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# **Family decisions in tourism activities: the influence of the children**

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## **Title of paper**

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## **Abstract**

This study examines how families take decision in choosing tourism activities during a summer holiday. Tourism activity choice for families is an high- involvement decision concerning different members taking part into the decision-making process. A family that goes on holiday can be seen as a decision making unit (DMU) that takes decisions based on group utility function. Therefore, the utility maximization challenge in this case is a complex issue dealing with preferences of different members involved in a single maximization problem. Although the literature agrees in stating that the final decision in tourism choices seems to remain with the parents, it's largely pointed out that children can influence the behaviour of the parents in several ways, for example, by negotiating with the parents or by expressing their own needs. The aim of this research is to conduct a stated preference choice experiment (SP) where families have to choose which tourism activity to participate in the Ticino Canton. In our case, we consider as a family every group composed by at least one children and one adult. The study is conducted in two stages: first of all children preferences are collected with preliminar questions, then, one parent participate in the choice experiment maximizing the group utility function by choosing which activity to participate.

## **Keywords**

Family, tourism, discrete choice, stated preferences

# 1. Introduction

In the last decades children's importance in the consumer behaviour literature is increasing and although their impact has already been analyzed for different consumption goods (Shoham and Dalakas, 2005; Kümpel Nørgaard et al., 2007; Martensen and Gronholdt, 2008), there is a scarcity of literature in which their own perspective is taken into account in the tourism field (Poria and Timothy, 2014). The aim of this paper is to analyze which is the impact of the children on family decision making and in particular in the choice of holiday's activity at destination. In order to take in consideration children's perspective, preferences will be investigated directly from the latter and evaluated in the decision making process of the family through an SP experiment. From a microeconomic perspective, a family is seen as a decision making unit (DMU) that takes decision by solving the consumer's problem. The consumer's problem in the microeconomic theory consists in choosing the most preferred consumption bundles given prices and a wealth level, this means that every single consumer tries to maximize his utility given some constraints. (Mas-Colell et al., 1995). In choosing the consumption bundle, every consumer has to deal with trade-offs between some characteristics of the goods he wants to consume. This is due to some constraints, normally cost and time. When the decision maker is a single consumer the solution of this problem it's easier because he is aware about his own preferences, on the contrary, when the DMU is a group, instead of being an individual, the solution of the problem becomes pretty more complicated given that in the maximisation problem, the decision maker has to deal with preferences of different members that take part in the consumption. The aim of this paper is to consider in the maximization problem children preferences (stated by themselves) and understand which is their impact on family decisions.

## 2. Literature review

Children's importance in family's travel is not widely analyzed in the tourism literature and there is need of a deeper knowledge in that field in order to create comprehensively and responsibly touristic experiences and transportation services to connect them. (Poria and Timothy, 2014). Family is a group with well established roles and when a group is involved in choices in everyday's life, the decisions can be taken individually by a single member or jointly. As expressed by Bronner and De Hoog (2008), holiday's related decisions are more joint than for others categories of product. The interest on family decision making, in the last century was more focused on the understanding of which kind of decisions are taken by a single person of the group and which are joint decision between the parents (Myers and Moncrief, 1978). The role of the children was underestimated but recently families evolved more and more as the role of spouses changed due to different labour time and income compared to the last decades. As a consequence, the way in which the decisions are taken between members of the family is also evolved (Bronner and De Hoog, 2008). Families' structure and dynamics for the decision making process are still changing and much more effort is made from the researcher in the understanding of children's impact. Schänzel and Yeoman (2015), experts in the field of family tourism, identify 10 different trends for family and state that a change in families structure is in act in many fields, with particular relevance in tourism, where all the members are highly involved, and children gain much more decisional power for product categories where they're more involved (Flurry and Burns, 2005; Martensen and Gronholdt, 2008). Touristic decision such as destination choice and activity participation are becoming more democratic and children are gaining increasing power in these decisions. In a study conducted by Shoham and Dalakas (2005) children's influence in family vacation related decision was found to be around 20% and 49% depending on the cultural background and specific decision. Therefore children's desires are almost never ignored by the parents but although the preferences of the children seems to be widely taken into account from the parents during holidays, the final decision seems to remain with the latter. (Thornton et al., 1997).

Children's importance during holiday's related decisions can be different depending on the type of decision that has to be taken: they don't care at all about how much budget is spent, they have few impact in deciding the destination, the holiday's length of stay and the transportation mode. On the contrary, they have more impact in deciding the restaurant, the departure day and most of all in the kind of activity to participate during the holiday (Wang et al., 2004). Then the impact of children's preferences on the choices may vary depending on several factors like the choice situation, the age of the children or parents' occupational status. While some researchers found that older children do have more impact than younger children on family decision making (Gram, 2007; Martensen and Gronholdt, 2008), others reported that this is not necessarily the case (Wang et al., 2004), furthermore, children in double income families gain more decisional power compared to single income families.

### 3. Research questions

Although several studies take into account children's impact by asking directly to them or to the parents which is their influence in consumption situations, there seems to be a gap in the literature in collecting information through an experiment where children preferences are not asked directly (where different kind of bias can influence the answer) but rather considered as a trade-off with cost and time constraints in the decision making process. Through an SP experiment this research tries to give an answer to the following questions:

- Which is the impact of children preferences for the choice of touristic activities?
- Are the parents less cost-sensitive in the choice of touristic activities in order to satisfy their children?
- Are the parents willing to affront longer distances to satisfy children's requests?
- Why do parents satisfy children's preferences? Because of matching interests, because of altruism or simply because they want to spend their holidays in peace?

## 4. Methodology

Different statistical tools are used in order to answer the previous questions. First of all a focus group is organized for a deeper understanding of the more problematic issues that families face during the decision making process on holiday. Afterwards a questionnaire developed on tablets devices will be submitted to tourists and residents in the Ticino Canton.

### 4.1 Focus group

The first practice step is the conduction of a focus group with some families that go on holiday together routinely. The discussion is driven in the following way: first of all, general questions are submitted to the participants in order to understand which are the main problems faced in taking decision together, and then the focus will be on specific attitudes that could generate divergences in the attitudes, preferences and priority researched during holiday activity. The group of participants is composed by families that know each others in order to maximize the interaction and talk deeply about the topic discussed, as suggested by [Kitzinger \(1994\)](#).

### 4.2 The model

Informations collected by an SP experiment will be analyzed with an Hybrid choice model (HCM) ([Ben-Akiva et al., 2002](#)): a model that jointly analyzes experiment's choices and attitudinal informations based on a likert scale answers. All the collected information are jointly inserted in the maximization of a unique utility function. The utility associated to every single alternative is characterized by the attributes that profile such alternative, socio-economic variables and latent variables. Given the nature of the problem, where the respondent's utility maximisation is influenced also by preferences of other members belonging to the same group, an hybrid choice model with two levels of latent variables will be run ([Kamargianni et al., 2014](#)). In particular, for the choice experiments there are 4 main attributes considered relevant for the choice, whilst for the psycho-attitudinal part 3 main latent variables are included: 2 for the

first level (Altruism and Lifestyle preferences of the respondent), and 1 for the second level (Lifestyle preferences of the other members).

### 4.3 The survey

One of the parents will answer the questionnaire. Questionnaires will be collected in the 4 different touristic regions of the Canton: Mendrisiotto, Lago Maggiore e Valli, Luganese and Bellinzona e Alto Ticino (Those regions correspond to the areas of the 4 regional touristic organization (OTR)), for each of these regions, data will be collected for couples and families, both for residents and tourists. The questionnaire is composed by 4 different sections:

- in the first one, children's preferences are collected by a best-worst scaling question asking directly to the children which are their most and least favorite activity from a set of 3;
- in the second part an SP choice experiment adapted with children's preferences will be submitted to one of the parents;
- in the third part, parents have to declare through a likert scale their degree of agreement with some statements regarding altruism and lifestyle latent variables;
- the last part will be completed by socio-economic and other general information.

**Best-worst scaling preferences** In order to get children's preferences, a simple question is submitted to the children before starting the experiments. Children are required to choose the most and the least preferred activity from a set of 3. The results of this question will affect directly the reference level of the attribute CHILD in the choice experiment.

**Choice experiments** A number of 6 choice tasks is presented to every family. The respondents have to choose the most preferred activity over a set of 3 labelled alternatives. The labelled alternatives correspond to 3 different kind of activity available in the Ticino Canton: they are "Funicular", "Boat trip" and "Lido" (swimming pool or aquatic park). Every alternative is characterized by 4 different attributes: specific activity, cost of the activity, travel time to reach the activity and children reaction.

- Specific activity (ACT) is a dummy variable with 2 levels for each alternative, it specifies the real touristic attraction considered in the alternative ("Monte San Salvatore" and "Funicolare Cardada" for the "Funicular" activity, "Navigazione Lago di Lugano" and "Navigazione Lago Maggiore" for the "Boat trip" activity, "Splash & Spa" and "Lido di Locarno" for the "Lido" activity)
- Cost of activity (COST) is a quantitative variable expressed in swiss francs that describes the total cost for the group to participate to the activity. All the touristic attractions considered in experiments were contacted in order to understand which are the best-seller tickets for families and couples. The real price of the touristic activities is taken as a reference and the levels of the attribute correspond to a small change of the real price (+/- 10%) in order to guarantee variability of the variable.
- Travel time to reach the activity (TT) is a quantitative variable expressed in minutes, the real travel time between the location where the data collection will take place and the touristic attraction venue is estimated by google.maps. The value is taken as a reference and the levels of the attributes corresponds to a change of the estimated travel time up to 15 minutes more in order to guarantee variability of the variable.
- Children reaction (CHILD) is one the innovative variable included in the research, it's a

qualitative variable that represents on a scale from 1 to 5 how much the children are happy in participating the specific activity. In order to represent degrees of happiness close to the reality, for every specific alternative, the attribute varies from 3 to 5 for the most preferred activity chosen by the children in the preliminar question, from 1 to 3 for the least preferred and from 2 to 4 for the third one.

**Design** As described before, the questionnaire is addressed to family and couples on holiday or resident in the 4 regions. Given the degree of heterogeneity between the respondents, in order to present realistic scenarios in terms of cost and travel time for all the respondents, a set of 24 different designs was run: this number is due to 4 (different region) multiplied by 3 (tipology of respondents: couples, families with one child, families with 2 or more children) multiplied by 2 (origin of the respondents: residents and tourists),  $4 \times 3 \times 2 = 24$ . For the family's questionnaires 4 different attributes are present in the alternative's profile: specific activity (ACT), travel time to reach the activity (TT), cost of the activity (COST) and children's approval to the specific activity (CHILD). In the couple's questionnaires only 3 different attributes are present: ACT, TT, COST. The levels of the attribute TT vary depending on the location of the survey (different travel times to get to the respective destinations), while COST vary depending on the number of group's members and on the origin (some activity have discounted prices for residents). The 24 designs were generated by an efficient design by minimizing the D-error with the Ngene software (Rose et al., 2012). On average, the D-error of the designs is 0,336 (0,377 for families, 0,256 for couples) and the associated S-estimate is 123 (113 for families, 142 for couples), which specifies that 123 is the minimum number of respondents required in order to obtain a statistically significant impact of all the parameters.

**Attitudinal questions** A set of attitudinal questions are inserted in order to profile the respondents based on two different latent variables: Altruism and Lifestyle preferences. The aim of this section is to give further indications to the motivations that drive the choices.

- Altruism is a latent variables that measures how much the respondent is willing to do something he/she doesn't like in order to satisfy other members of the family.

- Lifestyle preferences is a latent variable that is measured for all the members of the family and measures which are their lifestyle preferences, analyzed under different perspectives such as attitudes towards dynamic holidays, activity, natural environments, exploration of the destination, desire of relax.

Some of the attitudes included in the questionnaire refer to the recreation experience preference scale developed by [Manfredo et al. \(1996\)](#) while others come from the results of the focus group.

## **5. Data collection**

The data collection will take place from June 2016 to August 2016 for the tourists and from September 2016 to November 2016 for the residents. Questionnaires will be submitted in front of touristic attractions and public parks from all the 4 regions with an electronic tablet, questionnaire from residents will be collected in front of different schools in Ticino.

## **6. Policy implications**

The results of this research could be helpful for destination development, marketing campaign, tourist operator, transport policy makers, hotel owners and entrepreneurs who're interested in family tourism activity.

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