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A STUDY OF THE IMPACT OF GROWING DISPOSABLE INCOME IN FAMILIES ON VACATIONS – IN CHENNAI CITY

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Abstract. There is a remarkable change in the thought process of Indian families - in the last few years regarding the way they live their life. How they socialize with their near & dear ones and most importantly how they spend their holidays. Indian families started focusing on the big picture and that is how they are becoming more open and adaptive to change. Vacation is one such thing in which all the members give their inputs on how, where to go. They do justify their reasons for selecting a destination based on their perspective, which can be a comforting one to them individually. Vacations by Indian families are on the rise year by year. Reasons may be with higher levels of income, stress, boredom, disposable income, increasing percentage of working couples and better knowledge of destinations. All these and many more have contributed to the upsurge of Indian vacationers. Having said that, the question remains as to how they decide when and where to go on vacation and what are the factors contributing to the decision. This is a study aimed at identifying the factors and how a decision is arrived at given the constraints. This paper also hopes to provide a decision-making tree that can be used as a readily reckoned by Indian families - when deciding on a vacation. Along with listing multiple factors that go into making a decision. The scope for this study is families based out of Chennai and the kind of vacations they undergo and cherish.

Keywords: *Vacation, Family vacations, Travel plans, Indian families, Travel service providers***.**

1. INTRODUCTION

Vacations in the older days used to be that time of the year when the head of the family decides that it's time to utilize the LTA (Leave Travel Allowance). What followed was booking train tickets (else, the claim will be rejected!) to either a temple town, a hill station (rarely beyond Ooty, Kodaikanal or Yercaud). A combination of the above, seldom venturing beyond Tamil Nadu with the exception of Kerala or, in rare cases, a trip to exotic "North India". Such was the vacation scene at the dawn of the millennium for a typical Chennai household, if at all there was a vacation. But then, things have changed over time. Increase in vacations can be directly correlated to the emergence and explosion of the internet that brought the world at our fingertips, skyrocketing of the IT sector and economic globalization that swelled up people's pockets and opened up numerous avenues for spending. Vacations, therefore, were a major beneficiary of people's prosperity. These changes opened up the minds and wallets of people to explore more options beyond the mundane vacations of yore. This report looks at how the horizons have widened, what new vacation options excite Chennaites and the factors that come into play.

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2. LITERATURE REVIEW

The settlement on the Holiday always considered a combined process of decision-making between the spouses (Davis & Rigaux, 1974). Nowadays, many researches proved that kids play a very important role when it comes to planning a vacation (Howard, & Madrigal, 1990). According to the Travel Industry Association, many parents prefer to take their wards with them for almost all of their trips, be it leisure or official. There is an increase in the number of kids joining their parents on official trips by 225% since 1990. In recent studies it's being analyzed that the grandparents accompanying their grand-kids on their vacations has doubled almost. Clark, director of a kid's company of research – prefers to opt for role playing and simulated shopping, cautions researchers for using focus groups. Researchers focused that the studies proved to give importance to tourists and to highlight the difference in the tourist's preferences regarding various places. Mostly the impact of destination places and household features on the decision-making procedure of tourists was also analyzed (Bargeman & Van der Poel, 2006).

Within tourism, making the kid happy and satisfied is a great effort for parents (Peter & Olson, 1994). Satisfying the kids has given great importance by parents, and if the kid unwilling to visit a place, then the likelihood of satisfying the kid is poor (John, 1999). Kids have an impact on consumption decisions making process of their parents varied by the product's nature, decision process stages, and the child's nature (Mangleburg, 1990).

The theory of socializing Consumer had a view that kids are socialize and their parents as an important socialization agent (among others such as schools, peers, and mass media). As per the consumer socialization theory, researchers have identified that kids have a great impact and is affected by various ways, including family factors (e.g. social class, size of family and structure of family), kids feature (e.g. Gender, order of birth and their age), parent's features (e.g., education qualification, occupation and consumption experiences regarding their consumption pattern), style of parenting and environment related to family communication. Almost half of the United States trips for vacation included their kids in 1988. There was an upliftment of 5% over 1997 and 55% since1992.

The studies regarding the leisure in domestic sector have not been done in India. Studies like this can be helpful for the tourism managers to make more sophisticated strategies for advanced and improved visitation. In this light, this study assumes significance as it adds to the knowledge of factors, which influence domestic tourists' destination choices in India, Chennai. The results can be input to the modelling of destination choices in domestic leisure travel context. This paper specifically deals with the identification of such factors in the context of leisure destination choice of domestic tourists.

3. METHODOLOGY

From the insights of various research papers identified in the literature review had become the drive to this research and further analysis on it. The aim was to understand all factors that influence the travelling decision of a family. The identification of important factors and finding out the cause and effect relationship is the crux of the research. We have taken quantitative approach of preparing a questionnaire and surveyed via personal interview with some important travel service providers and their customer group. The perspective was to bring out the required details on the various factors, preferences and to analyze the behavior pattern of the families that have an impact in their vacations and planning. We have chosen

the families of Chennai region as samples to understand the influence of decision making in vacations. We have selected some important travel and service providers from Chennai out of which two were local ones. The participants were approached through a snowball sampling across all the service providers. We have ensured the customers are frequent travellers of their respective service providers and they belong to different demographic groups.

Table 1. Sample Size Taken for The Research

Name of Travel service providers	Number customer surveyed / Sample size
Ascon Travels	7
Cox and Kings	9
Thomas and Cook	12
Vanavil Tours and Holidays	4
JP Travels	4
Total Size	**36**

The data collection was made by surveying through a well prepared and structured set of questionnaires. Two sets of questionnaires were prepared separately for Customer and Service providers. We approached the Service provider to collect the required survey forms and also filled up a separate questionnaire from them on the current trends, factors and influence of his services on their customers. Likewise, from each service provider as per the selected sample size we were able to collect the data using forms and mail. Also, we have interviewed them for collecting the data.

The data once collected were analyzed using thematic and statistical methods. We tried to identify the trends and patterns of various factors and preferences and bring it in graphical forms. The relationship between two or more factors has also been tested to bring out the factors that influence the travel and tourism decision-making process. We used one or two statistical tools like Correlation, Chi-square tests to analyze the outputs.

4. FINDINGS AND DISCUSSIONS

We analyzed the data collected from the service providers and their customers to highlight which factors become the basis for the decision making. The demographic factors, the statistical findings and interpretations have been captured by using various tools.

4.1 Customer responses

Demographic profile and frequency: We came to an understanding that the importance of demographics and has collected the data considering the various factors of age, gender and social status so that a better interpretation can be made. The divisions as highlighted in Table 3 show the steady growth of female population taking lead in planning vacations. It also reflects the people who are in 30-40 years prefer to take vacations more. It also shows the growth of increased vacation after marriage as many nuclear families and married couples around 80% are willing to take more vacations.

Table 3. Customers – Demographic Frequency

Variables	Number of respondents	Percentage
Distinction – Gender		
Male	20	57%
Female	15	43%
Age		
20-30	6	17%
30-40	18	51%
Above 40	11	31%
Nature of family		
Joint	6	17%
Nuclear	29	83%
Marital status		
Married	26	74%
Single	9	26%
Occupation		
Government Job	8	23%
Self / Business	6	17%
Private jobs	21	60%

Statistical analysis: That the relationship between the factors has been tested using Correlation Analysis and the output has been recorded here in below Table 4. Purpose of the test is to test whether the two factors Family's Annual Income and the expenses spent on each vacation (Budget) are correlated to each other or not. The hypothesis of the test, if P value is < O.O5 then the test is significant. The output of the test, shown in Table 4.

Table 4. Correlation Co-ordinate values and output

Coordinates	Values Obtained
∑x	42950000.00
∑y	695500.00
SSx	15951714285714.30
∑(Y - My)2	6987671428.57
SSy	35.00
R	∑ (X - My * Y - Mx)/ √(SSx)(SSy)
Applying the Coordinate values in the Formula	
R	0.85

Result of the Test: The P-Value is < .00001. The value is significant at p <0.05. that we can *Interpr*et that, X and Y factors are highly positively Correlated implying for increase in Y variable the scores of X increases too and vice versa i.e., the family`s Annual income and the expenses/budget spent are positively related.

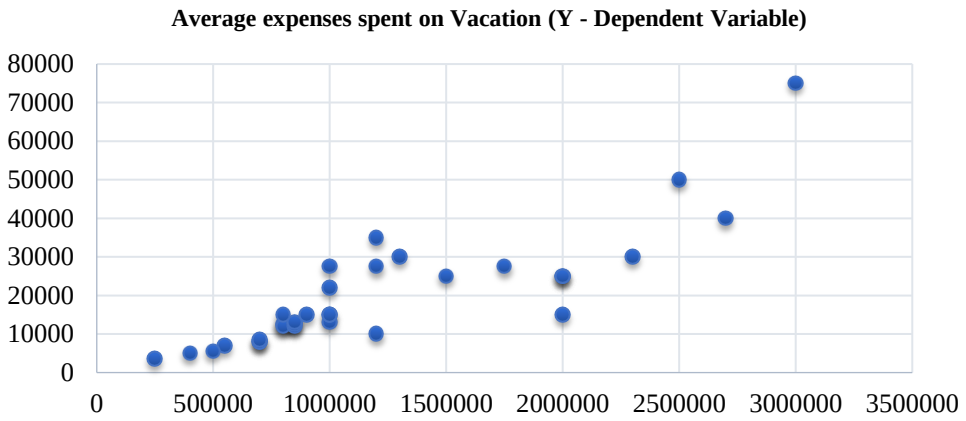

Figure 1. Scatter Diagram representing the relationship between (Expenses vs. Family Income).

Through this diagram the amount of expenses a family spends on their vacations is positively correlated to their family income which means if income increases, the expenditure on their vacations also increases.

4.2 Service Provider Responses

We have collected the data from some important of the Travel and Tourism Service providers. After a detailed analysis we was able to identify the unique selling factors for each of the service providers that attracts the customers towards them. We felt from the view point of service providers that the customers felt the below as their notable points or preferences in each of them as listed in Table 5.

Table 5. Unique selling proposition (USP) of each service provider

Name of Travel Service Provider	Customer Ratings / USP
Ascon Travels	Good Reservations and Credit packages
Cox and Kings	Brand name and Reputation
Thomas and Cook	Great package deals and Facilities
Vanavil Tours and Holidays	Secured trips
JP Travels	Good packages and recommendations

4.3 Interpretation on Graphical Results

We absorbed the majority of the customer group were from Nuclear families and working in Private organizations have went for most of the Vacations. The customers have also preferred travelling to Hill stations and Historic places more than other places. The research says they prefer domestic travel and train was the most preferred mode of travel as most of the middle-class Indian families now plan vacations based on their budget. The research also shown that the customers would also like to travel frequently i.e. even less than 1 month around 40% and only a meager amount preferred not to travel. This shows the impact of growing customer preferences to travel based on their affordability. There were also certain negative impacts noticed where the families felt they don't spend valuable time irrespective of travelling

together in vacations. The most common and good impacts is due to the availability of so many travel agencies online around 80% of the families book their vacations in advance.

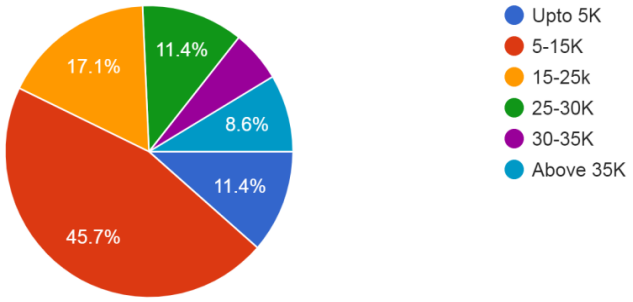

Figure 2. Graph Showing The Amount/Budget Spent on Vacation

The majority of the families around 46% are willing to spend an average of INR 5000-15000 while only a meager 8% is ready to spend above INR 35000 for a trip.

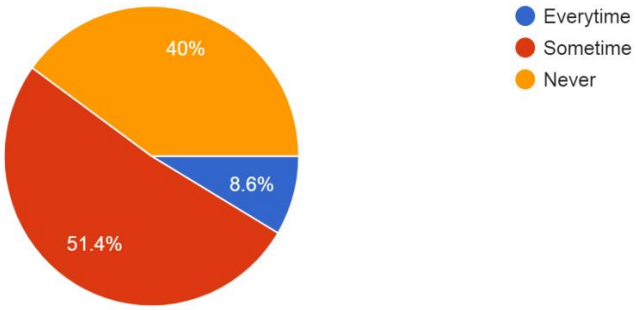

Figure 3. Graph Showing Families Preference to Stay in an Expensive Property

The graphical result 51% confirms that families are also willing to stay in an expensive property once in a while. This may increase in the coming years when the affordability level increases.

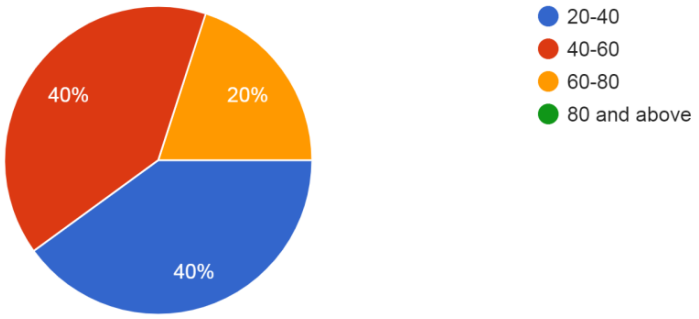

Figure 4. Average Numbers of Bookings the Service Providers Get

The average number of monthly bookings is between 20-60 for all the service providers (around 80%). This is due to the increased tech applications that provide the advantage of self-planning the vacations.

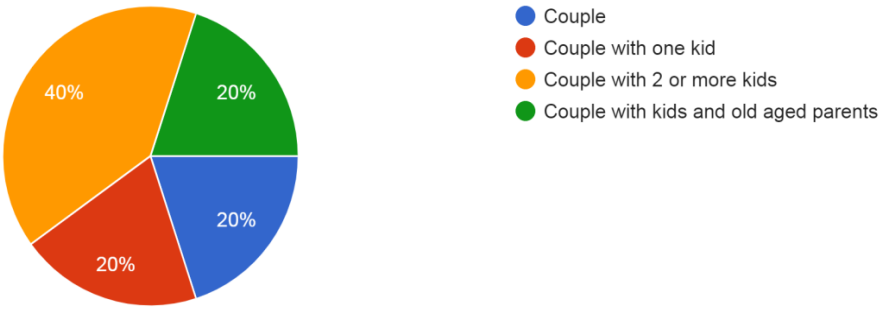

Figure 5. The Family Members and Size Which Has The Highest Booking

The family trips are highly preferred by the couples with 2 or more kids, i.e. around 40% of the service provider booking are made by them.

5. CONCLUSION AND IMPLICATIONS

The study clearly shows the increasing vacation habits across all age groups and families living in Chennai. There has also been *increase in female travellers* as around *41%* of our respondents were female. The average ages of people who take more families are between *30-40 years* and majority of them are nuclear families. The family vacations are also preferred more by *married couples around 74%* while the unmarried like to do more of a solo travel vacation. The study also identifies the families whose members working in *private organizations take more vacations i.e. by 60%* followed by public or government organizations being 23% and the self-employed people are the least at 17%.The families having *double income earners* (69% of responders) also preferring to take more vacations. The families who earned an *annual income of 5-10 lakhs* vacationed more and around *65%* of them preferred to plan for their trip by *self.* Around *60%* of the families preferred to travel by

train and the *major influence in deciding the destination was the children.* The study also highlighted the increase in international vacation habits of around 43%. The average travel expenses spent by the families remained around INR 5,000-15,000.

The idle preferred vacation was for 1 – 2 days probably a weekend trips and the idle locations were either Hill stations or Historic places. Around 51% of families are ready to take an expensive trip now and then. The major preferred facilities were the Spa, pool and recreational activities and the families also highly required customized packages to meet their needs. The study revolves around 31% of families are satisfied with the vacations they take. The most preferred vacation destination around the respondents was Goa and the highest preferred destination to be explored was Kerala. It was also noted that the families who do not travel at all irrespective of highly disposable income have their own reasons like they may be tied up with their busy schedule or their kid's education or they may also have no interest in travelling/ going on a vacation at all or they may also think this as a waste of time also, rather they want to be in a comfort zone always and not to travel too.

The increasing technology has paved way for more customized and affordable travelling to our generation. The study and the results clearly show the increasing demand for customized vacations. The study also highlights the fact the families working in a private organization are able to afford more vacations due to the more leave travel allowances and vacation breaks provided in the Multi-National Corporations (MNCs). The families are also interested in abroad trips due to the easy availability of personal loans and finances for travel. Due to the wide opportunities and the growing space has given the privilege of taking more vacations but still the major deciding factors remain the income level of families and their affordability. Despite the cheap flight rates still majority of the population are taking the train to vacations, this may change in the upcoming decades slowly as the younger generations prefer to take flights more.

The impressive growth is in that almost around 80% of the bookings made at the service providers are in Advance which implies the technology growth has reduced the gaps and have increased the habit of planned trips among the families. The increasing western and corporate culture has also paved way for more winter vacations i.e. the major bookings the service providers get are around November – January (40%). The increased digital advertisements of around 40-50% have also played a major role. Service providers data suggest that major of their customers prefer the below 3 factors the most (a) reservations at an affordable price and place; (b) good food and hygiene; (c) safe and secured travels. The study also shows the negative impact caused due to the changes, as there are more nuclear families who take vacations often and the value of time spent in spite of going on more vacations is drastically low where 57% of the responses feel dissatisfied about the fact.

The study has highlighted scope for future research, that important factors like income, availability of technology; westernization and the impact of corporate culture have encouraged the families to take more vacations. It also paves way for the further scope of research topics are: (a) hindrances or difficulties that restrict the families from taking more vacations; (b) future impact on the habit of growing vacations, and (c) analyzing the impact on the Indian family value system on the increasing vacation habits. The study has revolved around the major decision-making factors and the impact in the growing vacation habits around the Indian families. This would also have a sharp growth in the coming decades bringing its own set of positive and negative impacts to our family system and society. This also allows room for more study and analysis on the topic.

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