
BBb	Beliefs about local handicraft cultural and artisan linkage
BBc	Beliefs about local handicraft as gift and travel
CB	Control Beliefs
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
EFA	Exploratory Factor Analysis
GFI	Goodness of Fit Index
GOF	Goodness of Fit Indices
IFI	Incremental Fit Index
MSA	Measure of Sampling Adequacy index
NB	Normative Beliefs
NFI	Normed Fit Index
PBC	Perceived behavioral control
PCA	Principal Components Analysis
PCFI	Parsimony Comparative of Fit Index
PKKM	*Perbadanan Kemajuan Kraftangan Malaysia*
PNFI	Parsimony Normed Fit Index
RFI	Relative Fit Index
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Model
SN	Subjective Norm
Sea	product orientation shopping experiences
SEb	process orientation shopping experiences
SEc	store presentation and display shopping experiences

SPSS/PASW	Statistical Package for Social Science / Predictive Analysis Software
STB	Sabah Tourism Board
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action
UNESCO	United Nations Educational, Scientific and Cultural Organization
WTO	World Tourism Organisation

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CHAPTER 1

INTRODUCTION

1.1   Research Background

Today tourism has been earmarked as the "largest and fastest growing economic sectors in the world" (UNWTO, 2008:1). Worldwide international tourist arrivals grew from just 25 million in 1950 to staggering 903 million arrivals in 2007 (UNWTO, 2008:1). People travel for many reasons, however, World Tourism Organisation (WTO/UNWTO) has recognised that "heritage and culture have become a component in almost 40 per cent of all international trips" (Timothy and Boyd, 2003:1). This indicates that cultural tourism and heritage tourism have high demand from the international tourists. In particular, heritage tourism has gained significant attention in the 1990's and was regarded as one of the most significant and fastest growing components of tourism (Alzua, O'Leary and Morrison, 1998; Poria, Butler and Airey, 2003).

Generally, heritage tourism is associated to landscapes, natural history, buildings, artefacts or cultural traditions (Christou, 2005). Prentice (1993) added that heritage tourism also includes things that can be marketed as tourism product. Moreno and Littrell (2000) indicated that local or indigenous handicraft is an example of cultural heritage tourism product that is inherited from generation to another and usually marketed to tourists at destinations as souvenirs or as a gift while they (the tourists) do their shopping. Local handicraft is usually associated with authenticity where the production is mainly hand-made by the local people using raw materials which were locally available and the production technique and skills are often inherited (IDS, 2007). Initially, local handicrafts were produced "to fulfil ceremonial or practical needs" (Popelka and Littrell, 1991:393). However, as artisans became more attune to the increasing demand for local handicrafts, the production and design of local handicrafts began to change (Popelka and Littrell, 1991).

Local handicrafts are marketed for both domestic and tourist markets. In many developing countries, the handicraft sector is being developed to cater the tourist market

(Cohen, 1989; Cohen, 2001). This strategy, not only aimed at introducing new economic income to the local community but also to preserve and revive the traditional culture (Cohen, 1995). Tourists, on the other hand, usually purchase handicraft as souvenir to remind them of their travel or as a gift for someone back at their home country (Anderson and Littrell, 1995; Clarke, 2008; O'Connor, 2008; Swanson and Horridge, 2004; Zaiton, 2007).

Shopping tourism, on the other hand, is a huge activity particularly in the United States of America (USA) (Bo Hu and Hong Yu, 2006). This is supported by the fact that in 2003, shopping tourism expenditure receipt in the USA reached more than $554.5 billion (Bo Hu and Hong Yu, 2006). In Malaysia, shopping tourism is regarded as second most popular activity engaged by tourists since 2005 until 2009 (Tourism Malaysia, 2007; 2010). Shopping tourism was reported to contribute RM5.13 billion of tourist receipts in 2002 (Ministry of Tourism Malaysia, 2009) and by 2010, Malaysia garnered about RM 16.2 billion from shopping tourism (Tourism Malaysia, 2011).

In the USA, local handicraft is one of the most favoured items purchased by tourists when shopping (traveller's Notes, 1995 cited in Kim and Litrell, 1999). Likewise, over 40 per cent of foreign tourists purchase handicraft/souvenir when shopping in Malaysia in 2005, 2006, 2008 and 2009 respectively (Tourism Malaysia, 2007; 2010). Meanwhile, in Sabah, it was estimated between "7%-10% of tourist expenditure is on handicraft" (IDS, 2007:38). It is obvious that the demand for local handicraft by the tourists is quite significant in Malaysia. The demand is perhaps supported by the study on local handicraft which estimated the demand for local handicraft is more than RM1.8 billion in the year 2000, of which over RM500 million coming from foreign tourists demand (PKKM, 2001). Further information about shopping tourism and the handicraft industry in Malaysia are elaborated in the literature review (Chapter 2).

1.2   Research Issues

There were many research studies on tourism souvenir (Anderson and Littrell, 1995). According to Kim and Littrell (2001), souvenir handicraft research can be viewed along two major paths. The first direction is concerned with the producers or the supply side of souvenir handicraft. Cohen's (1993) research concerning the impact of product commercialization on artisans' products and their lives is an example of this research

path. The second path, on the other hand, is concerned with the consumer of souvenir handicraft or tourists' as consumers of souvenir handicraft. Under this path, several themes appear, namely research focusing on the meanings that tourists attach to souvenirs (Littrell, 1990; Shenhav-Keller, 1993); linkages of product choice to tourism styles (Graburn, 1989; Littrell, Baizermn, Kean, Gahring, Niemeyer and Reilly, 1994; Moscardo and Pearce, 1999); definitions of souvenir authenticity (Littrell, Anderson and Brown, 1993); associations among age, gender, and souvenir behaviours (Anderson and Littrell, 1995); segmentation and shopping involvement (Bo Hu and Hong Yu, 2006); souvenir buying intentions (Kim and Littrell, 1999, 2001; Yu and Littrell, 2003, 2005); and souvenir preference (Zaiton, 2007; Tini and Kamarul, 2006; Nomura, 2002; Steinberger, 2002).

There are several issues with existing studies concerning tourists' as consumers of souvenir handicraft. First, although many research works have been conducted in relation to tourists' buying behaviours on souvenir handicraft, however, research on tourists' buying intention to purchase local handicraft is limited. The research works on tourists' behavioural intention to purchase souvenir handicraft (Kim and Littrell, 1999, 2001) only attempted to investigate tourists' attitude towards souvenir handicraft purchases, while the research by Yu (2000) and Yu and Littrell (2003, 2005) were focused at examining tourists' intention to shop or to purchase souvenir handicraft at shopping venues. Although several studies (Kim and Littrell, 1999, 2001; Yu and Littrell, 2003, 2005) have developed models to explain tourists' buying behaviour concerning souvenir handicraft, yet none has used the Theory of Planned Behaviour (TPB) to study tourists' intention to purchase souvenir handicraft. TPB is an important attitude-based behaviour model for explaining human behaviour as well as being empirically tested in many studies concerning behavioural intentions (Ajzen, 1991; Conner and Armitage, 1998). The TPB incorporates motivational determinants (i.e. attitude and subjective norm) and perceived behavioural control which is also an important part in the theory itself (Ajzen, 1991).

Additionally, the TPB is also open to the inclusion of additional predictors or determinants (Ajzen, 1991). Other studies (Ma, 2007; Phillips, 2009; Yu, 2000) have found that the inclusion of other variables improve the predictability of the TPB model in tourism contexts. For example, the work by Ma (2007) on fair trade non-food products found the inclusion of past purchase behaviour as an additional determinant variable in

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the TPB model were important in predicting consumers' willingness to purchase fair trade non-food products. Yu's (2000) work on tourists shopping behaviour included shopping experience as a determinant variable to explore tourists' intention to purchase at shops or shopping venues. Yu (2000) discovered that shopping experiences significantly affected tourists' intention to shops or purchase at shopping venues. To date, no research works have added past travel experience and shopping experience as variables together with the main determinants of the TPB model in examining tourists' buying intention form local handicraft. Therefore, the inclusion of past travel experience and shopping experience in the TPB model may improve its predictability and exploring the underlying factors with regard to tourists' buying intention for local handicraft.

Second, many tourists travel in a group either with their family members, friends or colleagues (Anderson and Littrell, 1995; Yu and Littrell, 2005). These significant others (i.e. family members, friends or colleagues) were found to have an influence on tourists' buying behaviour in many tourism studies (Anderson and Littrell, 1995; Ma, 2007; Phetvaroon, 2006; Phillips, 2009; Yu, 2000). However, none of these studies specifically examine the relationship between significant others (or subjective norm) and intention to purchase local handicraft. Therefore, it is important to investigate the relationship between subjective norm and intention to purchase local handicraft. Moreover, this relationship can be examined via the TPB model.

Third, many souvenir tourism studies were conducted in the USA and used either the general population (Yu, 2000; Yu and Littrell, 2003) or female population (Anderson and Littrell, 1995; Kim and Littrell, 1999, 2001) as respondents. However, limited studies concerning tourists' buying intention for local handicraft were reported outside the USA. Additionally, none of the studies have explored to distinguish between local and foreign tourist in relation to their behavioural beliefs when buying local handicraft. Research on local handicraft in Malaysia indicated that local and foreign tourists displayed different purchasing behaviour patterns (PKKM, 2001, 2005a; Tini and Kamarul, 2006). However, none of the research works delved into tourists' motivational intention of buying local handicraft and moreover, the studies were based on descriptive reports. Therefore, it is useful to investigate the behavioural beliefs between the local and foreign tourists in relation to their intention to purchase local handicraft.

In relation to the souvenir handicraft studies mentioned earlier, the study conducted by Kim and Littrell (1999) was the first to explore predictive linkages between tourists' psychological characteristics, travel activities and souvenir purchasing behaviour. Their study was conducted in the USA and used female (American) tourists who has travelled or planning to visit Mexico as respondents. In their study, they applied the Engel, Kollatt, and Blackwell (EKB) consumer behaviour model as their theoretical framework and incorporated Fishbein's attitude model together with the Theory of Reasoned Action (TRA). Personal values, attitude towards other culture, tourism styles and souvenir attitude were identified as the independent variables used in their study. The outcome of Kim and Littrell's (1999) work is a model for predicting souvenir buying intentions. To further develop the knowledge of tourists' souvenir buying behaviour, Kim and Littrell (1999:161) suggested that "future studies should test alternative models proposing different relationships" not addressed by their research.

This study, therefore, intends to move the research on tourists' souvenir buying behaviour forward by exploring the research issues or knowledge gap identified earlier. This study proposes an extended TPB model in order to understand further the underlying factors or determinants that influence tourists' intention to purchase local handicraft.

1.3   Problem Statement

Research on tourist as potential consumer for local handicraft is limited. As mentioned earlier, most of the studies were conducted in the USA. Therefore it would be beneficial to explore tourist intention to purchase local handicraft in a different setting, for example in Malaysia. The demand for Malaysian local handicraft is very encouraging where in 2000 the demand for Malaysian local handicraft is worth RM1.8 billion (PKKM, 2001). The continued tourism growth in Malaysia has obviously added to the increasing demand for local handicraft items in Malaysia (IDS, 2007; Tourism Malaysia, 2007). Undoubtedly there is a reciprocal relationship between growth of handicraft sectors and tourism (PKKM, 2001; Yavari, 2008). However, when examined further (i.e. looking at the ex-factory sales), the growth of the local handicraft industry in Malaysia is not quite significant. In 2004, ex-factory sales only grew about RM15 million to slightly over RM200 million from an estimated RM185 million ex-factory sales in 2001 (Table 1.1).

Table 1.1: Estimated Malaysian craft ex-factory sales

Year	Ex-factory Sales	Growth (%)
2001	185,821,048	-
2002	183,105,833	- 1.4
2003	182,537,516	- 0.3
2004	200,906,562	10.0

Source: PKKM (2005a)

Similarly, the handicraft sector in Sabah also indicated casual growth. In 2009, the sales for handicraft amounted RM19.5 million and by 2012 the handicraft sales grew less than RM8 million (Table 1.2). These sales figures are based on the sales by entrepreneurs registered under Perbadanan Kemajuan Kraftangan Malaysia (PKKM) Sabah Branch only and exclude traders not registered under PKKM. Sabah is regarded as one of the main producers of forest based craft (Noor Fzlinda, Kamarul and Juliana, 2012) and also having the most forest based craft producer in Malaysia (PKKM, 2001; PKKM, 2005b).

Table 1.2: Estimated craft sales in Sabah

Year	Sales	Growth (%)
2009	19.5	-
2010	20.0	2.5
2011	22.1	9.5
2012	27.4*	19.3

Note: * Estimated
Source: Bernama (2012); New Sabah Times (2013)

On the other hand, the tourism industry in Sabah performed well in 2001, where 918,523 arrivals was registered (Sabah Tourism Board, 2009a) and the number of arrivals jumped to 1.7 million in 2004 (Sabah Tourism Board, 2009b). In 2007, Sabah recorded 2.4 million visitor arrivals (Sabah Tourism Board, 2009c) with an estimated tourism receipts of RM4.7 billion, accounting for 14.8 per cent of the Sabah's Gross Domestic Product (GDP) (Sabah Tourism Board, 2009d). While in 2012, Sabah records RM5.2 billion in tourism receipts from the 2.9 million registered visitors to Sabah (Ministry of Tourism, Culture and Environment Sabah, 2013).